DEED OF LEASE

THIS DEED OF LEASE ("Lease") is made and executed as of the 1st day of May 2020 ("Execution Date"), by and between DAR ENTERPRISES, LLC, a Virginia limited liability company ("Landlord"), and THE CITY OF RICHMOND, VIRGINIA, a municipal corporation of the Commonwealth of Virginia ("Tenant").

WITNESSETH

In consideration of the rent hereinafter reserved and the covenants herein contained, the parties agree as follows:

1. Demise; Term; Landlord's Work.

(a) <u>Demise</u>. Landlord hereby leases and demises unto Tenant the premises consisting of an agreed upon 30,958 square feet ("Initial Premises") in the building ("Building") located at 2134 West Laburnum Avenue, City of Richmond, Virginia ("Property") and as depicted on <u>Exhibit A</u> attached hereto for a fixed term commencing on June 1, 2020 (the "Lease Commencement Date") and ending on May 31 2030 ("Term"). On January 1, 2022 (the "Expanded Premises Commencement Date"), the "Initial Premises" hereunder shall be modified and expanded to be a total agreed upon 38,400 square feet located in the Building as more particularly shown on <u>Exhibit A-1</u> attached hereto (the "Expanded Premises"). The term "Premises" as used hereinafter means the Intial Premises unless and until the Initial Premises is modified to become the Expanded Premises as described above, at which point "Premises" shall mean the Expanded Premises.

Landlord shall deliver to Tenant, and Tenant shall accept from Landlord, the Initial Premises in "AS-IS" condition as of the Lease Commencement Date, subject to Section 4 below; provided however, if necessary, Landlord shall continue to improve the Initial Premises following the Lease Commencement Date in accordance with paragraph 1(b) herein. Tenant shall accept the Expanded Premises in then AS-IS condition as of the Expanded Premises Commencement Date, subject to Section 4 below, including (i) all furniture as set forth on Exhibit C attached hereto as the same may be located in the Initial Premises and the Expanded Premises as of such commencement dates and (ii) a safe which shall remain in the Expanded Premises (the remainder of the cube furniture shall be removed by Landlord prior to occupancy); provided however, that such furniture and safe shall remain the property of Landlord and be retained by Landlord after the Term. Landlord represents and warrants that as of the Execution

Date and for the duration of the Term, but subject to Sections 8 and 20 of this Lease, the Property, the Building and the Premises are and will be in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations; ii) all restrictions of record, permits, and building codes, and; iii) the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (the "Laws").

Landlord's Work. Landlord shall make Reasonable Efforts, as defined herein, (b) to complete the work shown and described in Exhibit B attached hereto ("Landlord's Work") prior to the Lease Commencement Date. "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. In any event, Landlord shall (i) complete the "First floor improvements to secure the warehouse storage area," as defined in Exhibit B, by the Lease Commencement Date, provided that the City of Richmond issues the necessary permits for such work no later than April 30, 2019, and (ii) complete Landlord's Work in its entirety by August 1, 2020 ("Landlord's Work Completion Date"). The completion of Landlord's Work by the Landlord's Work Completion Date shall be subject to delays, and limitations as to the availability of materials and labor, caused by the ongoing COVID 19 health emergency ("COVID 19"). Any reasonable delay in completion of the Landlord's Work resulting from COVID 19 shall not be considered a default under this Lease, provided that Landlord shall promptly notify Tenant in writing when and how COVID 19 causes or is expected to cause such delay and provide Tenant a revised Landlord's Work Completion Date that is mutually agreeable to the parties. In no event shall performance of Landlord's Work interfere with the Permitted Use, as defined in Section 6 below. Upon completion of Landlord's Work, Landlord shall restore or ensure its contractor restores the Initial Premises to a state of cleanliness reasonably acceptable to Tenant. Landlord shall ensure Landlord's Work is completed in accordance with the Laws and shall obtain a warranty from the contractor that performs Landlord's Work, which warranty shall take effect no later than the Landlord's Work Completion Date and promise at a minimum (i) that Landlord's Work will be free from defects and performed in a workmanlike manner with materials of good quality, and (ii) that for a correction period of one year, which period will begin on the date the warranty takes effect, the party contracted to perform the work will promptly correct any portion of the work not meeting the standards of the warranty. Landlord agrees to promptly pursue claims under such warranty upon written notice from Tenant of any defect in Landlord's Work. In no event shall Landlord's failure to perform all of Landlord's Work prior to the Lease Commencement Date cause a change to the Lease Commencement Date.

(c) <u>Expiration of Term.</u> Upon expiration of the Term, Tenant shall surrender the Premises in as good condition, repair and state of cleanliness as Tenant received same from Landlord, acts of God, ordinary wear and tear, and loss or damage by fire or other unavoidable casualty excepted.

2. Base Rent; Late Fee; Additional Rent.

Date"), and throughout the Term until the Expanded Premises Commencement Date, Tenant covenants and agrees to pay to Landlord an Initial Base Rent (the "Initial Base Rent") in equal monthly installments on the first day of each month, in advance, in the amount of Four Hundred Forty-Eight Thousand Eight Hundred Ninety-Six and No/100 Dollars (\$448,896.00) per annum in equal monthly payments of \$37,408. Such Initial Base Rent amount shall increase by two percent (2%) on June 1, 2021 to total \$457, 874.00, of which amount Tenant shall only owe \$267.093.17 to Landlord, to be paid by Tenant to Landlord in equal monthly installments of \$38,156.17 on the first day of each month, in advance, from June 1, 2021 through December 2021.

Commencing on the Expanded Premises Commencement Date and throughout the balance of the Term, Tenant covenants and agrees to pay to Landlord an Expanded Base Rent (the "Expanded Base Rent") in equal monthly installments on the first day of each month, in advance, in the amount of Six Hundred Seventy-Two Thousand and No/100 Dollars (\$672,000.00) per annum in equal monthly payments of \$56,000. Such Expanded Base Rent amount shall increase by 2% annually with the occurrence of each and every January 1st occurring during the Term thereafter.

For purposes of this Lease, the term "Base Rent" means Intial Base Rent until the Expanded Premises Commencement Date, at which point "Base Rent" shall mean the Expanded Base Rent.

(b) Late Fee and Interest. Tenant agrees to pay Landlord as Additional Rent a late payment fee equal to five percent (5%) of any Rent (as defined below) due if said payment is not paid within ten (10) days of its due date, plus interest on such amount due at the rate of 6% per annum, commencing on said due date and continuing thereafter during the period that Tenant fails to pay Landlord the past due amount. However, nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law.

- (c) Additional Rent. All sums of money or charges required to be paid to Landlord by Tenant under this Lease other than Base Rent, and any charges or expenses incurred by Landlord on behalf of Tenant as permitted by this Lease or any extension hereof, shall be considered Additional Rent hereunder. Tenant shall pay all Additional Rent due within thirty (30) days following receipt of written notice from Landlord itemizing such Additional Rent. In the case of non-payment of Additional Rent, Landlord shall have all rights and remedies provided by law or this Lease for non-payment of Base Rent.
- (d) Payment of Rent. The Base Rent and Additional Rent together shall be deemed Rent. All Rent shall be paid to Landlord via ACH payment to an account desinagted by Landlord, or such other place as Landlord subsequently may designate by notice to Tenant. Without limitation, no such payment shall be deemed "accepted" by Landlord (and no waiver of any breach by Tenant or of any right or remedy of Landlord shall occur) if Landlord issues a check payable to Tenant in the amount sent within thirty (30) days after the amount sent by Tenant is received by the lock box collection agent, or if Landlord returns a dishonored instrument within thirty (30) days of its dishonor.
 - 3. **Security Deposit.** Reserved.
- 4. Acceptance of Premises; Improvements. Tenant acknowledges that it has examined the Premises prior to the making of this Lease and knows the condition thereof, and that no representations or warranties as to the condition, usability or state of repair of the Premises or the Building (or any part thereof) have been made to Tenant except as otherwise set forth in this Lease, and except that Landlord represents and warrants that the grounds of the Property, the roof, exterior walls, and other structural portions of the Building; and the plumbling, electrical and mechanical systems (including HVAC) located within the Premises are in good condition and repair. Landlord shall not have any obligation to provide any improvements or grant any allowances with respect to the Premises except as otherwise stated in Exhibit B.
- 5. Alterations. Tenant shall not make or permit any alterations ("Alterations"), structural or otherwise, to the Premises or to the Building without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed as to non-structural Alterations which do not affect Building mechanical, electrical, plumbing or HVAC systems or other tenants; provided however, Landlord consents herein to Tenant's installation of (i) wiring for Tenant's data, telephone, and security services and (ii) a folding partition on the second floor of the Premises to enclose, as needed, the training area shown on Exhibit A-2. Alterations may be made only at Tenant's expense, on such terms and conditions as Landlord may reasonably require. Tenant, at its expense, shall discharge, satisfy or bond

of record any and every mechanic's or materialman's lien with respect to any Alteration, or any other work by or for Tenant, within fifteen (15) days of Tenant's actual notice of the filing thereof, or Landlord shall have the right (but not the obligation) to do so at Tenant's expense.

