



MEETING AGENDA

CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY **Tuesday, October 8, 2024 – 4:00 p.m. @ CitySpace, 100 5th St. NE**

- 1) CALL TO ORDER AND WELCOME
- 2) PUBLIC COMMENT
- 3) CONSENT AGENDA
 - a) Minutes from the August 13, 2024 meeting
 - b) Treasurer Reports from June, July & August 2024
- 4) NEW BUSINESS
 - a) Resolution for Lease approval - Rivanna River Company (1520 E. High St)
 - b) GO Startup Recap
- 5) OTHER BUSINESS AND ANNOUNCEMENTS
- 6) ADJOURNMENT

Individuals with disabilities who require assistance or special arrangements to participate in the public meeting may call the ADA Coordinator at (434) 970-3182 or submit a request via email to ada@charlottesville.gov. The City of Charlottesville requests that you provide a 48-hour notice so that proper arrangements may be made.



**Charlottesville Economic Development Authority (CEDA)
Meeting Minutes – August 13, 2024**

Members Present

Denise Herndon
Jonathan Chasen
James Cauthen
Quinton Harrell

Staff Present

Chris Engel
Matt Johnson
Keith Grooms
Trish Carpenter
Jenny Biche

Not Present

Addison Barnhardt
Jay O'Donnell
Steven Johnson

A meeting of the Charlottesville Economic Development Authority occurred on Tuesday, August 13th, 2024, at CitySpace. In the absence of the chair and vice-chair, Mr. Engel, called the meeting to order at 4:02 PM.

Mr. Engel asked if there was any public comment; no public comments noted, he proceeded to the next agenda item.

Mr. Engel asked the board if there were any comments or questions regarding the May 14 and June 11, 2024, meeting minutes and the Treasurer reports for April and May 2024. No questions or comments noted, Mr. Engel asked for a motion to approve the Consent Agenda, motion moved by Mr. Cauthen, second by Mr. Harrell, all present in favor. Motion passed.

There was a presentation to the Board from Keith Grooms, Entrepreneurship Program Specialist, on progress with the new Economic Development Strategic Plan Goal 1: Equitable Entrepreneurship. Mr. Grooms walked the board through the key elements of the plan related to entrepreneurship and provided updates his recent business visitations and the upcoming plans for GO Start-Up.

Next, Matt Johnson presented to the Board an update on the 10 Key Metrics of the Economic Development Strategic Plan. These include 10 broad measures of economic health and vitality for the city.

There being no further business, Mr. Engel adjourned the meeting at 4:51 PM.

Chris Engel, Secretary

Date Approved by CEDA

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
TREASURER'S REPORT FOR PERIOD JUNE 30, 2024
REVENUE & EXPENDITURE DETAIL**

	June	Budget	YTD*	Variance
REVENUES				
EDA Admin Fees		\$ 15,000.00	\$ 18,500.00	\$ 3,500.00
S&PG Rent Payment	\$ 20,000.00	\$ 240,000.00	\$ 240,000.00	\$ -
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4	\$ 14,119.00	\$ 170,886.00	\$ 99,156.06	\$ (71,729.94)
Charlottesville Pavilion - Ticket Surcharge Remittance		\$ -	\$ 73,847.50	\$ 73,847.50
Charlottesville Pavilion - Maintenance Fund Deposit		\$ -	\$ 28,305.59	\$ 28,305.59
Maintenance Fund Deposit - Interest Earned	\$ 5,287.00	\$ -	\$ 5,287.00	\$ 5,287.00
Interest Earned on CEDA Cash Deposits	\$ 90,709.82	\$ -	\$ 90,709.82	\$ 90,709.82
Performance Agreements		\$ 300,000.00	\$ 232,865.00	\$ (67,135.00)
Miscellaneous Revenue		\$ -	\$ 37,066.67	\$ 37,066.67
Reserves		\$ 37,016.00		\$ (37,016.00)
TOTAL REVENUES	\$ 130,115.82	\$ 763,002.00	\$ 825,737.64	\$ 62,735.64
EXPENDITURES				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00	\$ 100,000.00	\$ -
Education and Training		\$ 1,500.00	\$ 150.00	\$ 1,350.00
Marketing	\$ 2,000.00	\$ 20,000.00	\$ 26,160.00	\$ (6,160.00)
Legal Fees		\$ 15,000.00	\$ 17,616.00	\$ (2,616.00)
Research		\$ 10,000.00	\$ 6,588.64	\$ 3,411.36
Supplies		\$ 1,500.00	\$ 30.05	\$ 1,469.95
Rent to City for Pavilion		\$ 1.00		\$ 1.00
Rent to City for SP&G Building		\$ 1.00		\$ 1.00
ACE Program		\$ 20,000.00	\$ 5,000.00	\$ 15,000.00
Cville Match		\$ 75,000.00	\$ 56,250.00	\$ 18,750.00
GO Hire	\$ 1,500.00	\$ 25,000.00	\$ 4,977.17	\$ 20,022.83
GO VA Match	\$ 12,500.00	\$ 175,000.00	\$ 143,750.00	\$ 31,250.00
Recovery Programming	\$ 590.00	\$ 10,000.00	\$ 9,135.05	\$ 864.95
Performance Agreements		\$ 300,000.00	\$ 232,865.00	\$ 67,135.00
Audit Fees		\$ 10,000.00	\$ 10,750.00	\$ (750.00)
TOTAL EXPENDITURES	\$ 16,590.00	\$ 763,002.00	\$ 613,271.91	\$ 149,730.09

Notes:

- Charlottesville Pavilion is required to make semi-annual loan payments in the amount of \$85,442.28. That amount is being paid using the ticket surcharge money. If ticket surcharge collections are not enough to cover the loan payment, Charlottesville Pavilion remits a check to CEDA for the difference.

