



## MEETING AGENDA

### CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, May 13, 2025 – 4:00 p.m. @ CitySpace, 100 5<sup>th</sup> St. NE

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- 1) CALL TO ORDER AND WELCOME
- 2) PUBLIC COMMENT
- 3) CONSENT AGENDA
  - a) Minutes from the March 11, 2025, meeting
  - b) Treasurer Reports from February and March 2025
- 4) NEW BUSINESS
  - a) Resolution to approve amended Rules and Procedures
  - b) Update on Career Pathways (EDSP - Goal 3) and VEDA Award recognition
  - c) Update and discussion on Working Capital/Bridge Loan Fund
- 5) OTHER BUSINESS AND ANNOUNCEMENTS
  - a) AFID Grant Application for BEACON Kitchen
  - b) Update on VBAF Grant status
- 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](mailto: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 – March 11, 2025**

**Members Present**

Addison Barnhardt  
Jay O'Donnell  
Jonathan Chasen  
Denise Herndon

**Staff Present**

Chris Engel  
Matt Johnson  
Keith Groomes  
Trish Carpenter

**Not Present**

Steven Johnson  
James Cauthen  
Quinton Harrell

A meeting of the Charlottesville Economic Development Authority occurred on Tuesday, March 11th, 2025, at CitySpace. The Chair, Mr. Barnhardt, called the meeting to order at 4:08 PM.

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

Mr. Barnhardt asked the board if there were any comments or questions regarding the February 18, 2025, meeting minutes or the financial reports for January 2025. No questions or comments noted, Mr. Barnhardt asked for a motion to approve the Consent Agenda, motion moved by Mr. O'Donnell, second by Ms. Herndon, all present in favor. Motion passed.

First item of new business was a resolution to approve a Performance Agreement for a project at 501 Cherry Ave. Mr. Engel explained that the EDA has a role in any Performance Agreement the City seeks to enter. Currently several agreements are in repayment and two are complete. This proposed Performance Agreement is for a grant equivalent to 50% of the real estate tax increment created by the project at 501 Cherry Ave. The project includes two commercial units, parking and 71 affordable housing units. Council passed a preliminary Resolution of support last summer for the project and a formal resolution at their March 4<sup>th</sup> meeting. The grant will occur to the developer after the EDA verifies all elements of the Performance Agreement have been met. After all questions were answered, the Chair asked for a motion to approve, so moved by Mr. Chasen, second by Mr. O'Donnell, all present in favor. Motion passed.

Next item of business, Mr. Engel presented to the Board the proposed FY26 budget. The primary item of change is a reduction in the performance agreement line item due to two agreement sunsetting. The majority of the other line items had either no change or small changes from the year prior. The primary revenue sources which include Industrial Revenue Bond (IRB) fees, as well as rent from the Pavilion and S&P Global leases remain stable. After all questions were answered the Chair asked for a motion to approve the FY26 proposed budget, so moved by Mr. Chasen, second by Ms. Herndon, all present in favor. Motion passed.

In other business, Comprehensive Rules and Procedures update is in progress including the IRB fee schedule as discussed in the previous meeting. Staff is working with the authority counsel to update the documents and they will be presented to this Board at a future meeting.

A small committee has been organized with Mr. Harrell and Mr. Johnson to assist in the development of policy in which the EDA could deploy a portion of its working capital to help support the development or preservation of affordable housing in the city.

There is an opportunity for a Board member to volunteer to be a judge at the Piedmont Pitch event to represent the Authority. Piedmont Pitch is a collaboration with the County and SBDC. Ms. Herndon shared her experience at the event to the Board when she was a judge.

The EDA and the City are supporters for the Tom Tom Festival in April. The City is the sponsor for the Block Party, and the EDA is a sponsor of the Civic event on Thursday.

The BEACON grand opening event is now scheduled for April 5th. An invite will be sent to the Board soon.

Last, the Chair recognized Mr. Chasen for his years of service with the Board. Mr. Chasen was presented with a plaque by the EDA.

There being no further business, Mr. Barnhardt asked for a motion to adjourn the meeting, so moved by Ms. Herndon, second by Mr. Barnhardt, all present in favor. The Chair adjourned the meeting at 4:35 PM.

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Chris Engel, Secretary

Date Approved by CEDA

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY  
TREASURER'S REPORT FOR PERIOD FEBRUARY 28, 2025  
REVENUE & EXPENDITURE DETAIL**

	February	Budget	YTD*	Variance
<b>REVENUES</b>				
EDA Admin Fees		\$ 16,500.00	\$ 15,000.00	\$ (1,500.00)
S&PG Rent Payment		\$ 240,000.00	\$ 180,000.00	\$ (60,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4		\$ 170,886.00	\$ 140,406.06	\$ (30,479.94)
Charlottesville Pavilion - Ticket Surcharge Remittance		\$ -	\$ 16,359.50	\$ 16,359.50
Charlottesville Pavilion - Maintenance Fund Deposit		\$ -	\$ 25,072.00	\$ 25,072.00
Maintenance Fund Deposit - Interest Earned		\$ -		\$ -
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 500,000.00		\$ (500,000.00)
State AFID Grant		\$ -	\$ 50,000.00	\$ 50,000.00
Reserves		\$ 36,016.00		\$ (36,016.00)
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ 963,502.00</b>	<b>\$ 426,837.56</b>	<b>\$ (536,664.44)</b>
<b>EXPENDITURES</b>				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training	\$ 1,559.85	\$ 1,500.00	\$ 1,559.85	\$ (59.85)
Marketing		\$ 25,000.00	\$ 2,500.00	\$ 22,500.00
Legal Fees	\$ 965.00	\$ 15,000.00	\$ 3,241.00	\$ 11,759.00
Research		\$ 10,000.00	\$ 9,869.70	\$ 130.30
Supplies	\$ 147.50	\$ 1,500.00	\$ 152.81	\$ 1,347.19
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	\$ 10,000.00	\$ 8,000.00
Cville Match		\$ 62,500.00	\$ 31,250.00	\$ 31,250.00
GO Hire		\$ 30,000.00	\$ 19,360.28	\$ 10,639.72
GO VA Match	\$ 1,296.00	\$ 175,000.00	\$ 176,296.00	\$ (1,296.00)
Recovery Programming	\$ 840.00	\$ 15,000.00	\$ 5,803.85	\$ 9,196.15
Performance Agreements		\$ 500,000.00		\$ 500,000.00
Audit Fees/Adjustment		\$ 10,000.00	\$ 2,485.00	\$ 7,515.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,808.35</b>	<b>\$ 963,502.00</b>	<b>\$ 262,518.49</b>	<b>\$ 700,983.51</b>