- 6. Use. Tenant shall have the right at all times during the Term to use the Premises as a Registrar's office and polling station, and for training and storage associated with polling, or, with Landlord's written consent, which Landlord shall not unreasonably withhold, condition, or delay, for any other City office use and ancillary function thereto, all in accordance with the Laws, provided that Landlord's withholding of consent for any proposed residential-related or incarceration-related use of the Premises shall not be deemed unreasonable ("Permitted Use"). Tenant, upon written permission from Landlord, may also perform work on the Premises relating to installation of wiring for Tenant's data, telephone, and security services prior to the Term. Landlord shall have no responsibility for access control other than completing all improvements described in Exhibt B. Tenant shall under no circumstances use the Premises as a computer server room or computer mining space. Notwithstanding any term of this Lease to the contrary, and in addition to all other remedies provided in this Lease, in the event Tenant is unable to reasonably engage in the Permitted Use due to Landlord's negligence, willful misconduct, or breach of the Laws or any term of this Lease, and upon delivery of written notice thereof to Landlord, Tenant shall be entitled to deduct from the Base Rent, or any installment thereof, the per diem rental for each day Tenant is so unable to reasonably engage in the Permitted Use. Breaches by Landlord giving rise to Tenant's inability to reasonably engage in the Permitted Use shall include, but not be limited to, Landlord's failure to provide any one of the facilities or services described in paragraph 10(a) below.
- Access; Right to Perform for Account of Tenant. Landlord or Landlord's agent may enter upon the Premises or any portion thereof (with men and materials, if required) during any reasonable time or times, following prior oral or written notice delivered to Tenant at least forty-eight (48) hours in advance of entry and describing the reason therefor, for the purpose of: (i) inspecting or protecting the same; (ii) performing Landlord's Work; (iii) making such repairs, replacements or alterations as it may deem appropriate for the Building or Premises; and (iv) showing the Premises to prospective purchasers or lessees or in order to obtain information to prepare plans and specifications for such prospective purchasers or lessees. If, in an emergency, it shall become necessary to promptly make any repairs or replacements, then Landlord shall contact Tenant by email at VoterRegistration@richmondgov.com, and by telephone at a telephone number to be provided by the

City of Richmond Office of the General Registrar to arrange for immediate entry upon the Premises to have such repairs or replacements made. Neither Landlord nor Landlord's agent shall enter the Premises unless accompanied by Tenant or Tenant's agent.

8. Compliance with Laws and Regulations. During the Term, and at its own risk, cost and expense, Tenant shall comply with the obligations and requirements of any and all applicable Laws affecting the Premises due to Tenant's use thereof (including, without limitation, requirements of the Americans with Disabilities Act); provided, however, such obligation of Tenant shall not be construed to waive any obligations of Landlord set forth in this Lease or Landlord's obligation to pay taxes and any other governmental impositions, charges, or penalties affecting the Premises and not arising from Tenant's breach of this Section 8. Tenant, its agents and employees shall abide by rules and regulations as may be promulgated from time to time by Landlord for operation and maintenance of the Premises, which rules and regulations shall not interfere with the exercise of rights granted Tenant under this Lease, including Tenant's engagement in the Permitted Use. The Parties acknowledge and agree that any such rules and regulations necessitating an appropriation of funds by the City Council to ensure Tenant's compliance shall be deemed unreasonable. Tenant shall not engage in or permit smoking of any kind by anyone in its Premises and shall not engage in or permit smoking of any kind by its employees, contractors or guests in any common areas of the Building.

9. Maintenance; Repairs.

(a) Notwithstanding paragraph 9(b) below, Landlord shall maintain and make repairs to the following in accordance with the Laws and as may be necessary to keep the Premises, the Building, the Property, and the improvements, equipment, and fixtures owned by Landlord thereon and therein in good condition and repair: (i) the grounds of the Property, including but not limited to parking areas, landscaping, site lighting, and storm drainage system; (ii) the roof, exterior walls, and other structural portions of the Building; (iii) any plumbling, electrical, and mechanical systems (including HVAC) that are located within the Property and affect the Premises; and (iv) subject to paragraph 10(a) below, mechanical devices, appliances and equipment owned by Landlord and affixed to or serving the Premises, to include replacement of broken or cracked glass, including leaks in thermal windows. Landlord shall have no obligation to repair the foregoing, however, in the event such repair is necessary because of the gross negligence or intentional misconduct of Tenant or Tenant's agents, contractors or employees (in such event Tenant shall be responsible for the repairs at its sole cost and expense); provided, however, nothing herein 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 herein be construed as an agreement by Tenant to indemnify. Tenant shall provide prompt written notice to Landlord of any maintenance or repairs required by this paragraph 9(a), and Landlord shall complete such maintenance or repairs within thirty (30) days from Tenant's provision of notice, within ten (10) days from Tenant's provision of notice should such maintenance or repairs be necessary to allow Tenant to safely engage in the Permitted Use, or within such other reasonable period of time as the Parties may agree to in writing. Notwithstanding Sections 13 and 14 of this Lease, if Landlord fails to timely comply with any of its obligations under this paragraph 9(a), then Tenant, at its option and by a second written notice to Landlord, may proceed to make or cause to be made the required maintenance and repairs, at Landlord's expense. Tenant may deduct the cost thus incurred in fulfilling Landlord's obligations under this paragraph 9(a) from future payments of Base Rent and may collect the cost from Landlord in any manner provided by law..

(b) Tenant shall, at its sole cost and expense and subject to paragraph 9(a) above, maintain the Premises in good and clean condition and perform all repairs, replacements and maintenance required, as a result of the actions or inactions of Tenant or Tenant's agents, contactors, employees or invitees, to so maintain the Premises; provided, however, nothing herein 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 herein be construed as an agreement by Tenant to indemnify. In the event Tenant fails to so perform, Landlord may, at its option and after thirty (30) days from Tenant's reciept of Landlord's reasonable written determination of such failure to perform, make such repairs or replacements, or perform such maintenance, and Tenant shall pay Landlord's reasonable costs therefor as Additional Rent within thirty (30) days from receipt of a bill from Landlord.

10. Services and Utilities.

- (a) So long as Tenant is not in default, Landlord shall provide at its sole expense the following facilities and services ("Services") to Tenant:
 - (1) Public water and sewer service to the Premises;
 - (2) Central heating and air conditioning sufficient to provide a temperature throughout the Premises of not less than 68° F nor more than 74° F, with a minimum of 30% relative humidity when heat is being provided and with a maximum of 60% relative humidity when air conditioning is being provided, during Regular Business Hours, which means both (i)

Monday through Friday from 7:30 am to 5:30 pm excluding holidays, and (ii) the following days: 7:30 am to 5:30 pm on the two Saturdays immediately preceding any election in the City of Richmond; 7:30 am to 5:30 pm on the Sunday immediately preceding any election in the City of Richmond; 5:00 am to 11:00 pm on the day of any election in the City of Richmond. Tenant may request expanded Regular Business Hours upon two (2) days prior written notice to Landlord. The Regular Business Hours may be expanded to include all hours of a day on any day of the week, provided that Tenant may only request up to five hundred and forty (540) hours of expanded Regular Business Hours annually without charge, and that Tenant shall pay Landlord for any additional hours at the rate of \$45.00 per hour.