- Rent to the City for S&PG Building has been prepaid for the duration of the lease.

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
TREASURER'S REPORT FOR PERIOD ENDING JUNE 30, 2024
SUMMARY INFORMATION**

S&PG RENT PAYMENT			
FY19		\$	260,000.00
FY20		\$	220,000.00
FY21		\$	260,000.00
FY22		\$	240,000.00
FY23		\$	260,000.00
7/1/2023	\$	20,000.00	\$ 240,000.00
8/1/2023	\$	40,000.00	
9/1/2023	\$	20,000.00	
10/1/2023	\$	20,000.00	
11/1/2023	\$	20,000.00	
12/1/2023	\$	20,000.00	
1/1/2024	\$	20,000.00	
2/1/2024			
3/1/2024	\$	40,000.00	
4/1/2024			
5/1/2024	\$	20,000.00	
6/1/2024	\$	20,000.00	
TOTAL CURRENT FISCAL YR	\$	240,000.00	
BEGINNING CASH BALANCE			
	\$	2,515,656.88	
Plus Revenues	\$	130,115.82	
Minus Expenditures	\$	(16,590.00)	
ENDING CASH BALANCE - 6/30/2024	\$	2,629,182.70	
WORKING CASH BALANCE			
Cash Balance 6/30/2024	\$	2,629,982.70	
Reserved for COF Local Match	\$	(200,000.00)	
Reserved for Pavilion Maintenance Fund	\$	(136,883.65)	
Reserved for S&PG Maintenance Fund	\$	(560,000.00)	
Reserved for S&PG Security Deposit	\$	(65,895.00)	
Reserved for 700 Jefferson St. Security Deposit	\$	(31,000.00)	
Reserved for 1520 E. High St.	\$	(5,600.00)	
CEDA Opportunity Fund	\$	(500,000.00)	
WORKING CASH BALANCE -6/30/24	\$	1,130,604.05	

* FISCAL YEAR RUNS FROM JULY 1, 2023 TO JUNE 30, 2024

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
TREASURER'S REPORT FOR PERIOD JULY 31, 2024
REVENUE & EXPENDITURE DETAIL**

	July	Budget	YTD*	Variance
REVENUES				
EDA Admin Fees		\$ 16,500.00		\$ (16,500.00)
S&PG Rent Payment	\$ 20,000.00	\$ 240,000.00	\$ 20,000.00	\$ (220,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4	\$ 71,323.28	\$ 170,886.00	\$ 71,323.28	\$ (99,562.72)
Charlottesville Pavilion - Ticket Surcharge Remittance		\$ -		\$ -
Charlottesville Pavilion - Maintenance Fund Deposit		\$ -		\$ -
Maintenance Fund Deposit - Interest Earned		\$ -		\$ -
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 500,000.00		\$ (500,000.00)
Miscellaneous Revenue		\$ -		\$ -
Reserves		\$ 36,016.00		\$ (36,016.00)
TOTAL REVENUES	\$ 91,323.28	\$ 963,502.00	\$ 91,323.28	\$ (872,178.72)
EXPENDITURES				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training		\$ 1,500.00		\$ 1,500.00
Marketing	\$ 2,500.00	\$ 25,000.00	\$ 2,500.00	\$ 22,500.00
Legal Fees		\$ 15,000.00		\$ 15,000.00
Research		\$ 10,000.00		\$ 10,000.00
Supplies		\$ 1,500.00		\$ 1,500.00
Rent to City for Pavilion		\$ 1.00		\$ 1.00
Rent to City for SP&G Building		\$ 1.00		\$ 1.00
ACE Program		\$ 18,000.00		\$ 18,000.00
Cville Match	\$ 18,750.00	\$ 62,500.00		\$ 62,500.00
GO Hire	\$ 2,500.00	\$ 30,000.00		\$ 30,000.00
GO VA Match		\$ 175,000.00		\$ 175,000.00
Recovery Programming	\$ 590.00	\$ 15,000.00		\$ 15,000.00
Performance Agreements		\$ 500,000.00		\$ 500,000.00
Audit Fees		\$ 10,000.00		\$ 10,000.00
TOTAL EXPENDITURES	\$ 24,340.00	\$ 963,502.00	\$ 2,500.00	\$ 961,002.00

Notes:

- Charlottesville Pavilion is required to make semi-annual loan payments in the amount of \$85,442.28. That amount is being paid using the ticket surcharge money. If ticket surcharge collections are not enough to cover the loan payment, Charlottesville Pavilion remits a check to CEDA for the difference.