**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 FEBRUARY 28, 2025  
SUMMARY INFORMATION**

<b>S&amp;PG RENT PAYMENT</b>			
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	\$ 180,000.00
8/1/2024	\$	40,000.00	
9/1/2024	\$	20,000.00	
10/1/2024	\$	20,000.00	
11/1/2024	\$	20,000.00	
12/1/2024	\$	20,000.00	
1/1/2025	\$	40,000.00	
2/1/2025			
3/1/2025			
4/1/2025			
5/1/2025			
6/1/2025			
<b>TOTAL CURRENT FISCAL YR</b>		<b>\$</b>	<b>180,000.00</b>
<b>BEGINNING CASH BALANCE</b>			
	\$	2,803,870.12	
Plus Revenues	\$	-	
Minus Expenditures	\$	(4,808.35)	
<b>ENDING CASH BALANCE - 2/28/2025</b>		<b>\$</b>	<b>2,799,061.77</b>
<b>WORKING CASH BALANCE</b>			
Cash Balance 2/28/2025	\$	2,799,861.77	
Reserved for COF Local Match	\$	(200,000.00)	
Reserved for Pavilion Maintenance Fund	\$	(161,955.65)	
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.	\$	(12,800.00)	
CEDA Opportunity Fund	\$	(500,000.00)	
<b>WORKING CASH BALANCE -2/28/25</b>		<b>\$</b>	<b>1,268,211.12</b>

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

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY  
TREASURER'S REPORT FOR PERIOD MARCH 31, 2025  
REVENUE & EXPENDITURE DETAIL**

	March	Budget	YTD*	Variance
<b>REVENUES</b>				
EDA Admin Fees	\$ 1,500.00	\$ 16,500.00	\$ 16,500.00	\$ -
S&PG Rent Payment	\$ 20,000.00	\$ 240,000.00	\$ 200,000.00	\$ (40,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4		\$ 170,886.00	\$ 140,406.06	\$ (30,479.94)
Charlottesville Pavilion - Ticket Surcharge Remittance		\$ -	\$ 16,359.50	\$ 16,359.50
Charlottesville Pavilion - Maintenance Fund Deposit		\$ -	\$ 25,072.00	\$ 25,072.00
Maintenance Fund Deposit - Interest Earned		\$ -		\$ -
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 500,000.00		\$ (500,000.00)
State AFID Grant	\$ 50,000.00	\$ -	\$ 100,000.00	\$ 100,000.00
Reserves		\$ 36,016.00		\$ (36,016.00)
<b>TOTAL REVENUES</b>	<b>\$ 71,500.00</b>	<b>\$ 963,502.00</b>	<b>\$ 498,337.56</b>	<b>\$ (465,164.44)</b>
<b>EXPENDITURES</b>				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training		\$ 1,500.00	\$ 1,559.85	\$ (59.85)
Marketing	\$ 5,000.00	\$ 25,000.00	\$ 7,500.00	\$ 17,500.00
Legal Fees	\$ 2,846.00	\$ 15,000.00	\$ 6,087.00	\$ 8,913.00
Research		\$ 10,000.00	\$ 9,869.70	\$ 130.30
Supplies		\$ 1,500.00	\$ 152.81	\$ 1,347.19
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	\$ 10,000.00	\$ 8,000.00
Cville Match	\$ 6,250.00	\$ 62,500.00	\$ 37,500.00	\$ 25,000.00
GO Hire		\$ 30,000.00	\$ 19,360.28	\$ 10,639.72
GO VA Match		\$ 175,000.00	\$ 176,296.00	\$ (1,296.00)
Recovery Programming	\$ 590.00	\$ 15,000.00	\$ 6,393.85	\$ 8,606.15
Performance Agreements		\$ 500,000.00		\$ 500,000.00
Audit Fees/Adjustment		\$ 10,000.00	\$ 2,485.00	\$ 7,515.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 14,686.00</b>	<b>\$ 963,502.00</b>	<b>\$ 277,204.49</b>	<b>\$ 686,297.51</b>

**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 MARCH 31, 2025  
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	\$	200,000.00
8/1/2024	\$	40,000.00		
9/1/2024	\$	20,000.00		
10/1/2024	\$	20,000.00		
11/1/2024	\$	20,000.00		
12/1/2024	\$	20,000.00		
1/1/2025	\$	40,000.00		
2/1/2025				
3/1/2025	\$	20,000.00		
4/1/2025				
5/1/2025				
6/1/2025				

**TOTAL CURRENT FISCAL YR** **\$ 200,000.00**

**BEGINNING CASH BALANCE**

	\$	2,799,861.77
Plus Revenues	\$	71,500.00
Minus Expenditures	\$	(14,686.00)