- (3) Electricity;
- (4) Access to the Premises twenty-four (24) hours a day, three hundred sixty-five (365) days a year, subject to such reasonable regulations as Landlord may deem necessary, provided that regulations necessitating an appropriation of funds by the City Council to ensure Tenant's compliance shall be deemed unreasonable.

Tenant shall arrange and pay for all janitorial services. As of the Expanded Premises Commencement Date, Tenant shall have the option to (a) provide, install, operate and maintain a generator to provide backup power services for the Building, or (b) have Landlord, provide, install, operate and maintain a generator capable of providing backup power services for the Building, which generator will be 350 kw or smaller, depending on the parties' determination of Tenant's typical and expected consumption of electricity as described below. If Tenant chooses option (b), then Tenant must provide Landlord with six (6) months prior written notice and, in the case of a 350 kw generator, must pay as Additional Rent, beginning on the Expanded Premises Commencement Date, an amount not to exceed Three Thousand Eight Hundred Thirty-Two and 00/100 Dollars (\$3,832.00) per month, with Tenant's yearly total generator payment increasing by two percent (2%) annually. Landlord and Tenant shall examine the electrical requirements of Tenant in March 2021, and if the parties determine a smaller generator will provide sufficient backup capacity, then in the event Tenant chooses option (b), Landlord shall purchase a smaller generator and provide a reduced maximum amount for the monthly Additional

Rent in option (b). In no event shall Tenant use the Premises as a computer server room or computer mining space.

- Notwithstanding paragraph 10(a) above, and unless caused solely by the (b) negligence or willful misconduct of Landlord, any failure by Landlord to furnish the foregoing services resulting from either "Unavoidable Delays" or temporary interruption due to repair or maintenance shall not render Landlord liable for damages to Tenant, nor be construed as an eviction, nor relieve Tenant from Tenant's obligations hereunder, except that in addition to all other remedies provided in this Lease, in the event either temporary interruption due to repair or maintenance or Unavoidable Delays results in such failure for five (5) consecutive days, Tenant shall be entitled to deduct from the Base Rent, or any installment thereof, the per diem rental for each day, after the fifth (5th) day, that such failure persists. "Unavoidable Delays" means causes beyond the control of Landlord, including but not limited to unreasonable shortages of material, labor or energy, labor strikes or disputes, acts of God, governmental restrictions, enemy action, civil commotion, fire, or casualty. In the event Landlord fails or is unable for any reason to provide any one of the facilities or services described in paragraph 10(a) for thirty (30) or more consecutive days, Tenant may terminate this Lease by delivery of written notice of such failure to Landlord, which termination shall be deemed effective as of the date such facility or service became unavailable.
- (c) Tenant shall be permitted to install signage in the Premises, subject to Landlord's prior written approval, and subject to compliance by Tenant with all applicable laws, regulations and governmental requirements. Tenant shall install, maintain, and remove such signage, at Tenant's expense. Tenant's signage will be permitted on the exterior of the Building, in the yard of the Building, and in the lobby of the Building.

11. Assignment and Subletting.

(a) Tenant shall not assign, transfer or encumber this Lease, or sublet the Premises, or any portion thereof, without the prior written consent of Landlord in its sole discretion, nor shall any subletting or assignment hereof be effected by operation of law or otherwise than by written consent of Landlord in its sole discretion. No assignee or subtenant of the Premises or any portion thereof may assign or sublet the Premises or any portion thereof. Except as hereinafter provided, if Tenant is a corporation, limited liability company, or partnership, a transfer of more than fifty percent (50%) of the stock, ownership interests or partnership interests of Tenant shall be an assignment hereunder.

- (b) Landlord shall in any event be entitled to receive fifty percent (50%) of the amount by which any and all rent under any sublease exceeds the rent under this Lease.
- (c) Landlord shall in any event be entitled to receive fifty percent (50%) of any "net profit" receivable by Tenant for any assignment of this Lease.
- (d) In any and all events, irrespective of any such assignment, subletting, change or conversion, Tenant named herein shall remain liable for and obligated to perform all of the obligations of Tenant hereunder. Any assignment or subletting shall be on Landlord's approved form and Tenant shall reimburse Landlord for actual attorney's fees, not to exceed \$2,500.00, in connection with any request by Tenant for Landlord to consent to any such assignment of subletting.
- 12. <u>Subordination and Attornment.</u> This Lease is subject and subordinate to all deeds of trust, ground leases and other security instruments (collectively, "Mortgages", the holder or ground lessor of which is referred to herein as a "Mortgagee") which may now or hereafter affect the Building, provided that any Mortgage shall recognize the validity of this Lease in the event of foreclosure of Landlord's interest or termination of any ground lease or other security interest and also recognize Tenant's right to remain in possession and have access to the Premises. In the event the Premises is encumbered by a Mortgage, Landlord shall obtain and furnish Tenant with a non-disturbance and attornment agreement acceptable to Tenant for each such Mortgage in recordable form. At Landlord's request, Tenant shall, within fifteen (15) days of request therefor, execute any instruments that may reasonably be required to give effect to this subordination clause.
- 13. **Quiet Enjoyment.** Landlord covenants that Tenant, on paying the Rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises for its exclusive use during the Term.

14. Breach and Default.

(a) <u>Breach by Tenant.</u> In the event there is a breach by Tenant with respect to any of the provisions of this Lease or its obligations under it, Landlord shall give Tenant written notice of such breach. After receipt of such notice, Tenant shall have thirty (30) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided Tenant shall have an additional thirty (30) days in which to cure a breach if the nature of the cure is such that it reasonably requires more than thirty (30) days and Tenant commences the cure within the initial thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. Landlord may not maintain any action or effect any remedies for default against Tenant unless and until Tenant has failed

to cure the breach within the time periods provided in this paragraph 14(a).

- (b) <u>Breach by Landlord.</u> In the event there is a breach by Landlord with respect to any of the provisions of this Lease or its obligations under it, Tenant shall give Landlord written notice of such breach. After receipt of such written notice, Landlord shall have thirty (30) days in which to cure any such breach, provided Landlord shall have an additional thirty (30) days in which to cure a breach if the nature of the cure is such that it reasonably requires more than thirty (30) days and Landlord commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. Tenant may not maintain any action or effect any remedies for default against Landlord unless and until Landlord has failed to cure the breach within the time periods provided in this Section 14. This paragraph is subject to Sections 6, 9 and 10 above.
- (c) <u>Default.</u> The failure of either party to cure a breach of this Lease in accordance with the cure periods set forth in paragraphs 14(a) and 14(b) above shall result in a default.

15. Remedies for Default.

- (a) <u>Non-Defaulting Party May Correct Default.</u> Upon a default, the non-defaulting party may, at its option but without obligation to do so, perform the defaulting party's duty or obligation on the defaulting party's behalf. The costs and expenses of any such performance by the non-defaulting party shall be due and payable by the defaulting party upon invoice therefor. This paragraph will survive termination or expiration of this Lease.
- (b) Non-Defaulting Party May Terminate. In the event of a default by either party, without limiting the non-defaulting party in the exercise of any right or remedy which the non-defaulting party may have by reason of such default, the non-defaulting party may terminate the Lease and pursue any remedy now or hereafter available to the non-defaulting party under the Laws or the judicial decisions of the Commonwealth of Virginia. In the event of a default by Tenant, then, at the option of Landlord, Tenant's right of possession thereupon shall cease, and Landlord shall be entitled to terminate this Lease. Termination of this Lease by Landlord shall not discharge Tenant from liability for Rent to the date of such termination, which Landlord may recover in one or more suits, at Landlord's option.
- (c) <u>Parties' Rights Cumulative.</u> The rights of each party set forth in this Lease upon a breach or default by the other shall be cumulative, and the exercise of any right shall not exclude the exercise of any other right.