- Rent to the City for S&PG Building has been prepaid for the duration of the lease.

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
TREASURER'S REPORT FOR PERIOD ENDING JULY 31, 2024
SUMMARY INFORMATION**

S&PG RENT PAYMENT		
FY19		\$ 260,000.00
FY20		\$ 220,000.00
FY21		\$ 260,000.00
FY22		\$ 240,000.00
FY23		\$ 260,000.00
FY24		\$ 240,000.00
7/1/2024	\$ 20,000.00	\$ 20,000.00
8/1/2024		
9/1/2024		
10/1/2024		
11/1/2024		
12/1/2024		
1/1/2025		
2/1/2025		
3/1/2025		
4/1/2025		
5/1/2025		
6/1/2025		
TOTAL CURRENT FISCAL YR	\$ 20,000.00	
BEGINNING CASH BALANCE		
	\$ 2,629,982.70	
Plus Revenues	\$ 91,323.28	
Minus Expenditures	\$ (24,340.00)	
ENDING CASH BALANCE - 7/31/2024	\$ 2,696,965.98	
WORKING CASH BALANCE		
Cash Balance 7/31/2024	\$ 2,697,765.98	
Reserved for COF Local Match	\$ (200,000.00)	
Reserved for Pavilion Maintenance Fund	\$ (136,883.65)	
Reserved for S&PG Maintenance Fund	\$ (560,000.00)	
Reserved for S&PG Security Deposit	\$ (65,895.00)	
Reserved for 700 Jefferson St. Security Deposit	\$ (31,000.00)	
Reserved for 1520 E. High St.	\$ (7,200.00)	
CEDA Opportunity Fund	\$ (500,000.00)	
WORKING CASH BALANCE -7/31/24	\$ 1,196,787.33	

* FISCAL YEAR RUNS FROM JULY 1, 2024 TO JUNE 30, 2025

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
TREASURER'S REPORT FOR PERIOD AUGUST 31, 2024
REVENUE & EXPENDITURE DETAIL**

	August	Budget	YTD*	Variance
REVENUES				
EDA Admin Fees	\$ 6,000.00	\$ 16,500.00	\$ 6,000.00	\$ (10,500.00)
S&PG Rent Payment	\$ 40,000.00	\$ 240,000.00	\$ 60,000.00	\$ (180,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4	\$ 23,034.50	\$ 170,886.00	\$ 94,357.78	\$ (76,528.22)
Charlottesville Pavilion - Ticket Surcharge Remittance		\$ -		\$ -
Charlottesville Pavilion - Maintenance Fund Deposit	\$ 7,680.00	\$ -	\$ 7,680.00	\$ 7,680.00
Maintenance Fund Deposit - Interest Earned		\$ -		\$ -
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 500,000.00		\$ (500,000.00)
Miscellaneous Revenue		\$ -		\$ -
Reserves		\$ 36,016.00		\$ (36,016.00)
TOTAL REVENUES	\$ 76,714.50	\$ 963,502.00	\$ 168,037.78	\$ (795,464.22)
EXPENDITURES				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training		\$ 1,500.00		\$ 1,500.00
Marketing		\$ 25,000.00	\$ 2,500.00	\$ 22,500.00
Legal Fees		\$ 15,000.00		\$ 15,000.00
Research	\$ 4,559.85	\$ 10,000.00	\$ 4,559.85	\$ 5,440.15
Supplies	\$ 5.31	\$ 1,500.00	\$ 5.31	\$ 1,494.69
Rent to City for Pavilion		\$ 1.00		\$ 1.00
Rent to City for SP&G Building		\$ 1.00		\$ 1.00
ACE Program		\$ 18,000.00		\$ 18,000.00
Cville Match	\$ 6,250.00	\$ 62,500.00	\$ 6,250.00	\$ 56,250.00
GO Hire	\$ 2,500.00	\$ 30,000.00	\$ 2,500.00	\$ 27,500.00
GO VA Match	\$ 87,500.00	\$ 175,000.00	\$ 87,500.00	\$ 87,500.00
Recovery Programming	\$ 793.88	\$ 15,000.00	\$ 793.88	\$ 14,206.12
Performance Agreements		\$ 500,000.00		\$ 500,000.00
Audit Fees		\$ 10,000.00		\$ 10,000.00
TOTAL EXPENDITURES	\$ 101,609.04	\$ 963,502.00	\$ 104,109.04	\$ 859,392.96

Notes:

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**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
TREASURER'S REPORT FOR PERIOD ENDING AUGUST 31, 2024
SUMMARY INFORMATION**