**ENDING CASH BALANCE - 3/31/2025** **\$ 2,856,675.77**

**WORKING CASH BALANCE**

Cash Balance 3/31/2025	\$	2,857,475.77
Reserved for COF Local Match	\$	(200,000.00)
Reserved for Pavilion Maintenance Fund	\$	(161,955.65)
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.	\$	(13,600.00)
CEDA Opportunity Fund	\$	(500,000.00)

**WORKING CASH BALANCE - 3/31/25** **\$ 1,325,025.12**

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

**RULES AND PROCEDURES**  
**ECONOMIC INDUSTRIAL DEVELOPMENT**  
AUTHORITY OF THE CITY OF CHARLOTTESVILLE, VA

Article I

Purpose and Scope

Section 1.1 Purpose. These Rules shall govern the submission of Applications to the Authority, Application and administrative fees, consideration of matters to be brought to the attention of the Authority relating to the authorization, issuance and sale of its Bonds, the adoption of Financing Documents, reports to be submitted to the Authority, and such other matters as are contained herein.

Section 1.2 Scope. These Rules supplement the Act. In the event of any conflict between the Act and these Rules, the provisions of the Act shall prevail.

Article II

Definitions

Section 2.1 Definitions. As used in these rules and procedures, the following terms shall have the meaning as set forth herein, unless the context clearly requires otherwise:

“Act” shall mean the Virginia Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Section 15.2 – 4900 *et seq.*, Code of Virginia of 1950, as amended.

“Applicant” shall mean any Person (as defined herein below) applying for revenue bond financing, or for whose benefit the Authority has issued its Bonds, or who requests the Authority to take any action.

“Application” shall mean the Authority’s application for revenue bond financing as in effect from time to time.

“Authority” shall mean the ~~Economic Industrial~~ Development Authority of the City of Charlottesville, Virginia, a political subdivision of the Commonwealth of Virginia.

“Bonds” shall mean any notes, bonds and other obligations authorized to be issued by the Authority pursuant to the Act.

“Code” shall mean the Code of Virginia of 1950, as amended.

“Financing Documents” shall mean any resolutions, instruments, documents,

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papers, elections, certificates or financing statements required to be adopted or authorized, executed and delivered by the Authority in connection with the authorization, issuance and sale of its Bonds or actions requested of the Authority.

“IRC” shall mean the Internal Revenue Code of 1986, as amended.

“Person” shall mean and include any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, government, political subdivision, or any other legal or commercial entity.

“Project” shall mean any land, improvements, machinery, equipment or property financed or refinanced by the issuance and sale of the Authority’s Bonds or which relate to actions requested of the Authority.

“Rules” shall mean these Rules and Procedures of the Authority, as may be in effect from time to time.

### ARTICLE III

#### GENERAL

Section 3.1. Copies to be Provided Applicants. A copy of these Rules shall be furnished by the Authority’s Executive Director to each prospective Applicant.

Section 3.2. Compliance with Rules and Procedures. Each Applicant shall comply with these Rules in the submission of its Application or any Financing Documents to the Authority and in requesting that the Authority take any action, including but not limited to the adoption or approval of Financing Documents. Failure to comply with these Rules shall constitute sufficient reason for the Authority to refuse to consider any Application, Financing Documents or any other matter to be brought before the Authority by or on behalf of any Applicant.

Section 3.3. Amendments. These Rules may be changed from time to time by the Authority by the vote of a majority of its Directors present at any meeting of the Authority, provided notice of such change shall have been given to each Director before such meeting. These Rules may, notwithstanding the foregoing, be amended without prior notice upon the affirmative vote of all Directors of the Authority present and voting if the Authority determines such action is urgently needed for reasons stated in such determination.-

#### Section 3.4. Preparation and Distribution of Agenda and Minutes

(a) A preliminary agenda for the Authority’s regular meeting shall be prepared and distributed by the Authority’s Executive Director no later than five days before the Authority’s regularly scheduled meeting date. In the case of special meetings of the Authority, the agenda shall be included in the call issued for such meeting. When

action is to be taken with reference to a Project or the issuance of Bonds, the agenda shall contain a description of the type, nature and location of the Project, the name of the Applicant and the nature of the action to be taken by the Authority. The agenda for regular meetings of the Authority shall state that it is a preliminary agenda subject to change at or before the Authority's meeting.

(b) A copy of the agenda for each of the Authority's meetings shall be posted, at least three (3) working days prior to such meeting, in a prominent public location at the office of the Executive Director and the agenda shall also be provided to the following: each officer and director of the Authority, the Economic Development Director for the City of Charlottesville, each Person or firm mentioned on the agenda, the Charlottesville City Attorney, Counsel to the Authority and to each Person, firm or organization which shall have submitted a written request to the Executive Director that its name be placed on the mailing list for the agenda of the Authority's meetings. Any Person who wishes to be on the mailing list for the agenda shall renew such request in writing annually during the month of June. The request shall include the requester's name, address, zip code, daytime telephone number, electronic mail address, if available, and organization, if any. If any request is not so received, such name and address shall be deleted from the mailing list. Without objection by the Person, the Authority may provide electronic notice of all meetings in response to such requests. The Authority may also choose to post public notice of its meetings on the Internet.

At least one copy of all agenda packets and, unless exempt under FOIA, all materials furnished to members of the Authority for a meeting shall be made available for public inspection at the office of the Executive Director, at the same time such documents are furnished to the members of the Authority.

Additionally, when required by state law (see, e.g., §15.2-4906 of the Virginia Code) notice of particular meetings, or of required public hearings, shall be published in a newspaper of general circulation within the City of Charlottesville.