16. Insurance.

- (a) <u>Tenant's Insurance.</u> At all times during the Term, Tenant, at Tenant's sole cost and expense, shall obtain and maintain in effect policies issued by insurance companies reasonably acceptable to Landlord licensed to do business in the Commonwealth of Virginia, providing the following coverage:
- (1) **Property Insurance.** Policies of insurance covering the following property of Tenant: furniture, fixtures, leasehold improvements, and equipment installed and located on the Premises, for the full replacement value thereof. Coverage at a minimum shall insure against all perils included within the classification "Fire and Extended Coverage" under insurance industry practice in the Commonwealth of Virginia together with insurance against vandalism, malicious mischief and sprinkler damage. So long as the Lease shall remain in effect, any and all proceeds of such insurance shall be used only to repair or replace the items so insured.
- (2) **Liability Insurance.** A comprehensive policy of general liability insurance, naming Landlord and any Mortgagee as additional insureds, insuring against any liability occasioned by any occurrence on or about any part of the Building, the Premises or appurtenances thereto, or arising from any claim incident to Tenant's possession, use, occupancy or control of the Premises, such policies to be in the minimum amount of Two Million Dollars (\$2,000,000.00) combined single limit per occurrence with Four Million Dollars (\$4,000,000.00) annual aggregate.
- (3) Worker's Compensation Insurance. Tenant and its contractors shall maintain worker's compensation insurance in such form and amounts as shall be required by law.
- Mortgagee as additional insureds as their interests may appear and shall contain an express waiver of any right of subrogation against Landlord, any Mortgagee or Landlord's agent and employees, successors or assigns. Neither the issuance of any insurance policy required hereunder, nor the minimum coverage limits specified herein, shall be deemed to limit Tenant's liability arising hereunder. Tenant shall deliver to Landlord a certificate of insurance for each policy or renewal thereof, together with evidence of payment of all premiums. Notwithstanding any terms of this Section 16 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 (i) Tenant provides Landlord with a certificate of insurance confirming that it can provide all the coverages required to be carried by Tenant pursuant to this Section and includes Landlord and any Mortgagee as additional insureds and includes a waiver of subrogation endorsement in favor of Landlord, any Mortgagee and Landlord's agent

and employees, successors or assigns and (ii) Tenant maintains a credit rating with Standard & Poor of at least BBB. In the event that Tenant fails to obtain said insurance or fails to furnish a copy to Landlord, Landlord may obtain said insurance and charge the premium therefor to Tenant as Additional Rent. All insurance policies shall contain a provision that the same shall not be canceled except upon thirty (30) days prior notice to Landlord.

- (b) <u>Landlord's Insurance</u>. Upon request, Landlord agrees to provide Tenant a certificate of insurance demonstrating Landlord is maintaining the insurance requirements of the paragraphs within this subsection 16(b). All insurance policies required to be held by Landlord under this Lease shall be issued by a company duly authorized or permitted to conduct business in the Commonwealth of Virginia.
- (1) **CGL Policy.** During the Term and for all portions of the Property, Landlord shall maintain a commercial general liability insurance policy on an occurrence basis with limits not less than two million dollars (\$2,000,000) for injury to or death of one or more persons in any one occurrence and \$500,000 for damage or destruction to property in any one occurrence.
- (2) Insurance of Buildings and Structures. Landlord shall insure throughout the Term against loss of and damage to the Building with a commercially reasonable valuation, as the same shall exist from time to time without a coinsurance feature. Landlord shall insure against all risks of direct physical loss or damage, including coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged sections of the improvements required to be demolished or removed by reason of the enforcement of any building, zoning, safety or land use laws as the result of a covered loss.

17. Liability of Landlord Limited.

(a) Except with respect to any damages resulting from Landlord's breach of this Lease or violation of the Laws, or from the negligence or willful misconduct of Landlord, its agents or employees, Landlord shall not be liable to Tenant, its employees or agents for any damage, loss, compensation, accident, injury, death, or claims whatsoever as to persons or property; interruption in the use of the Premises; use or operation (by Landlord, Tenant or any other person or persons whatsoever) of any elevators, heating, cooling, electrical, or plumbing equipment or apparatus; fire, robbery, theft, or any other criminal or tortious activity whatsoever, or any other casualty whatsoever; acts or omissions of any occupant of any space adjoining all or any part of the Premises or Building; any water, gas, steam,

fire, explosion, electrical problem or falling plaster; the bursting, stoppage or leakage of any pipes, sewer pipes, drains, conduits, appliances or plumbing works; or any other cause whatsoever.

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

18. Fire and Casualty.

- (a) <u>Termination.</u> If the Premises are rendered wholly or substantially untenantable by fire or other casualty as reasonably determined by either party, then for so long as the Premises remain in such condition, either party may terminate this Lease, effective on the date of the casualty, upon written notice to the other party. There shall be no liability on the part of either party to the other, or to the other's successors or assigns, in respect of any period during which occupancy of the Premises by Tenant is not possible.
- (b) Subject to Section 17, if the Premises shall be partially damaged by fire or other casualty, or if Landlord has partially restored the Premises from a wholly or substantially untenantable state, such as in either case to render the Premises tenantable, Landlord shall restore or continue to restore those elements of the Building and the Property listed in paragraph 9(a) above, but not Tenant's work or personal property of Tenant, to their prior condition, and, until substantial completion thereof, the Rent shall be apportioned according to the part of the Premises which is usable by Tenant for the Permitted Use. Landlord shall make Reasonable Efforts to promptly complete such restoration, but in any event shall complete such restoration within one hundred eighty (180) days.
- Of the exercise of the power of eminent domain or agreement in lieu thereof, this Lease shall terminate as to the part so taken as of the date of taking, and, in the case of a partial taking of the Premises, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Premises by giving written notice to the other within thirty (30) days after such date. If this Lease is terminated under the provisions of this Section 19, Rent shall be apportioned and adjusted as of the date of termination. In the event of any taking, Tenant shall have no claim against Landlord or against the condemning authority for the value of any leasehold estate or for the value of the unexpired Lease Term (and Tenant hereby

assigns to Landlord any right or interest to any award applicable thereto), provided that the foregoing shall not preclude any claim that Tenant may have against the condemning authority for the unamortized cost of leasehold improvements, to the extent the same were installed at Tenant's expense, or for loss of business or moving expenses or other damages and losses. In the event of a partial taking of the Premises which does not result in a termination of this Lease, the monthly Rent thereafter to be paid shall be equitably reduced based upon balance of the square feet of the Premises, and Landlord shall promptly repair any damage to the Premises caused by such condemning authority.

20. <u>Intentionally Omitted.</u>

- 21. Transfer of Landlord's Interest. In the event of a Transfer Event, as defined herein, Landlord shall notify Tenant in writing at least fifteen (15) days in advance of such 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 herein following such Transfer Event. Further, Landlord agrees that any such 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. Transfer Event means any instance in which (i) ownership of the Premises is transferred or (ii) Landlord ceases to have the requisite level of control over the Premises necessary to fulfill its obligations under this Lease.
- 22. Holding Over. If Landlord shall desire to regain possession of the Premises promptly at the expiration of the fixed Term of this Lease, then at any time prior to Landlord's acceptance of Rent from Tenant as a holdover tenant, Landlord, at Landlord's option, may terminate this Lease upon the expiration date by written notice to Tenant. If Landlord does not give such notice and Tenant continues to remain in the Premises after the expiration of the Term of this Lease, then Tenant shall become a holdover tenant and, at Landlord's option, shall pay one hundred twenty-five percent (125%) of the monthly Base Rent payable in the last month of the Term hereof, or such lesser amount as Landlord shall determine. A party desiring to terminate such holdover tenancy shall give to the other thirty (30) days' notice of termination.
- 23. <u>Termination</u>. Termination of this Lease shall render this Lease null and void, and the parties shall have no further obligations under this Lease except for those provisions herein which expressly survive a termination of this Lease, and except that Rent shall be apportioned and adjusted as of the date of termination and any monies owed by Landlord or Tenant due to adjusted Rent or otherwise shall be paid to the other party within sixty (60) days following that date.