S&PG RENT PAYMENT			
FY19		\$	260,000.00
FY20		\$	220,000.00
FY21		\$	260,000.00
FY22		\$	240,000.00
FY23		\$	260,000.00
FY24		\$	240,000.00
7/1/2024	\$	20,000.00	\$ 60,000.00
8/1/2024	\$	40,000.00	
9/1/2024			
10/1/2024			
11/1/2024			
12/1/2024			
1/1/2025			
2/1/2025			
3/1/2025			
4/1/2025			
5/1/2025			
6/1/2025			
TOTAL CURRENT FISCAL YR		\$	60,000.00
BEGINNING CASH BALANCE			
	\$	2,697,765.98	
Plus Revenues	\$	76,714.50	
Minus Expenditures	\$	(101,609.04)	
ENDING CASH BALANCE - 8/31/2024		\$	2,672,871.44
WORKING CASH BALANCE			
Cash Balance 8/31/2024	\$	2,673,671.44	
Reserved for COF Local Match	\$	(200,000.00)	X
Reserved for Pavilion Maintenance Fund	\$	(144,563.65)	X
Reserved for S&PG Maintenance Fund	\$	(560,000.00)	
Reserved for S&PG Security Deposit	\$	(65,895.00)	
Reserved for 700 Jefferson St. Security Deposit	\$	(31,000.00)	X
Reserved for 1520 E. High St.	\$	(8,000.00)	
CEDA Opportunity Fund	\$	(500,000.00)	X
WORKING CASH BALANCE -8/31/24		\$	1,164,212.79

* FISCAL YEAR RUNS FROM JULY 1, 2024 TO JUNE 30, 2025

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF CHARLOTTESVILLE, VIRGINIA
APPROVING A LEASE OF REAL PROPERTY AT 1520 E. HIGH STREET**

WHEREAS, the Economic Development Authority of the City of Charlottesville, Virginia (the “**Authority**”), a political subdivision of the Commonwealth of Virginia (the “**Commonwealth**”), is empowered under the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49 of the Code of Virginia of 1950, as amended (the “**Act**”) to, among other things, acquire, own, lease and dispose of properties in the City of Charlottesville, Virginia (the “**City**”) for the benefit of the inhabitants of the Commonwealth, either through the increase of their commerce, or through the promotion of their safety, health, welfare, convenience or prosperity; and

WHEREAS, the City of Charlottesville, Virginia (the “**City**”) is the owner of record for City Tax Parcel No. 500144000 and has designated the Authority to manage the Premises and act as Landlord; and

WHEREAS, upon purchase of the property a lease with the RIVANNA RIVER COMPANY LLC, a Virginia limited liability company (“**Tenant**”) was in place; and

WHEREAS, upon expiration a new commercial lease of approximately 5.1 acres and with similar terms and conditions has been presented to this meeting

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHARLOTTESVILLE, VIRGINIA:

The Authority finds and determines that the commercial lease as presented will be consistent with the purposes of the Act and the adopted mission of the Authority, and that the Authority hereby authorizes its chairman or vice-chairman to execute it on behalf of the Authority.

ADOPTED: October 8, 2024

APPROVED: _____
Secretary, Economic Development Authority
of the City of Charlottesville, Virginia

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made this _____ day of _____, 2024, by and between THE CITY OF CHARLOTTESVILLE, VIRGINIA (“**Owner**”), and the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHARLOTTESVILLE, VIRGINIA, a political subdivision of the Commonwealth of Virginia that has been designated by Owner to manage the Premises (“**Landlord**”), and RIVANNA RIVER COMPANY LLC, a Virginia limited liability company (“**Tenant**”).

In consideration of the mutual covenants and promises herein set forth, the parties hereto agree as follows:

1. Leased Premises. Landlord hereby leases and demises to Tenant, and Tenant hereby leases and accepts from Landlord, certain premises consisting of approximately 5.1 acres of land in the City of Charlottesville, Virginia (the “**City**”) at the northern end of City Tax Parcel No. 500144000, the boundaries of which premises are shown on the sketch attached hereto and incorporated herein as Exhibit A (“**Leased Premises**”). The Leased Premises are demised to the Tenant together with all improvements thereon and all riparian rights and other rights and easements appurtenant thereto.
2. Term of Lease. This Lease shall initially be for a term of 5 years (“**Initial Lease Term**”), commencing on December 1, 2024 (“**Commencement Date**”) and expiring at midnight on November 30, 2029, unless sooner terminated as provided herein. The Initial Lease Term and any Renewal Terms exercised as provided in Section 3 are collectively referred to as the “**Lease Term**”.
3. Option to Renew. Reserved.
4. Rent. Tenant shall pay to the Landlord the annual rental of \$9,600.00 (“**Annual Rent**”), payable in equal monthly installments of \$800.00 each, in advance, by the fifth (5th) day of each calendar month (“**Due Date**”). Each monthly installment of Annual Rent shall be paid by check mailed to the Landlord at P.O. Box 911, Charlottesville, Virginia 22902, so that it will be received by Landlord on or before the Due Date. Upon at least 10 business days’ prior written notice from Landlord, Tenant shall thereafter deliver all further payments of Annual Rent or other sums payable to Landlord under this Lease (collectively, “**Rent**”) by electronic funds transfer to Landlord’s designated account at a U.S. financial institution. Landlord may change such designated account at any time by notifying Tenant of such change at least 10 business days prior to the date such change will take effect.
5. Rent Increase. The Annual Rent shall increase each year on the anniversary of the Commencement Date by an amount equal to two percent (2%) of the Annual Rent payable during the preceding 12-month period.
6. Security Deposit. None.