(c) Minutes shall be recorded at all meetings of the Authority. Minutes shall include, but are not limited to: (i) the date, time and location of the meeting; (ii) the members of the Authority recorded as present and absent; and (iii) a summary of the discussion on matters proposed, deliberated or decided, and a record of any votes taken. Preliminary drafts of the minutes of the Authority's meeting shall, as soon as practicable following the meeting, be mailed or delivered to each member of the Authority the Economic Development Director and the Authority's legal counsel. Each preliminary copy of the minutes so distributed shall be marked to indicate that it is a preliminary draft subject to additions or corrections at the Authority's next meeting. The date of approval of the Authority's minutes shall appear at the foot of the last page of the minutes and shall, when approved, be signed by the Executive Director of the Authority.

3.5. FOIA/Public records. Except as specifically provided by federal or state law, all proceedings, contracts and other public records of the Authority and its transactions shall be open to the inspection of any citizen, or any interested, person, firm or

corporation, in accordance with the Virginia Freedom of Information Act (§2.2-3700 *et seq.*)(“FOIA”). The term “*public records*” refers to all writings and recordings, however, made, recorded, or stored (including, without limitation, electronic records) prepared or owned by, or in the possession of the Authority, its officers, employees or agents, in the transaction of the business of the Authority. FOIA itself provides a limited number of exceptions to the requirement of public disclosure/inspection, for example (and without limitation):

(a) Records recorded in or compiled exclusively for use in a lawful closed meeting of the Authority held pursuant to Va. Code §2.2-3711, however, no record that is otherwise open to inspection under FOIA will be deemed exempt by virtue of having been reviewed or discussed in a closed meeting;

(b) Financial statements not publicly available, filed with Applications for industrial development financings, see Virginia Code §2.2-3705.6(2); and

(c) Confidential proprietary records, voluntarily provided by a private business pursuant to a promise of confidentiality from the Authority, its officers or employees (including the Executive Director), where such records are used by the Authority for business, trade or tourism development.

#### ARTICLE IV

##### APPLICATION PROCEDURES, FEES AND REQUIREMENTS

Section 4.1 Applications. Each Applicant shall submit nine (9) (or if electronic, one) fully and accurately completed Application(s) to the Authority’s Executive Director at least ten (10) days before the Authority’s meeting at which the Application is to be considered. Each Application shall include all requested exhibits. In the event all requested exhibits are not available or not to be made part of the public record, a statement of explanation will be attached to the Application. The Authority recommends that each Applicant seek the advice of the Executive Director respecting completion of the Application before submitting it to the Authority. Applications are required to be submitted for any public hearing ~~to be held by the Authority~~ or for other approvals or actions requested of the Authority, even if the Authority is not issuing the Bonds for the Project.

Section 4.2 Application Fees. The Authority charges an Application fee of \$1,500.00 based upon the requested amount of Bonds to be issued by the Authority in accordance with the following:

<u>AMOUNT OF ISSUE</u>	<u>FEE</u>
<del>Public Hearing for Bonds to be issued by other issuer</del>	<del>\$ 1,000.00</del>
<del>\$ 0 to \$ 2,249,999</del>	<del>\$ 1,000.00</del>
<del>\$ 2,250,000 to \$ 4,999,999</del>	<del>\$ 2,000.00</del>

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<del>\$ 5,000,000 to \$ 7,249,999</del>	<del>\$ 4,000.00</del>
<del>\$ 7,250,000 to \$ 9,999,999</del>	<del>\$ 6,000.00</del>
<del>\$ 10,000,000 to \$ 19,999,999</del>	<del>\$ 8,000.00</del>
<del>\$ 20,000,000 and higher</del>	<del>\$ 10,000.00</del>

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The Application fee shall be paid to the Authority prior to consideration of any resolution to be adopted on behalf of the Applicant. Application fees, upon acceptance by the Authority, are non-refundable. No interest shall be paid on Application fees held by the Authority. ~~If a proposed issue of Bonds is increased to an amount requiring payment of a greater Application fee, the difference shall be paid to the Authority before such increase is authorized by the Authority.~~

Section 4.3 Administrative Fees.

(a) The Authority charges an annual administrative fee for all Projects financed by the Authority. The administrative fee is initially payable in advance at closing, and thereafter is payable annually and due on the anniversary date of the issuance of the Bonds in an amount of \$750.00 per \$1,000,000 of Bonds issued, prorated to the amount of Bond issued, in accordance with the following:

<u>ADMINISTRATIVE FEE</u>	<u>FEE</u>
<del>\$ 0 to \$ 2,249,999</del>	<del>\$ 750.00</del>
<del>\$ 2,250,000 to \$ 4,999,999</del>	<del>\$ 1,500.00</del>
<del>\$ 5,000,000 to \$ 7,249,999</del>	<del>\$ 3,000.00</del>
<del>\$ 7,250,000 to \$ 9,999,999</del>	<del>\$ 4,500.00</del>
<del>\$ 10,000,000 to \$ 19,999,999</del>	<del>\$ 6,000.00</del>
<del>\$ 20,000,000 and higher</del>	<del>\$ 7,500.00</del>

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(b) The Authority requires reimbursement of its costs and expenses incurred in connection with the issuance and sale of its Bonds and by virtue of its Bonds being outstanding and in relation to any action or hearing in connection with Bonds issued by other issuers. (See Section 5.2)

(c) The Authority will impose a penalty equal to ten percent (10%) of any annual administrative fee which has not been paid within 30 days following the anniversary date of the issuance of the Bonds. Additionally, the Authority will assess an interest charge equal to an annual rate of ten percent (10%) of the amount unpaid, until paid.

Section 4.4 Transcripts of Proceedings. Each Applicant receiving **Bonded** financing through the Authority shall furnish to the Authority upon the sale and delivery of the Bonds, two complete transcripts of the Financing Documents relating to such Bonds, which may be furnished in pdf or other electronic format. Bond transcripts shall be hardback bound in library standard quality binders at the cost and expense of the Applicant.