- 24. <u>Liens.</u> 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.
- 25. **Title.** Landlord represents and warrants to Tenant that as of the Effective Date, (i) Landlord is seized of good and sufficient title and interest to the Property 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 Property. Landlord further represents that to the best of Landlord's knowledge there are no liens, judgments or impediments of title on the Property, and that there are no covenants, easements or restrictions which prevent or adversely affect the Permitted Use or occupancy of the Premises by Tenant.
- 26. 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, substantially in the form of Exhibit D attached hereto. 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 payments of Rent.

27. Hazardous Substances.

- (a) <u>Definition.</u> "Hazardous Substances and Wastes" means those hazardous substances and hazardous wastes defined in the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., or the Resource Conservation and Recovery Act, 42 U.S.C. §§9601 et seq., respectively, and any regulations promulgated thereto.
- (b) <u>No Illegal Use.</u> Neither Landlord nor Tenant shall, either with or without negligence, cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances and Wastes within, over or under the Premises or the Property in any manner not sanctioned by the Laws.
- (c) <u>Property Free of Hazardous Substances.</u> To the best of Landlord's knowledge, the Property is free and clear of all Hazardous Substances and Wastes in violation of applicable environmental laws as of the Effective Date.

28. No notice, request, consent, approval, waiver or other communication required to be given hereunder shall be effective unless in writing and delivered (a) by hand, or (b) mailed by registered or certified mail, return receipt requested, first class, postage prepaid, or (c) by a nationally recognized courier service for overnight delivery, with all charges prepaid, for which written receipt of delivery is requested, in each case addressed as follows:

If to Landlord:
DAR Enterprises, LLC
c/o Brenna Wood
13031 Grey Oaks Lane
Midlothian, VA 23113

If to Tenant:
City of Richmond
c/o Paul McClellan
City Hall
900 E. Broad St., Suite 1600
Richmond, VA 23219

The date of service of any notice (a) given by mail shall be third day after the date on which such notice, properly addressed, sealed and stamped, is deposited in the United States mail, (b) given by hand shall be the date of delivery, or (c) given by overnight courier service shall be the next business day after the notice is placed in the hands of the overnight service. The party contesting the date of any such notice shall have the affirmative burden of proving the date on which such party claims such notice was served.

- 29. **Brokerage.** Colliers International has represented Landlord in this transaction, and no agent or broker has represented Tenant in this transaction, and Landlord's broker will be compensated solely by Landlord pursuant to the terms of a separate written agreement.
- 30. <u>Successors.</u> This Lease shall be binding upon the heirs, administrators, executors, successors and assigns of the respective parties hereto.

- 31. <u>Construction</u>. The terms and conditions of this Lease shall be construed and governed by 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.
- 32. Forum Choice. 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.
- 33. Waiver of Jury Trial. IT IS MUTUALLY AGREED THAT THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR INCIDENT TO THIS LEASE, TENANT'S USE AND OCCUPANCY OF THE PREMISES OR ANY CLAIM OF DAMAGES.
- 24. Entire Agreement. No change or modification of this Lease shall be effective unless in writing and signed by the parties hereto. No alleged or contended waiver of any of the provisions hereof shall be effective unless in writing signed by the party against whom it is sought to be enforced. This Lease contains the entire agreement between the parties and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as herein set forth. This Lease is intended to be an integration of all prior and contemporaneous promises or agreements, conditions or undertakings between the parties hereto. This Lease may be executed in multiple counterparts, each of which shall constitute an original and all of which taken together shall constitute one and same agreement binding upon the parties, notwithstanding that all the parties are not signatories to the same counterpart.
- 35. Parking. Landlord shall allow Tenant, its employees and customers, to use all of the parking spaces located in the surface parking lot in front of and behind the Building, subject to the right of Cavalier Telephone, L.L.C./Windstream to use ten (10) dedicated parking spaces behind the Building.
- 36. <u>Captions.</u> The captions contained in this Lease are inserted for convenience only and are not intended to be part of this Lease. They shall not affect or be utilized in the construction or interpretation of this Lease.
- 37. <u>Survival.</u> Any provisions of this Lease which require performance subsequent to the termination or expiration of this Lease shall survive such termination or expiration.

- 38. <u>Subject to Appropriation</u>. All payments and other performance by Tenant under this Lease are subject to annual appropriations by the City Council for the City of Richmond (the "City Council"); consequently, this Lease shall bind Tenant only to the extent the City Council appropriates sufficient funds for Tenant to perform its obligations hereunder. In the event City Council does not appropriate sufficient funds for Tenant to perform its obligations hereunder, Landlord shall have the right to terminate the Lease effective as of the expiration of the then current lease year for which funds were appropriated, and Tenant agrees to vacate the Premises at the end of the City fiscal year for which sufficient funds have been appropriated.
- 39. <u>Signature Authority</u>. Following the authorization of this Lease by the City Council, Tenant's Chief Administrative Officer shall have the authority to execute this Lease on behalf of Tenant, and, except as otherwise provided herein, only the Chief Administrative Officer or her or his designee shall have the authority to provide any notices or authorizations contemplated under this Lease on behalf of Tenant.
- 40. Partial Invalidity; Authority. If any provision herein is invalid, it shall be considered deleted from this Lease and shall not invalidate the remaining provisions of this Lease. Each of the parties hereto warrants to the other that the person or persons executing this Lease on behalf of such party has the full right, power and authority to enter into and execute this Lease on such party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Lease.
- 41. Force Majeure. Neither party shall assume responsibility for any losses or damages caused by acts of God, including, but not limited to, wind, lightning, rain, ice, earthquake, floods, or rising water, or by aircraft or vehicle damage. 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 such 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, 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Deed of Lease to be execut	ed
under their respective seals on the dates respectively noted below.	

LANDLORD:

DAR ENTERPRISES, LLC, a Virginia limited liability company

By: Black Errans	
Name: Brad Evans	
Title: President	_

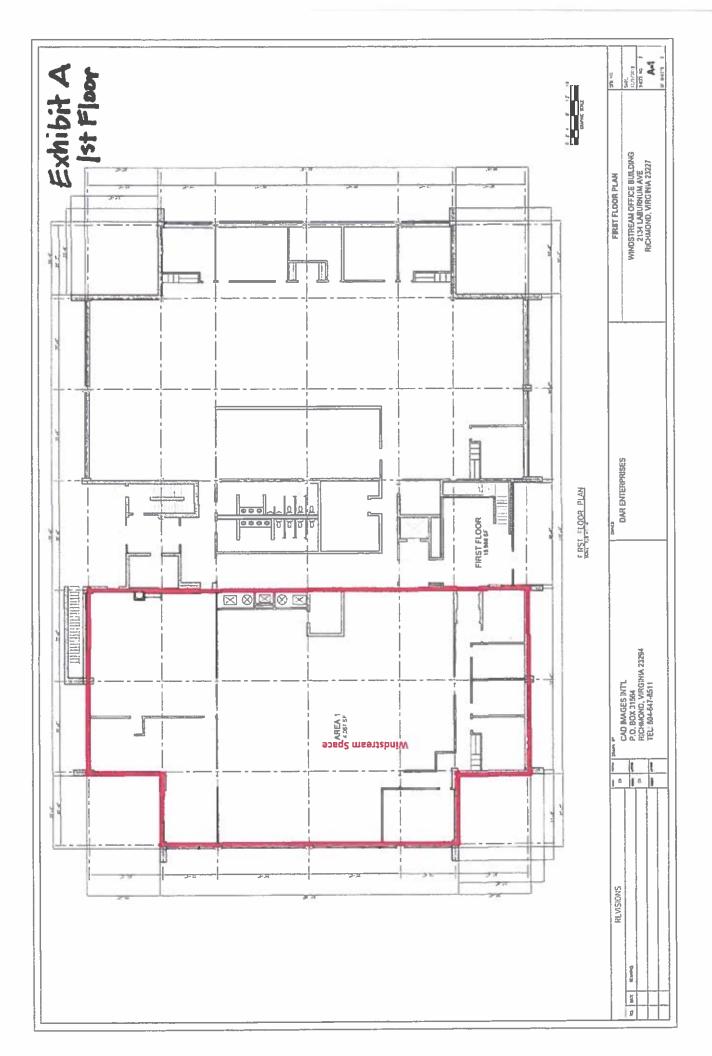
TENANT:

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

By: Lenora G. Reid, CPA	WITNESSES:
Name: Lenora G. Reid	
Title: Acting Chief Administrative Officer	
Date Signed: 5/1/2020	
Authorized by Ord. No.	
Approved as to form: Assistant City Attorney, City of Richmond	Approved as to terms: Bay Molly Department of Economic Development Planning

EXHIBIT A

INITIAL PREMISES



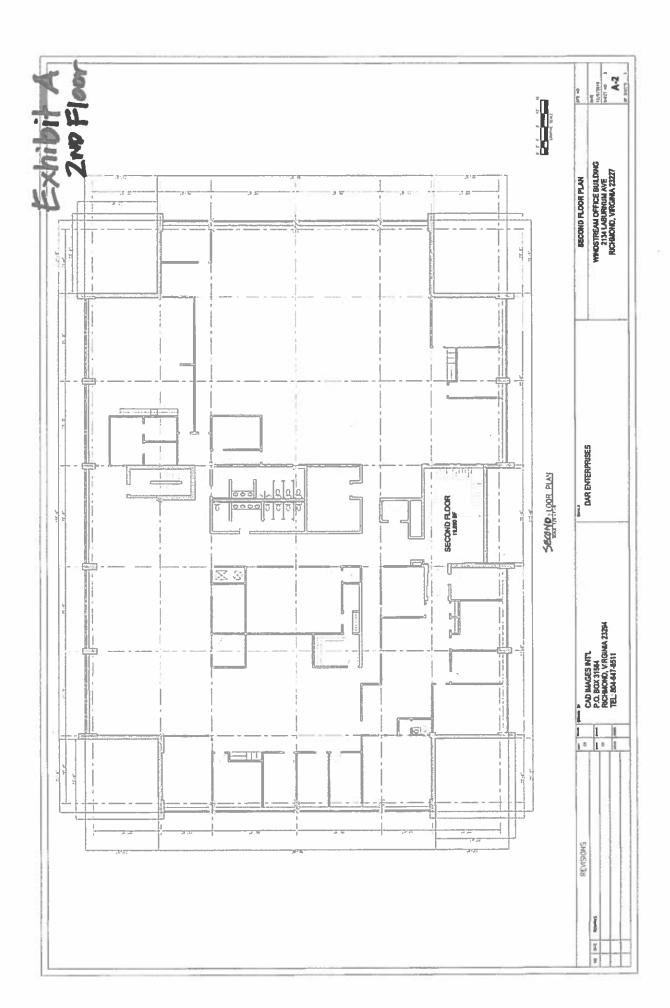
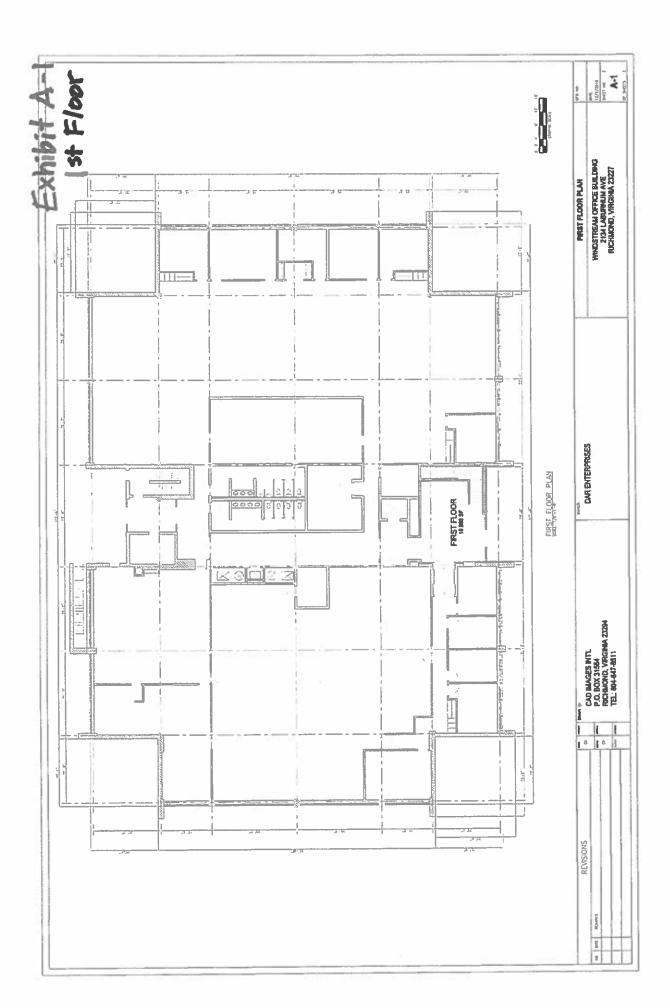


EXHIBIT A-1

EXPANDED PREMISES



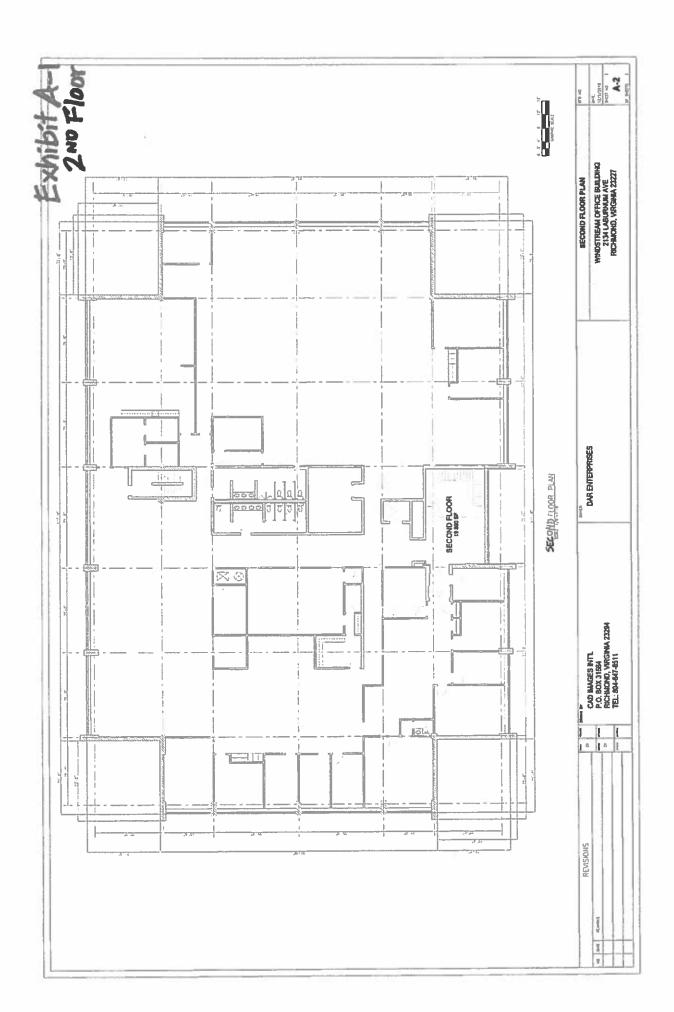


EXHIBIT B

LANDLORD'S WORK

[NOTE: DOOR INSTALLATION AND ANY OTHER LL WORK TO BE DESCRIBED HEREIN]