7. Use of Premises. Tenant represents and warrants that it will use and occupy the Leased Premises for only the uses permitted thereon pursuant to applicable zoning, as amended from time to time (including lawful nonconforming uses, temporary uses and conditional uses, subject to obtaining any requisite zoning approvals and compliance with associated conditions). Tenant shall not use the Leased Premises for any residential purpose(s), unless with the advance written permission of the Landlord.

8. Care and Maintenance of Premises.

(A) Tenant acknowledges that it has had an opportunity to inspect the Leased Premises, and accepts the Leased Premises "as-is." Tenant acknowledges that, based on its own inspection of the Leased Premises, the Leased Premises are suitable for its intended purposes. Landlord makes no warranties or representations as to the suitability of the Leased Premises for Tenant's intended purposes.

(B) Tenant shall be responsible for maintenance of the Leased Premises, at its expense, and shall at all times keep and maintain the Leased Premises in an orderly condition and in substantially the same condition and repair in which the Leased Premises were delivered to the Tenant on the Commencement Date, reasonable and ordinary wear and tear excepted. Without limiting the foregoing, Tenant shall, at its expense:

(i) maintain, repair and replace all landscaping, lawns, fences, ditches, culverts, benches, paths, roads, alleys, driveways, parking areas, signs, lighting and other improvements to the Leased Premises now existing or installed in the future by Tenant; excluding, however, the 15-foot-wide easement strip containing the Rivanna Trail, which will remain Landlord's responsibility.

(ii) keep and maintain the Leased Premises, and any alterations or improvements made by Tenant therein, in compliance with the requirements of all applicable statutes, ordinances, regulations, covenants, conditions or requirements of all municipal, state and federal authorities, whether now in force or which may hereafter be in force, pertaining to the Leased Premises, occasioned by or affecting Tenant's use thereof;

(iii) conduct its business in a manner that does not constitute a nuisance or attract vermin or insects; and

(iv) refrain from using or storing hazardous materials and hazardous substances on the Leased Premises, other than commercially reasonable amounts of hazardous materials and hazardous substances used in the ordinary course of maintaining, repairing and improving the Leased Premises and conducting Tenant's business, provided that the same shall be used, stored and disposed of in compliance with all applicable laws.

(C) Without limiting the foregoing, as additional consideration for this Lease, Tenant shall provide seasonal mowing and brush-hogging of the entire parcel containing the Leased Premises and furnish and maintain a trash can along the Rivanna Trail for use by the public throughout the Lease Term.

9. Alterations. Tenant may, with advance written consent of the Landlord, and subject to applicable building code and zoning regulations, make alterations or improvements that are permanently affixed to the Leased Premises. Landlord's consent shall not unreasonably be withheld; however, all costs and expenses for the installation, maintenance, repair and replacement of such alterations and improvements shall be the responsibility of the Tenant. This Section 9 shall not require Landlord's consent to place any signs on or about the Leased Premises, provided the same are in compliance with Section 12. At the Landlord's sole option, any alterations or improvements that are permanently affixed to the Leased Premises shall become the sole property of the Landlord upon the expiration or earlier termination of this Lease; provided, however, that Landlord, at its sole option, shall also have the right to require the Tenant to remove any such alteration or improvement upon the expiration or earlier termination of this Lease. If Landlord elects to require Tenant to remove any alterations or improvements that are permanently affixed to the Leased Premises, then Landlord shall give written notice to the Tenant at least thirty (30) days prior to the expiration or termination date, and then Tenant shall, at Tenant's sole expense, remove the alterations or improvements and restore the Leased Premises to the condition in which they existed on the Commencement Date of this Lease (reasonable wear and tear excepted).

10. Tenant's Furnishings and Fixtures. Tenant shall have the right to place within the Leased Premises Tenant's own furnishings, fixtures, equipment and movable improvements that are not permanently affixed to the Leased Premises (collectively, "**Tenant's FF&E**"). Upon the expiration or earlier termination of this Lease, Tenant shall, at its sole expense, remove the Tenant's FF&E, shall repair any damage(s) caused by such removal, and shall restore the Leased Premises to the condition in which they were delivered to Tenant on the Commencement Date (reasonable wear and tear excepted). Landlord acknowledges that Tenant placed furnishings, fixtures, equipment and movable improvements within the Leased Premises prior to the Commencement Date, and agrees that the same shall be considered part of Tenant's FF&E and may be removed by Tenant upon the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord and Tenant may, by mutual written agreement executed at least thirty (30) days prior to the expiration or termination date, agree upon the terms and conditions under which any of Tenant's FF&E may remain within the Leased Premises and become the sole property of the Landlord.

