Letter of Intent

The following Letter of Intent, dated this 5th day of May, 2014, outlines the general terms of a potential transaction between the parties described below for purchase and sale of certain real property in the City of Richmond, Virginia as generally described below. The undersigned are prepared to use commercially reasonable efforts to negotiate a definitive agreement (the "Definitive Agreement") after Purchaser's timely receipt of the City Authorization, as defined below, and as generally described in this Letter of Intent.

1. Seller: Harry & Betty Loving, LLC, a Virginia limited liability company.

2. Purchaser: The Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia.

3. Property: See attached schedule representing approximately 1.136 acres. Sale of the Property is in gross and not by the acre. Seller represents to that to Seller's knowledge it owns the Property in fee simple and that title to the Property is marketable and is not subject to any liens other than the lien for taxes not yet due and payable.

4. Purchase Price: $2,500,000.00, all cash at closing.

5. Option Payments:
   a. $35,000.00 to be paid to Seller within five (5) business days of final approval by City Council of the Shockoe Bottom ballpark project and authorization to the Purchaser to proceed (the "City Authorization") which is expected to be obtained no later than May 30, 2014 (the "Initial Payment"). In consideration of the Initial Payment, Seller agrees that for a period of ninety (90) days after payment of the Initial Payment to Seller, Seller shall not negotiate or enter into any agreement with respect to the sale or lease of the Property with any party other than Purchaser.
   b. $115,000.00, to be paid to Seller within three (3) business days of the full execution of the Definitive Agreement between Seller and Purchaser (the "Execution Date").
   c. Both option payments totaling $150,000.00 shall be a credit toward the purchase price at closing.

6. Initial Feasibility Period: The one hundred eighty (180) day period commencing on the Execution Date.

7. Extended Feasibility Periods: Purchaser shall have two (2) options to extend the Initial Feasibility Period for a period of one hundred eighty (180) days for each extension upon notice to Seller and payment by Purchaser to Seller of an additional option payment of $50,000 for each extension; provided that in no event will the closing date under the Definitive Agreement be later than December 31, 2015 (unless the Definitive Agreement shall have been terminated prior to such date to the extent permitted therein). The feasibility extension payments shall be non-refundable but shall be a credit toward the purchase price at closing.
8. Closing Date: Closing under the Definitive Agreement shall occur in connection with closing of the funding required for acquisition and development of the Property and certain other property which is required for Purchaser’s project, but in no event later than December 31, 2015 (unless the Definitive Agreement shall have been terminated prior to such date to the extent permitted therein). Purchaser shall use commercially reasonable efforts to complete closing promptly after receipt of all land use approvals required for development of the Property.

9. Zoning Authorization: Seller will provide Purchaser with the necessary authority to pursue the rezonings or special use permits necessary for the intended uses of the Property. The intended uses of the Property shall include a ballpark, multifamily residential, office, retail, restaurants, commercial parking and the existing uses of such property. Seller shall have the right to approve any zoning conditions which would be binding on the Property in the event the sale of the Property does not occur, which approval shall not be unreasonably withheld, conditioned or delayed.

10. Conditions for Simultaneous Closing: The sale of the Property by Seller shall be conditioned upon the sale of certain property owned by affiliates of Seller to Highwoods Realty Limited Partnership, a North Carolina limited partnership, in a private transaction. The purchase of the Property by Purchaser shall be conditioned upon Purchaser’s lease of certain real property required for Purchaser’s project from North of Broad, LLC, a Virginia limited liability company, as contemplated by the letter of intent between Purchaser and North of Broad, a copy of which is attached hereto as Exhibit B. Simultaneous closing under the Definitive Agreement and such sale and lease will be conditions precedent for Purchaser’s and Seller’s obligations to close under the Definitive Agreement.

11. Public Information: Seller recognizes and agrees that this Letter of Intent will become a public document.

12. Work on Definitive Agreement: It is understood that neither Purchaser or Seller shall have any obligation to begin work on the Definitive Agreement until after (i) the City Authorization and (ii) payment of the Initial Payment to Seller.

13. Replacement Parking: Purchaser will provide Seller with a lease of up to 70 off-site parking spaces within an area approximately bounded by the following: south of Broad Street, north of Main Street, west of 18th Street and east of Main Street Station (with 8 spaces to be in the specific location provided below). The parking arrangements are to be generally as follows:

   a. Parking during construction of the ballpark shall be provided as follows:

      During construction of the ballpark project, Purchaser shall arrange for parking in the parking lot located adjacent to Main Street Station bounded by Main Street Station on the west, Main Street on the south, Franklin Street on the north and the Acme Building on the east (the “Main Street Station Lot”) for Seller’s tenants located in the adjacent block to the east, on a commercially reasonable basis and at commercially reasonable charges not to exceed $100.00 per month, to support their parking needs during construction.
b. Parking in the Walnut Alley lot adjacent to Main Street Station will be provided on a long term rental basis with the following general terms:

From and after closing, Purchaser shall provide Seller with a lease for up to eight (8) parking spaces in the Walnut Alley lot as requested by Seller for a period of up to 40 years at a rental of $100.00 per month per space with escalation of 10% after every 10th year of the lease term. Seller and the Purchaser agree to negotiate in good faith the terms and conditions of the lease or license or similar document.

c. Parking for the additional 62 parking spaces shall be generally as follows:

From and after closing, Purchaser shall lease to Seller, up to 62 additional parking spaces as requested by Seller within the physical area described above under the same terms and at the same rate as described for the Walnut Alley parking spaces. Seller and the Purchaser agree to negotiate in good faith the terms and conditions of the lease or license or similar document.