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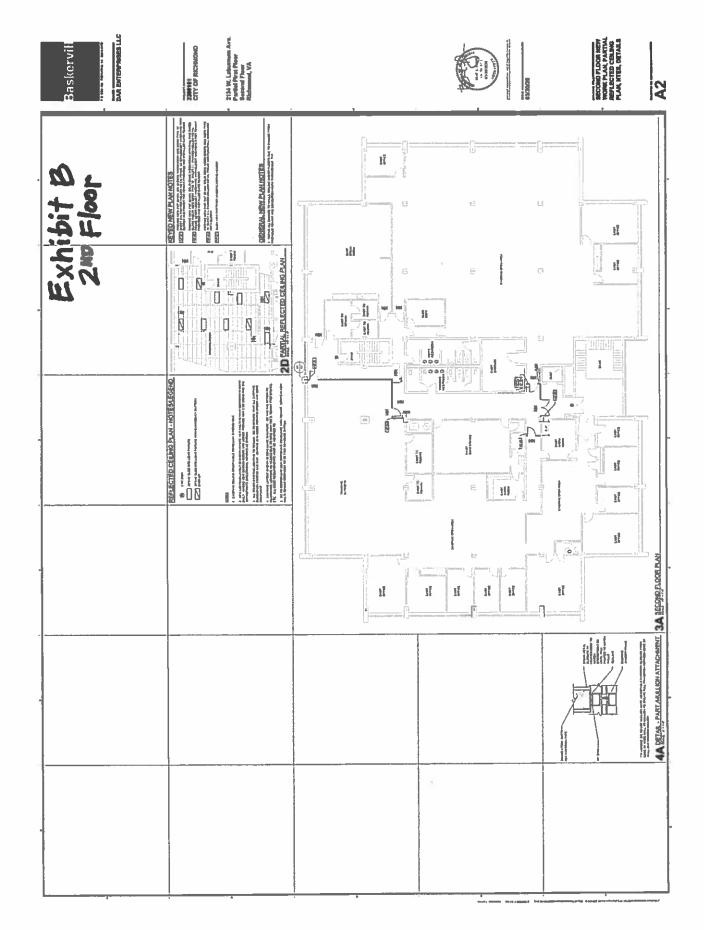
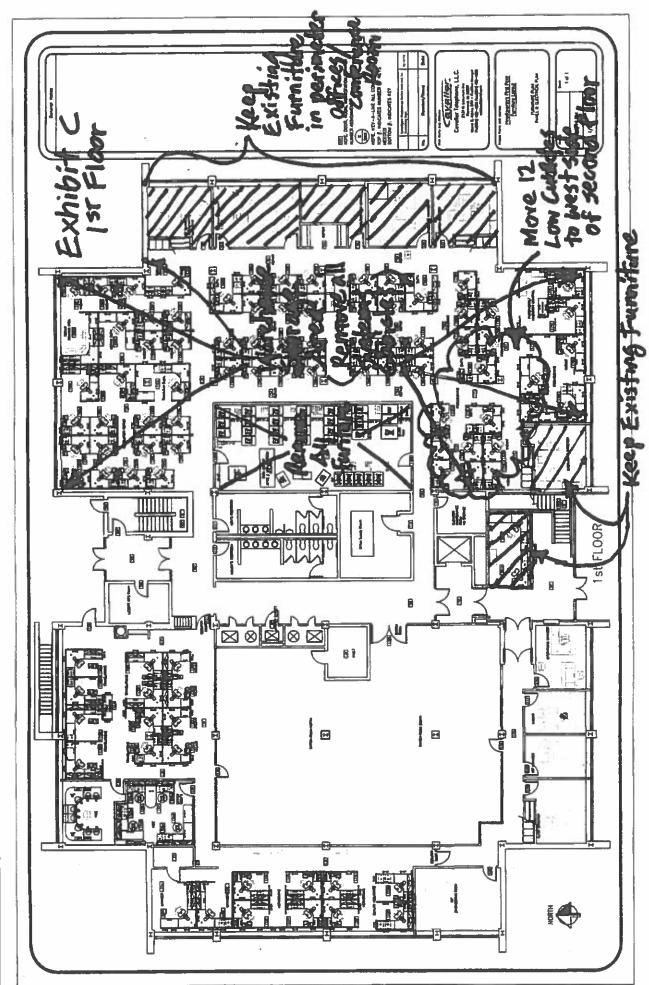


EXHIBIT C

FURNITURE

EXHIBIT C FURNITURE

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Lobby	0	4	0	0	0	0	0	0	0	0	0	1	0
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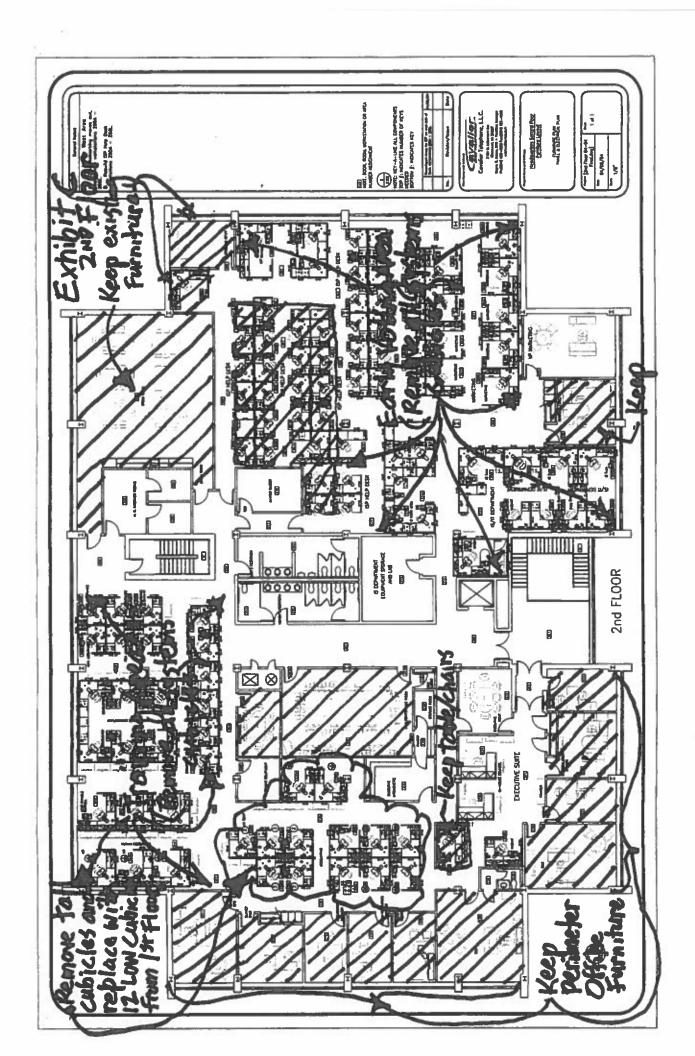


EXHIBIT D

MEMORANDUM OF LEASE

PREPARED BY AND AFTER RECORDING RETURN TO: Office of the City Attorney Attn: Rena Diebel 900 East Broad Street, Room 400 Richmond, Virginia 23219

THIS MEMORANDUM IS EXEMPT FROM RECORDATION TAXES UNDER SECTION 58.1-811(A)(3) OF THE CODE OF VIRGINIA (1950) AS AMENDED.

MEMORANDUM OF LEASE

	This memo	orandum of a certain unrecorded lease agreement (the "Agreement") is made
this	_ day of	, 20, between DAR ENTERPRISES, LLC , a Virginia limited
liabilit	y company,	herein referred to as Landlord (a grantor for indexing purposes), and the
CITY	OF RICH!	MOND, a municipal corporation of the Commonwealth of Virginia, herein
referre	d to as Tena	ant (a grantee for indexing purposes), whose address is 900 East Broad Street
Richm	ond, Virgin	ia 23219.