11. Casualty; Condemnation. Neither the Landlord nor its authorized agents shall be liable for any damage or personal injury to Tenant, or to any other persons, or with respect to any personal property, caused by: flood, fire, explosion, water, busted or leaking pipes, malfunctioning sprinklers, steam, plumbing, gas, oil, electricity, electrical wiring, rain, ice, snow or any leak or flow from or into any part of the Leased Premises or any improvements thereon, or due to any other cause whatsoever, unless such damage or

injury is caused by a negligent act or omission of the Landlord or its agent for which the Landlord or agent may be held responsible under the laws of the Commonwealth of Virginia. In the event that the Leased Premises or Tenant's FF&E are totally destroyed by flood, fire, wind or other casualty, or in the event that the Leased Premises or Tenant's FF&E are so damaged that Tenant cannot reasonably conduct its business at the Leased Premises (any of the foregoing, a "**Casualty**"), then Tenant, at its sole option, shall have the right to terminate this Lease by so notifying Landlord within sixty (60) days after such Casualty. In such event, Rent shall abate in full for the unexpired portion of the Lease Term, effective as of the date of the Casualty. If Tenant does not exercise the foregoing termination right, then the Lease shall remain in full force and effect except that Annual Rent shall be reduced for the remainder of the Lease Term in proportion to the area of the Leased Premises rendered unusable by the Casualty, as determined by the Landlord in its sole discretion. During the Lease Term, Landlord shall not take any property adjoining the Leased Premises (including any land providing access to the Leased Premises by vehicles, pedestrians or watercraft) for any public or quasi-public use by right of eminent domain or purchase in lieu thereof (any of the foregoing, a "**Taking**"), without Tenant's advance written consent, which shall not be unreasonably withheld provided that such Taking does not impair access to or use of the Leased Premises for Tenant's business.

12. Signs. Subject to compliance with the City's zoning ordinance, as applicable, Tenant shall have the right to place and maintain the following signs on or about the Leased Premises (collectively, the "**Permitted Signs**"): (a) a new sign advertising Tenant's business on the East High Street frontage of the Leased Premises, and (b) all signs existing, as listed in EXHIBIT B, as of the Commencement Date. Other than the Permitted Signs, Tenant shall not display or erect any lettering, sign, advertisement, sales apparatus or other projection upon the Leased Premises without obtaining the prior written consent of Landlord and such permits as may be required by the City's zoning ordinance.

13. Taxes. Landlord shall be responsible for any stormwater utility fees assessed against the parcel containing the Leased Premises. The parcel containing the Leased Premises is exempt from real estate taxes and the City does not presently tax leasehold interests. In the event that the parcel containing the Leased Premises becomes taxable, Landlord shall be responsible for paying the same. Tenant shall pay all personal property and business license taxes imposed by the Commonwealth of Virginia or the City on the Tenant.

14. Utilities. Tenant shall be responsible for all deposits, costs and expenses for utilities used by Tenant at the Leased Premises, if any. All applications and connections for communications services shall be made in the name of the Tenant only, and Tenant shall be solely liable for charges as they become due. As of the Commencement Date, the only utilities used by Tenant at the Leased Premises are electricity and internet.

15. Insurance. Tenant shall obtain and shall maintain, throughout its tenancy at the Leased Premises, all of the required insurance noted below:

(A) Commercial general liability insurance covering Tenant's activities and operations within the Leased Premises. The general liability insurance shall have limits of not less than \$1,000,000.00 per occurrence.

(B) The insurance required by paragraph (A) above shall be endorsed: (i) to name the Landlord, and Landlord's officers, employees and agents, as additional insured parties, (ii) to provide a waiver of any subrogation in favor of the Landlord, its officers, employees, and agents, in connection with any covered loss, and (iii) to provide Landlord thirty (30) days' advance written notice of cancellation or any material change in coverage.

(C) Tenant shall furnish to Landlord evidence of the insurance or endorsements required by paragraphs (A) through (B) above upon execution of this Lease Agreement.

16. Assignments and Subleases. Tenant shall not assign its rights or obligations under this Lease Agreement, and shall not enter into any sublease of the Leased Premises, without the prior written consent of Landlord.

17. Landlord's Right of Entry. Landlord and its agent(s) shall have a right to enter upon the Leased Premises at reasonable times and upon reasonable notice given to Tenant, for the purpose of inspecting the Leased Premises or for performing any action Landlord has a right to perform under this Lease (including, without limitation, for accessing other property belonging to Landlord or others). So long as Tenant's use of the Leased Premises is not disturbed, Landlord may grant or transfer an easement, license, or any other right lawfully held by Landlord in the Leased Premises during the Lease Term, after reasonable notice to Tenant in any such instance.

18. Indemnification. Tenant shall indemnify Landlord against all liabilities, costs, expenses (including reasonable attorney's fees) and losses incurred by Landlord as a result of (A) any Event of Default; (B) any accident, injury or damage caused by Tenant's negligence; (C) Tenant's failure to comply with applicable laws; (D) any mechanics' lien or security agreement or other lien filed against the Leased Premises as the result of Tenant's acts or omissions and Tenant fails to have the same released of record within fifteen (15) days after receipt of notice thereof; or (E) any negligent act or omission of Tenant, its officers, employees, and agents. Tenant's indemnification shall not extend to, and shall expressly exclude, any liabilities, costs, expenses and losses arising from the gross negligence or willful misconduct of the Landlord or its officers, employees or agents.