14. Broker’s Commission: Purchaser and Seller agree there are no brokers involved in the sale of the Property from Seller to Purchaser other than Porter Realty Company, Inc. (“Porter”) which has acted as a standard agent for Seller. Seller shall be responsible for payment of a commission to Porter pursuant to separate agreement between Seller and Porter. Purchaser agrees to sign a standard disclosure form acknowledging that Porter represents Seller in connection with the sale of the Property.

15. Intent: This letter expresses only the intent of the parties and, notwithstanding anything herein to the contrary, is not (and shall not be deemed to be) a legally binding agreement.

THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND

By: [Signature]

Date: 5-12-14

HARRY & BETTY LOVING, LLC

By: [Signature]

Date: 5-5-2014
EXHIBIT A

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Letter of Intent

The following Letter of Intent, dated this 5th day of May, 2014, outlines the general terms of a potential transaction between the parties described below for the ground lease of certain real property in the City of Richmond, Virginia as generally described below. The undersigned are prepared to use commercially reasonable efforts to negotiate a definitive agreement (the "Definitive Lease Agreement") after Purchaser's timely receipt of the City Authorization, as defined below, and as generally described in this Letter of Intent.

1. **Landlord:** North of Broad, LLC, a Virginia limited liability company.

2. **Tenant:** The Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia.

3. **Property:** See attached schedule titled “Shockoe Bottom Baseball Study.”

4. **Lease Commencement Date:** The Lease Commencement Date shall be simultaneous with the date of closing under the Related Transaction described below.

5. **Lease Term:** 40 years.

6. **Initial Rental Rate:** The first year rental rate shall be the sum of $1,900,000 for the Property value plus Landlord’s actual transaction cost (the “Property Value”), not to exceed $150,000, multiplied by the sum of the loan constant on the Bond Financing described below plus 50 Basis Points.

7. **Escalation Rate:** Beginning on the first day of the twelfth (12th) lease year, and every subsequent tenth (10th) year anniversary thereafter, the annual rental rate shall increase ten percent (10.0%).

8. **Net Lease:** This shall be an absolutely net lease, with Tenant responsible for all expenses related to the property.

9. **Related Transaction:** The Definitive Lease Agreement shall occur in connection with the Related Transaction, as defined below, but in no event later than December 31, 2015 (unless the Definitive Lease Agreement shall have been terminated prior to such date to the extent permitted therein). Tenant shall use commercially reasonable efforts to complete closing on the Related Transaction and this Definitive Lease Agreement promptly after receipt of all land use approvals required for development of the Property.

10. **Zoning Authorization:** Landlord will provide Tenant with the necessary authority to pursue the rezonings or special use permits necessary for the intended uses of the Property. The intended uses of the Property shall include a ballpark, multifamily residential, office, retail, restaurants, commercial parking and the existing uses of such property. Landlord shall have the right to approve any zoning conditions which would be
binding on the Property in the event the sale of the Property does not occur, which approval shall not be unreasonably withheld, conditioned or delayed.

11. **Condition for Simultaneous Closing:** The lease of the Property shall be conditioned upon the acquisition or sale of certain other property or property rights by or to Tenant, which is intended to be developed in connection with the stadium project (the “Related Transactions”). Simultaneous closing under both the Definitive Lease Agreement and the Related Transactions will be a condition precedent for both Landlord’s and Tenant’s obligations to close under the Definitive Lease Agreement.

12. **Public Information:** Landlord recognizes and agrees that this Letter of Intent will become a public document.

13. **Acquisition Loan:** As part of the Definitive Lease Agreement, Tenant will make a loan to Landlord in the amount of the Purchase Price under the following general terms and conditions:

   a. **Loan Amount:** Property Value described above.
   b. **Interest Rate:** Equal to the rate obtained under a bond issue to finance the Shockoe Bottom ballpark project (the “Bond Financing”).
   c. **Loan Term:** 30 years, or a term equal to the Bond Financing.
   d. **Payment Installments:** Monthly commencing on the same date as monthly payments under the Bond Financing.

14. **Purchase Option:** On any date when the annual rental rate is scheduled to escalate, Tenant shall have the option to purchase the Property for an amount equal to the sum of the outstanding principal balance under the acquisition loan described above, plus an amount equal to the excess escalated rental payment above the annual loan payment divided by the sum of the loan constant plus 400 Basis Points. Such purchase shall occur on or within thirty (30) days prior to the first escalated rental payment.

15. **Work on Definitive Lease Agreement:** It is understood that neither Tenant nor Landlord shall have any obligation to begin work on the Definitive Lease Agreement until after (i) the City Authorization, (ii) payment of a $10,000 option payment to be applied toward the Property Value used in calculating the initial year rental described above, pursuant to an option agreement reasonably acceptable to the parties hereto.

16. **Broker’s Commission:** Tenant and Landlord agree there are no brokers involved in the lease of the Property from Landlord to Tenant.

17. **Intent:** This letter expresses only the intent of the parties and, notwithstanding anything herein to the contrary, is not (and shall not be deemed to be) a legally binding agreement.
THE ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF RICHMOND

By: __________________________

Date: ________________________

NORTH OF BROAD, LLC

By: __________________________

Date: ________________________