Section 4.5 Bond Validation Proceedings. The Authority may require that before issuance, its Bonds be validated by the Circuit Court of the City of Charlottesville, Virginia, pursuant to the requirements of Section 15.2-4908 of the Code. The costs, expenses and fees incurred in connection with any bond validation proceeding required by the Authority, including attorneys' fees, shall be paid by the Applicant.

Section 4.6 Additional Information Required of Applicants.

(a) The Authority may adopt a resolution conditioned upon the subsequent furnishing of certain information satisfactory to the Authority. All required information shall be promptly furnished to the Authority and failure of any Applicant to furnish such information shall constitute a ground for rescission of any resolution adopted pursuant to such conditions.

(b) The Authority may, at its option, require the furnishing of appraisals, evaluations or reports respecting the Project or any portion thereof. The Authority may retain advisors and consultants to advise it regarding any Project or other action after prior notification to the Applicant, the costs of which shall be paid by the Applicant.

(c) Since the Authority usually acts based upon information furnished to it solely by the Applicant, the Authority reserves the right to require at any time the furnishing of additional information deemed relevant by the Authority. In instances where the Applicant has undergone changes in form or management or where the security to be given for payment of the Bonds has changed, the Applicant shall report such changes promptly to the Authority.

ARTICLE V

PROVISIONS TO BE INCORPORATED INTO RESOLUTIONS  
AND FINANCING DOCUMENTS; APPROVAL PROCEDURES

Section 5.1. Inducement Resolutions. Each inducement or reimbursement resolution ("inducement resolution") adopted by the Authority shall provide that it shall continue in full force and effect for a period of two years unless specifically extended by the Authority or the Bonds contemplated by the resolution are issued.

Section 5.2. Payment of Authority Expenses. The Financing Documents adopted by the Authority for the benefit of any Applicant shall provide that the Applicant agrees to pay all costs, fees and expenses incurred by the Authority (including attorney fees) in connection with:

- (a) the authorization, issuance, and sale of the Authority's Bonds;
- (b) a public hearing or other action related to Bonds to be issued by other issuer(s);
- (c) the ownership, occupation, operation or use of the Project being financed, whether owned by the Authority or the Applicant;

- (d) prepayment or redemption of the Authority's Bonds;
- (e) administrative costs and expenses of the Authority, including the fees of attorneys, accountants, engineers, appraisers or consultants, paid or incurred by the Authority by reason of the Bonds being outstanding or pursuant to requirements of the Financing Documents;
- (f) the Authority's annual administrative fees as set forth in Section 4.3; and
- (g) such other fees and expenses of the Authority, not directly related to the Project being financed for the Applicant, but attributable to the Authority's financing of industrial or commercial Projects, including without limitation, a share of costs of the Authority's annual audit required by Virginia Code Section 15.2-4904(F), determined as follows:

- (1) All costs and fees relating to the annual audit and directly attributable to a particular Applicant or Project, shall be charged to such Applicant; and
- (2) Any costs and fees of such audit not directly attributable to any Applicant or Project shall be allocated among all Applicants having Bonds outstanding, pro rata, as the amount of Bonds originally issued for such Applicant bears to the total face amount of Bonds issued by the Authority of which any portion of any issue remains outstanding and unpaid.

Section 5.3. Indemnification of the Authority. Each Applicant shall agree to indemnify and save harmless the Authority and its officers, directors, employees and agents (hereinafter the "Indemnitees") from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses, including without limitations:

- (a) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the Applicant;
- (b) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Applicant, the Project or Indemnitees;
- (c) any judgments, penalties, fines, damages, assessments, indemnities or contributions; and
- (d) the reasonable fees of attorney's, auditors, and consultants (hereinafter referred to as "Damages").

Provided that the Damages arise out of:

(i) failure by the Applicant, or its officers, employees or agents, to comply with the terms of the Financing Documents and any agreements, covenants, obligations, or prohibitions set forth therein;

(ii) any action, suit, claim or demand contesting or affecting the title of the Project;

(iii) any breach of any representation or warranty set forth in the Financing Documents or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Applicant contains or contained any untrue or misleading statement of fact or omits or omitted any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made;

(iv) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the construction, acquisition, ownership, operation, occupation or use of the Project; or

(v) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Applicant, the Project or the Indemnitees which might adversely affect the validity or enforceability of the Bonds, the Financing Documents, or the performance by the Applicant or any Indemnitee of any of their respective obligations there under.

Section 5.4. Bond Counsel Opinion Required. Before issuing and delivering any of its Bonds, the Authority shall receive an unqualified approving opinion of recognized bond counsel, licensed to practice law in Virginia and approved by the Authority stating, among other things, that the Bonds have been duly authorized, executed, issued and delivered, that the interest thereon is exempt from Federal income taxation under the IRC (or other applicable provision of law), if applicable, and taxation by the Commonwealth of Virginia, and that the Bonds are exempt from registration requirements under applicable state and Federal securities laws.

Section 5.5. Covenants to Preserve Tax Exempt Status of the Bonds. All Financing Documents presented for approval by the Authority shall contain appropriate covenants of the Applicant designed to insure compliance with the requirements of the IRC §103 to preserve the tax exempt status of interest on the Bonds, if applicable, including without limitation, “arbitrage” requirements, capital expenditure limitations and reporting requirements.

Section 5.6. Payments in Lieu of Taxes. In event title to the Project is held by any Person not subject to real or personal property taxes, the Applicant and any user of the Project, unless specifically exempted by the Authority, may be required to enter into an agreement to pay all taxes, levies, assessments, charges or other impositions which

may be levied by any taxing authority on the Project as if such Applicant or user held title to the Project or any portion thereof.