19. Mutual Waiver of Subrogation. Tenant hereby waives and releases Landlord, and Landlord hereby waives and releases Tenant, from any and all liabilities, claims and losses for which the released party is or may be held liable to the extent of any insurance proceeds received by the other party. Each insurance policy obtained pursuant to the Lease Agreement or otherwise shall contain a waiver by the insurer of any rights of

subrogation or indemnity to which the insurer might otherwise be entitled. No policy obtained by Landlord or Tenant in connection with this Lease or the Leased Premises shall contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance providing coverage against the peril involved, whether collectible or not.

20. Landlord's Remedies Upon Default.

(A) Events of Default. The following events (each, an "**Event of Default**") shall entitle Landlord to exercise the remedies set forth in paragraph (B) below:

(i) If Tenant fails in the payment of any Rent, and Tenant does not cure such failure within ten (10) days after Landlord has given Tenant written notice thereof; and

(ii) If Tenant defaults in the performance of any of the other covenants, terms or conditions of this Lease not addressed in paragraph (A)(i) above, and Tenant does not cure such default within thirty (30) days after Landlord has given Tenant written notice thereof (or, if the default is of such nature that it cannot be completely cured within such 30-day period, if Tenant does not commence such curing within such 30 days and thereafter proceed with reasonable diligence and good faith to cure such default).

(B) Upon the occurrence of an Event of Default, Landlord shall have the right to terminate this Lease and all rights of Tenant under this Lease by giving written notice to the Tenant, in which event this Lease shall terminate on the date specified in such notice. On or before such termination date, Tenant shall quit the Leased Premises and surrender the Leased Premises to Landlord, but Tenant shall remain liable as hereinafter provided. Upon such termination date, the Landlord may at any time thereafter resume possession of the Leased Premises by any lawful means and remove Tenant or other occupants and their effects. No failure of the Landlord to enforce any term or condition of this Lease shall be deemed a waiver. In the event Landlord elects to terminate this Lease upon the occurrence of an Event of Default, Landlord may recover from Tenant any unpaid Rent due and owing to the Landlord at the time of termination of the Lease and any other amount necessary to compensate Landlord for all damages proximately caused by Tenant's failure to perform its obligations under this Lease. Alternatively, Landlord shall have the right upon the occurrence of an Event of Default to re-enter and retake possession of the Leased Premises without terminating the Lease and relet the same on behalf of Tenant at such rent and under such terms and conditions as may be commercially reasonable under the circumstances. All rents received by Landlord from such reletting shall be applied as follows: first, to Landlord's reasonable costs incurred in connection with such reentry and reletting, including renovation costs, reasonable attorney's fees, brokerage commissions and advertising costs; second, to all other actual damages and expenses suffered or incurred by Landlord as a result of the Event of Default; and third, to Rent due but not paid by Tenant. Any surplus rents received by Landlord shall be held, without interest and free from the claims of creditors to Tenant, as

security for the continued payment and performance of Tenant's obligations under the Lease until Landlord terminates the Lease or the Lease Term expires, at which time any amount remaining after full payment to Landlord shall be paid over to Tenant. No act of Landlord shall be construed as terminating this Lease except written notice given by Landlord to Tenant advising Tenant that Landlord elects to terminate the Lease due to an Event of Default.

21. Surrender. Upon the expiration or earlier termination of this Lease, or any renewals or extensions hereof, Tenant shall quit and surrender the Leased Premises to Landlord clean and in good order and condition, ordinary wear and tear excepted. Tenant shall, on or prior to the date of expiration or earlier termination, remove all its property (subject to the provisions of Section 9 and Section 10, as applicable), repair all damage to the Leased Premises caused by such removal and make reasonable restoration of the Leased Premises to the condition in which they existed prior to the installation of the property so removed. Any property of the Tenant that remains on the Leased Premises after the expiration or termination of this Lease may be treated by the Landlord as abandoned property. Any item of property which is left on the Leased Premises after the expiration or earlier termination of this Lease that is worth less than \$1,000.00 (one thousand dollars) shall be deemed abandoned and may be immediately removed by the Landlord and disposed of as the Landlord sees fit.

22. Rules and Regulations of Landlord; Stipulations. Tenant covenants that the following rules and regulations shall be faithfully observed and performed by Tenant, its principals, employees and agents, and its invitees:

(A) Tenant shall not do or permit anything to be done in the Leased Premises, or bring or keep anything therein, which will obstruct or interfere with the rights of the Landlord; or which will violate applicable law.

(B) No animals shall be kept by Tenant in or about the Leased Premises and the Tenant shall not suffer any animal(s) to be kept in or about the Leased Premises, other than service animals and domestic pets accompanied by their owners.

(C) Tenant shall comply with any other rule(s) or regulation(s) of Landlord of which Tenant has been given notice, and which are, in Landlord's judgment, necessary or appropriate for the safety, care and cleanliness of the Leased Premises.