- 1. Landlord is the owner of that certain parcel of real property located at 2134 West Laburnum Avenue, Richmond, Virginia, shown on the Tax Map for the City of Richmond, Virginia as Tax Parcel No. N0170437020 (the "Property"), as well as the building thereon (the "Building").
- 2. For and in consideration of the sum of Ten Dollars cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by Landlord, Landlord hereby grants and leases to Tenant, and Tenant hires the same from Landlord, (i) a total of 30,958 square feet of the Building for Tenant's exclusive use, together with all rights, improvements, and appurtenances thereto, as substantially described in Exhibit A attached hereto; (ii) as of January 1, 2022, a total of 38,400 square feet of the Building for Tenant's exclusive use, together with all rights, improvements, and appurtenances thereto, as substantially described in Exhibit A-1 attached hereto, and; (iii) the right to use all of the parking spaces located in the surface parking lots in front of and behind the Building, subject to the right of Cavalier Telephone, L.L.C./Windstream to use ten (10) dedicated parking spaces behind the Building through December 31, 2021.
- 3. The term of the lease is to commence on June 1, 2020 and will end on May 31, 2030.
- 4. The terms, covenants and provisions of the Agreement, of which this is a memorandum, shall extend to and be binding upon the respective administrators, successors and assigns of Landlord and Tenant.
- 5. This Memorandum of Lease is subject to all of the terms, conditions and understandings set forth in the Agreement, which are incorporated herein by reference and made a part

hereof. This Memorandum of Lease is not a complete summary of the Agreement, and the provisions of this Memorandum of Lease shall not be used in interpreting the provisions of the Agreement. In the event of a conflict between this Memorandum of Lease and the Agreement, the Agreement shall control.

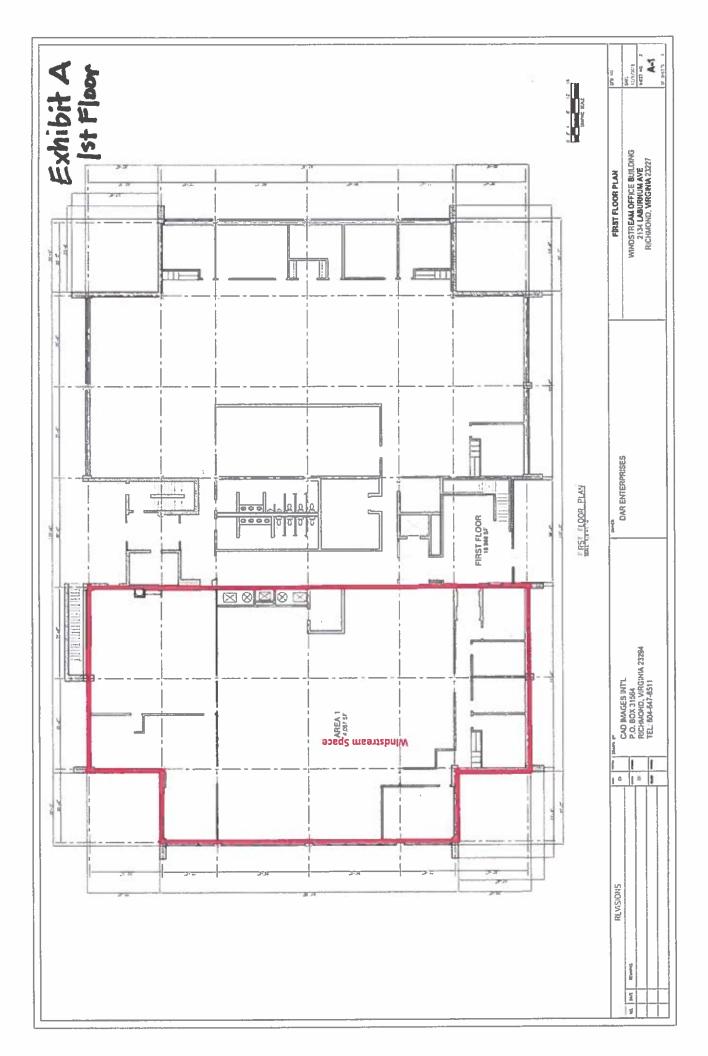
REMAINDER OF PAGE LEFT INTENTIONALLY BLANK. SIGNATURES ON FOLLOWING PAGE.

WITNESS the following signatures and seals:

<u>LA</u>	ANDLORD:
	AR ENTERPRISES, LLC, a Virginia limited liability npany.
	: Bud Evant
Na	me: Brad Evans
Titl	le: President
Dat	te: <u>4-27-20</u>
STATE OF Florida CITY/COUNTY OF Pinelias	, to-wit:
The foregoing instrument was ach April , 2000, by Brad Evan behalf of DAR Enterprises, LLC.	knowledged before me this <u>Anth</u> day of <u>ns</u> , in his capacity as <u>president</u> , on
My commission expires March 9+	h Jogu
SUMMER CORNELL MY COMMISSION # GG 968892 EXPIRES: March 9, 2024 Bonded Thru Notary Public Underwriters	Notary Public Notary Registration No.: 7696892

The foregoing Memorandum liability company, to the CITY OF R of the Commonwealth of Virginia, pursuant to the authority granted by	ICHMOND, a municipal cor is hereby accepted this	poration and political subdi day of,	ivision, 20,
	TENANT:		
	CITY OF RICHMOND A municipal corporation		
	By: Lenora Reid Acting Chief Admi		
STATE OF	, to-wit:		
The foregoing instrument was 20, by, in her City of Richmond.	as acknowledged before me capacity as	this day of, on behalf of	the '
My commission expires		-	
	Notary Public		
	Notary Registration	ı No.:	
Prepared and approved as to form: Neil R. Gibson Senior Assistant City Attorney	_		
GRANTEE ADDRESS:			
City of Richmond 900 East Broad Street, Suite 400 Richmond, Virginia 23219			

EXHIBIT A



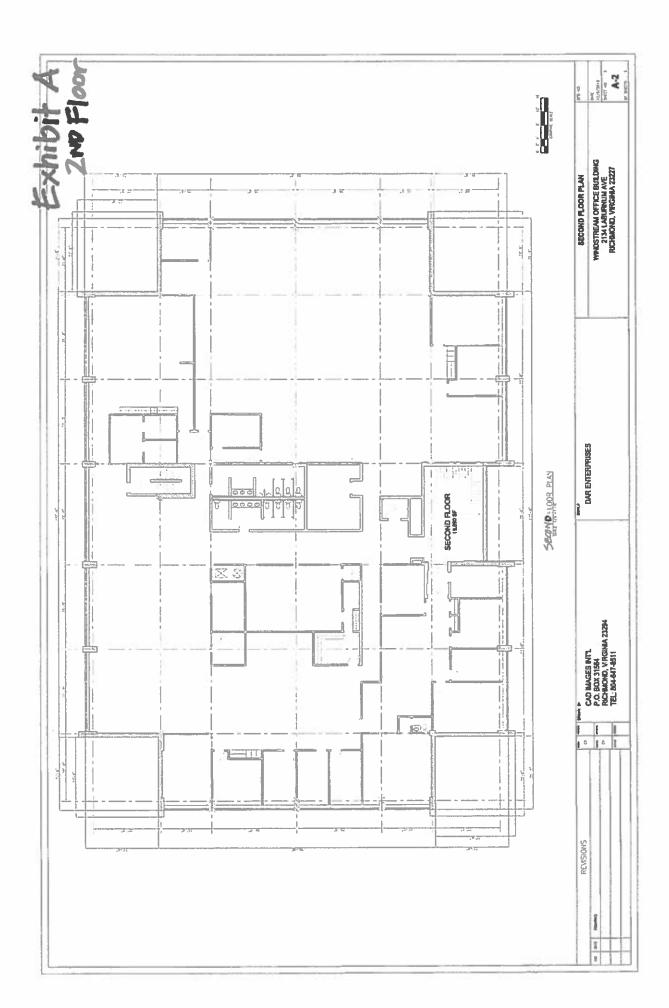


EXHIBIT A-1