Section 5.7. Public hearing and approval. Pursuant to the requirements of Virginia Code §15.2-4906, whenever federal law requires public hearing and approval as a prerequisite to obtaining federal tax exemption for the interest paid on private activity industrial development bonds, unless otherwise specified by federal law or regulation, the public hearing shall be conducted by the Authority and the procedure for the public hearing and approval shall be in accordance with this section. It shall be the obligation of the Applicant and the Applicant's attorney to notify the Authority of the applicable federal law(s) or regulation(s).

(a) Notice of the required public hearing, and of the Authority's intention to provide financing for a named individual or business entity, shall be published as provided under Federal or State law, at the Applicant's expense, once a week for two successive weeks in a newspaper having general circulation within the locality in which the facility to be financed is to be located. The Applicant shall pay the cost of publication. The published notice shall specify (i) the time and place of the hearing at which Persons may appear and present their views, (ii) the name and address of the Authority; (iii) the name and address (principal place of business, if any) of the party seeking financing; (iv) the maximum dollar amount of financing sought; and (v) the type of business and the purpose and specific location of the facility to be financed. The hearing shall be held not less than six (6) days nor more than twenty one (21) days after the second notice shall appear in the newspaper.

(b) If, after a required public hearing has been held, the Authority approves the financing, a reasonably detailed summary of the comments expressed at the hearing shall be conveyed promptly by the Executive Director to the City Council, together with a resolution indicating the recommendation of the Authority and a fiscal impact statement in the form required by §15.2-4907 of the Virginia Code, if applicable.

~~(c) Pursuant to the Act, for public approval, the City Council must, within sixty (60) calendar days from the public hearing held by the Authority, either approve or disapprove financing of the facility recommended by the Authority. Action of the City Council shall be by majority of a quorum set out in a resolution. Such vote shall be recorded and the recordation shall disclose how each member voted.~~

Section 5.87. Limitations and priorities. The Authority shall adhere to the limitations on financing certain types of Projects, as specified within §2-390 of the Charlottesville City Code, and shall, in determining whether a particular facility or Project should be financed by the Authority, apply the priorities set forth within §2-391 of the Charlottesville City Code, to the extent permitted by law.

## ARTICLE VI

### REPORTS

Section 6.1. Interim Reports by Applicants. Each Applicant, upon request of the Authority, shall file with the Authority a written report describing the status of its proposed financing ~~no later than the last day of the second month after the adoption of an inducement resolution for the Applicant and every three months thereafter, from time to time~~, until the adoption of any Financing Documents by the Authority. Such written report ~~should~~ include the proposed purchaser of the Bonds, the proposed terms of the Bonds, the status of Financing Documents, and the current status of the Project. Each Applicant shall promptly notify the Authority of any significant or material changes to any information previously furnished by the Applicant to the Authority.

Section 6.2. Annual Reports of Applicants. Each Applicant, after the issuance and sale of the Authority's Bonds for the benefit of such Applicant, shall annually report to the Authority no later than June 30 the status of the Project, which shall include the outstanding and unpaid balance of Bonds issued for the Project, whether any event of default has occurred under the Financing Documents, and other information relating to the financing of the Project, and benefits to the City of Charlottesville.

Section 6.3. Reports by Executive Director. At each regular meeting of the Authority, the Executive Director shall report any action taken on behalf of the Authority since the last regular meeting, including receipt of reports required under Sections 4.6, 6.1 and 6.2. no later than September 1 of each year. Also the Executive Director of the Authority may report to the Authority on the status, as of the end of the Authority's fiscal year, of each active and outstanding inducement resolution of the Authority and the status of each issue of the Authority's Bonds.

## ARTICLE VII

### ENFORCEMENT

Section 7.1. Enforcement of Provisions. The Authority may refuse to consider or adopt any resolutions, Financing Documents or any other matters presented for its consideration if the Applicant has failed to comply with the requirements of these Rules.

Section 7.2. Repeal of Actions Previously Taken. The Authority may rescind or repeal any inducement resolution previously adopted by it or any other action taken by the Authority because of failure of the Applicant to comply with the provisions of these Rules or because of substantial changes in the management, ownership, Project plan or financial circumstances of the Applicant, provided, however, no inducement resolution or action taken by the Authority shall be repealed or rescinded unless prior written notice of such proposed action shall have been mailed to the Applicant at least three weeks before the date upon which such action is proposed to be taken. Notwithstanding the foregoing, no such action shall be taken by the Authority which will impair or adversely affect the interests of the holders of the Authority's Bonds.

## ARTICLE VIII

### STATEMENTS OF POLICY

Section 8.1. Construction, Operation and Effect of Rules. These Rules are intended as guidelines to promote and insure the orderly and consistent consideration of Applications, Financing Documents and other matters brought before the Authority. For good cause, application of these Rules may be modified and waived upon a case by case basis upon the consent of the Authority. Any action taken by the Authority not in conformity with these Rules shall, nevertheless, be fully effective as if taken in compliance with these Rules. It is, however, the policy of the Authority that each Applicant comply fully and completely with these Rules, and failure to comply with these Rules may constitute grounds for refusal by the Authority to take any action requested.

Section 8.2. Approval of Inducement Resolution not to Constitute an Endorsement of Applicant. ~~The purpose of the Authority, as set forth in the Act, is to promote industry and develop trade by inducing manufacturing, industrial, governmental and commercial enterprises to locate in or remain in the Commonwealth of Virginia.~~ Pursuant to the Act, the Authority's powers shall be exercised for the benefit of the inhabitants of Virginia through the promotion of their safety, health, welfare, convenience or prosperity. Accordingly, the Authority's decision to adopt an inducement resolution or take other action will be based largely upon these factors. In conduit financings which provide tax exempt financing to promote the commerce and industry of the commonwealth of Virginia and the City of Charlottesville, the Authority believes it is improper for it to inquire into matters relating to the business judgment of the management of any Applicant not relevant to the foregoing factors. The Authority may, however, examine the business decisions and other aspects of management of the Applicant should it deem such matters relevant to the authorization, issuance and sale of its Bonds.