23. Quiet Enjoyment. Upon payment of the Rent herein provided for and upon performance of the terms of this Lease, Tenant shall have a right of quiet enjoyment of the Leased Premises.

24. Notices. All notices, consents and other communications required or permitted to be given under this Lease Agreement shall be in writing and delivered by nationally recognized overnight delivery service or by certified U.S. mail, return receipt requested, addressed to the receiving party's address appearing below or at such other address as the receiving party may hereafter specify to the other by notice given in accordance with this

section. A notice shall be deemed to have been given as of the date on which said notice is either signed for or refused as indicated on the postal service or overnight delivery service receipt. The parties' designated addresses for purposes of receiving notices, consents and other communications pertaining to this Lease are as follows:

Landlord: Charlottesville Director of Economic Development
Chris Engel
605 E Main Street
Charlottesville, Virginia 22902

With required copies by email to: engel@charlottesville.gov.

Tenant: Rivanna River Company LLC
Attn: Gabriel and Sonya Silver
1412 Chesapeake St.
Charlottesville, VA 22902

With required copies by email to: gabe@rivannarivercompany.com,
sonya@rivannarivercompany.com and tara@boydandsipe.com.

25. Governing Law. This Lease Agreement shall be construed under and governed by the laws of the Commonwealth of Virginia. Any action to enforce this Lease Agreement, and any other litigation arising out of this Lease Agreement, shall be brought within the Circuit Court for the City of Charlottesville, Virginia and such court shall be the exclusive venue.

26. Successors in interest; Entire Agreement; Amendments. This Lease contains the entire agreement between Landlord and Tenant regarding the lease of the Leased Premises, and may not be altered, changed or amended except by an instrument in writing executed by Landlord and Tenant. This Lease shall be binding upon and shall inure to the benefit of the parties and their successors in interest.

27. No Waivers. No failure of a party hereto to enforce any term or condition of this Lease Agreement, or any of its rights hereunder, shall be deemed a waiver.

28. Interpretation. If any provision of the Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then such invalidity, illegality or unenforceability shall not affect any other provision hereof and the remainder of the Lease shall be enforceable as if such provision had not been included in the Lease. In computing any period of time described in the Lease, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the designated period will be included, unless it is not a business day, in which event the designated period shall run until the end of the next business day. The final day of any such period shall be deemed to end at 6 p.m., local time at the Leased Premises. A "business day" shall mean each day that is not a Saturday, Sunday or day when the U.S. Postal Service is not scheduled to deliver mail. References to months shall mean calendar

months. Section headings are provided for convenience, and in no way define, limit or affect the scope or intent of the Lease. Pronouns of any gender used in the Lease shall include the other genders, the singular shall include the plural, and the word “including” followed by one or more specific items shall mean “including, without limitation” all of the items in such list, as necessary to give effect to the terms hereof.

29. Force Majeure. Each of the parties shall be excused from delays in the performance of its non-monetary obligations hereunder during any period when such performance is rendered impossible due to any cause beyond such obligated party’s control, including injunction, riot, strike, insurrection, pandemic, war, terrorism, crime, court order, moratorium, shortage, acts of any governmental body or authority or acts of God.

30. Counterparts; Electronic Signatures. The Lease may be executed in counterparts, both of which together constitute a fully-executed Lease. Either party may execute the Lease electronically using an electronic signature service. The Lease may be delivered by facsimile, email or any other form of electronic transmission. Copies of the executed Lease shall be deemed originals for all purposes. To the extent necessary to permit the use of electronic signatures and electronic records for the execution and delivery of this Lease and all amendments thereto and documents contemplated thereby, this section constitutes an agreement by the parties to conduct a transaction by electronic means.

31. Termination. The parties’ rights to terminate this Lease Agreement prior to the expiration of the Lease Term are as set forth in Sections 11 (Tenant’s right to terminate upon a Casualty) and 20(B) (Landlord’s right to terminate upon an Event of Default).

[SIGNATURE PAGE FOLLOWS.]

[COUNTERPART SIGNATURE PAGE TO LEASE AGREEMENT.]

WITNESS the following duly authorized signatures and seals as of the date first above written.

Owner:
CITY OF CHARLOTTESVILLE, VIRGINIA

BY: _____
Name: Samuel Sanders, Jr.
Its: City Manager

Landlord:
**THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF
CHARLOTTESVILLE, VIRGINIA**

BY: _____
Name: J. Addison Barnhardt
Its: Chair

Tenant:
RIVANNA RIVER COMPANY LLC

BY: _____
Name: Gabriel Silver
Its: Manager and Member

APPROVED AS TO FORM:

City Attorney's Office

Exhibits Attached:

EXHIBIT A: Sketch of Leased Premises
EXHIBIT B: List of Signs

EXHIBIT A
Sketch of Leased Premises



EXHIBIT B
List of Signs

- Wooden 6'x4' sign and message board facing Rivanna Trail
- 5 18"x24" signs indicating Parking for customers and staff only
- Small sandwich board chalkboard signs (temporary) used at Rivanna Trail and outside of shop
- Large sandwich board sign used at E High (proposal is to replace this with a permanent sign)