In view of the foregoing limitations, the adoption of an inducement resolution or any other action taken by the Authority is not to be used by any Applicant in any matter whatsoever as an endorsement or approval of the Applicant, its policies or its management.

~~Section 8.3. Security for Payment of Bonds. The Authority will require a showing that any issue of its Bonds is fully and adequately secured. If the Bonds are secured by a lien upon or security interest in the Project financed with the proceeds of such Bonds, the Authority may require an appraisal of the Project showing that it is valued in an amount sufficient to pay the outstanding principal amount of the Bonds issued to finance such Project.~~

Section 8.34. Compliance with Rules. These rules were adopted by the Authority to assist in the orderly and expeditious conduct of its business. As stated in Section 3.2 of these Rules, the Authority has reserved the right to require that any Applicant strictly conform to the requirements of the Rules. Among other things, the Rules require that

each Applicant inform the Authority of any new developments or material changes in information which has been submitted to the Authority, either orally or in writing. Matters concerning the structure of the financing, the prospective purchasers of the Bonds and the security for payment of the Bonds are items of particular interest to the Authority; however, the Authority expects to be kept informed of all material changes to information submitted to it.

By submitting an Application to the Authority, the Applicant agrees to abide by these Rules. Thus, the burden is placed upon the Applicant to review and to comply with these Rules. ~~The principal sanction which may be applied by the Authority against any Applicant for failure to comply with the Rules would be a refusal to take any action requested by the Applicant. Such a refusal might result in embarrassment to or considerable financial expense on the part of the Applicant. To avoid such embarrassment or expense, the Authority urges each Applicant to keep the Authority fully informed of any new developments or material changes to information previously submitted to the Authority, including in particular, changes in the contemplated financing structure or the proposed security for the Bonds. As noted above, the burden is upon the Applicant to convey this information to the Authority in a timely manner. What constitutes "timely" depends upon the circumstances of each case; however, each Applicant is urged to provide all such information before considerable time and expense is incurred upon matters which may prove unacceptable to the Authority. Any such communications should be made directly to the Authority's officers, directors or counsel.~~

ADOPTED: By the ~~Economic~~Industrial Development Authority of the City of Charlottesville on the \_\_\_ day of \_\_\_\_\_, 202507.

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**RULES AND PROCEDURES**  
ECONOMIC DEVELOPMENT  
AUTHORITY OF THE CITY OF CHARLOTTESVILLE, VA

Article I

Purpose and Scope

Section 1.1 Purpose. These Rules shall govern the submission of Applications to the Authority, Application and administrative fees, consideration of matters to be brought to the attention of the Authority relating to the authorization, issuance and sale of its Bonds, the adoption of Financing Documents, reports to be submitted to the Authority, and such other matters as are contained herein.

Section 1.2 Scope. These Rules supplement the Act. In the event of any conflict between the Act and these Rules, the provisions of the Act shall prevail.

Article II

Definitions

Section 2.1 Definitions. As used in these rules and procedures, the following terms shall have the meaning as set forth herein, unless the context clearly requires otherwise:

“Act” shall mean the Virginia Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Section 15.2 – 4900 *et seq.*, Code of Virginia of 1950, as amended.

“Applicant” shall mean any Person (as defined herein below) applying for revenue bond financing, or for whose benefit the Authority has issued its Bonds, or who requests the Authority to take any action.

“Application” shall mean the Authority’s application for revenue bond financing as in effect from time to time.

“Authority” shall mean the Economic Development Authority of the City of Charlottesville, Virginia, a political subdivision of the Commonwealth of Virginia.

“Bonds” shall mean any notes, bonds and other obligations authorized to be issued by the Authority pursuant to the Act.

“Code” shall mean the Code of Virginia of 1950, as amended.

“Financing Documents” shall mean any resolutions, instruments, documents,

papers, elections, certificates or financing statements required to be adopted or authorized, executed and delivered by the Authority in connection with the authorization, issuance and sale of its Bonds or actions requested of the Authority.

“IRC” shall mean the Internal Revenue Code of 1986, as amended.

“Person” shall mean and include any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, government, political subdivision, or any other legal or commercial entity.

“Project” shall mean any land, improvements, machinery, equipment or property financed or refinanced by the issuance and sale of the Authority’s Bonds or which relate to actions requested of the Authority.

“Rules” shall mean these Rules and Procedures of the Authority, as may be in effect from time to time.

### ARTICLE III

#### GENERAL

Section 3.1. Copies to be Provided Applicants. A copy of these Rules shall be furnished by the Authority’s Executive Director to each prospective Applicant.

Section 3.2. Compliance with Rules and Procedures. Each Applicant shall comply with these Rules in the submission of its Application or any Financing Documents to the Authority and in requesting that the Authority take any action, including but not limited to the adoption or approval of Financing Documents. Failure to comply with these Rules shall constitute sufficient reason for the Authority to refuse to consider any Application, Financing Documents or any other matter to be brought before the Authority by or on behalf of any Applicant.

Section 3.3. Amendments. These Rules may be changed from time to time by the Authority by the vote of a majority of its Directors present at any meeting of the Authority, provided notice of such change shall have been given to each Director before such meeting. These Rules may, notwithstanding the foregoing, be amended without prior notice upon the affirmative vote of all Directors of the Authority present and voting if the Authority determines such action is urgently needed for reasons stated in such determination.

Section 3.4. Preparation and Distribution of Agenda and Minutes

(a) A preliminary agenda for the Authority’s regular meeting shall be prepared and distributed by the Authority’s Executive Director no later than five days before the Authority’s regularly scheduled meeting date. In the case of special meetings of the Authority, the agenda shall be included in the call issued for such meeting. When

action is to be taken with reference to a Project or the issuance of Bonds, the agenda shall contain a description of the type, nature and location of the Project, the name of the Applicant and the nature of the action to be taken by the Authority. The agenda for regular meetings of the Authority shall state that it is a preliminary agenda subject to change at or before the Authority's meeting.

(b) A copy of the agenda for each of the Authority's meetings shall be posted, at least three (3) working days prior to such meeting, in a prominent public location at the office of the Executive Director and the agenda shall also be provided to the following: each officer and director of the Authority, the Economic Development Director for the City of Charlottesville, each Person or firm mentioned on the agenda, the Charlottesville City Attorney, Counsel to the Authority and to each Person, firm or organization which shall have submitted a written request to the Executive Director that its name be placed on the mailing list for the agenda of the Authority's meetings. Any Person who wishes to be on the mailing list for the agenda shall renew such request in writing annually during the month of June. The request shall include the requester's name, address, zip code, daytime telephone number, electronic mail address, if available, and organization, if any. If any request is not so received, such name and address shall be deleted from the mailing list. Without objection by the Person, the Authority may provide electronic notice of all meetings in response to such requests. The Authority may also choose to post public notice of its meetings on the Internet.

At least one copy of all agenda packets and, unless exempt under FOIA, all materials furnished to members of the Authority for a meeting shall be made available for public inspection at the office of the Executive Director, at the same time such documents are furnished to the members of the Authority.

Additionally, when required by state law (see, e.g., §15.2-4906 of the Virginia Code) notice of particular meetings, or of required public hearings, shall be published in a newspaper of general circulation within the City of Charlottesville.

(c) Minutes shall be recorded at all meetings of the Authority. Minutes shall include, but are not limited to: (i) the date, time and location of the meeting; (ii) the members of the Authority recorded as present and absent; and (iii) a summary of the discussion on matters proposed, deliberated or decided, and a record of any votes taken. Preliminary drafts of the minutes of the Authority's meeting shall, as soon as practicable following the meeting, be mailed or delivered to each member of the Authority the Economic Development Director and the Authority's legal counsel. Each preliminary copy of the minutes so distributed shall be marked to indicate that it is a preliminary draft subject to additions or corrections at the Authority's next meeting. The date of approval of the Authority's minutes shall appear at the foot of the last page of the minutes and shall, when approved, be signed by the Executive Director of the Authority.

3.5. FOIA/Public records. Except as specifically provided by federal or state law, all proceedings, contracts and other public records of the Authority and its transactions shall be open to the inspection of any citizen, or any interested, person, firm or

corporation, in accordance with the Virginia Freedom of Information Act (§2.2-3700 *et seq.*)(“FOIA”). The term “*public records*” refers to all writings and recordings, however, made, recorded, or stored (including, without limitation, electronic records) prepared or owned by, or in the possession of the Authority, its officers, employees or agents, in the transaction of the business of the Authority. FOIA itself provides a limited number of exceptions to the requirement of public disclosure/inspection, for example (and without limitation):

(a) Records recorded in or compiled exclusively for use in a lawful closed meeting of the Authority held pursuant to Va. Code §2.2-3711, however, no record that is otherwise open to inspection under FOIA will be deemed exempt by virtue of having been reviewed or discussed in a closed meeting;

(b) Financial statements not publicly available, filed with Applications for industrial development financings, see Virginia Code §2.2-3705.6(2); and

(c) Confidential proprietary records, voluntarily provided by a private business pursuant to a promise of confidentiality from the Authority, its officers or employees (including the Executive Director), where such records are used by the Authority for business, trade or tourism development.

#### ARTICLE IV

#### APPLICATION PROCEDURES, FEES AND REQUIREMENTS

Section 4.1 Applications. Each Applicant shall submit nine (9) (or if electronic, one) fully and accurately completed Application(s) to the Authority’s Executive Director at least ten (10) days before the Authority’s meeting at which the Application is to be considered. Each Application shall include all requested exhibits. In the event all requested exhibits are not available or not to be made part of the public record, a statement of explanation will be attached to the Application. The Authority recommends that each Applicant seek the advice of the Executive Director respecting completion of the Application before submitting it to the Authority. Applications are required to be submitted for any public hearing to be held by the Authority or for other approvals or actions requested of the Authority, even if the Authority is not issuing the Bonds for the Project.

Section 4.2 Application Fees. The Authority charges an Application fee of \$1,500.00. The Application fee shall be paid to the Authority prior to consideration of any resolution to be adopted on behalf of the Applicant. Application fees, upon acceptance by the Authority, are non-refundable. No interest shall be paid on Application fees held by the Authority.

#### Section 4.3 Administrative Fees.

(a) The Authority charges an annual administrative fee for all Projects financed by the Authority. The administrative fee is initially payable in advance at closing, and

thereafter is payable annually and due on the anniversary date of the issuance of the Bonds in an amount of \$750.00 per \$1,000,000 of Bonds issued, prorated to the amount of Bond issued.

(b) The Authority requires reimbursement of its costs and expenses incurred in connection with the issuance and sale of its Bonds and by virtue of its Bonds being outstanding and in relation to any action or hearing in connection with Bonds issued by other issuers. (See Section 5.2)

(c) The Authority will impose a penalty equal to ten percent (10%) of any annual administrative fee which has not been paid within 30 days following the anniversary date of the issuance of the Bonds. Additionally, the Authority will assess an interest charge equal to an annual rate of ten percent (10%) of the amount unpaid, until paid.

Section 4.4 Transcripts of Proceedings. Each Applicant receiving financing through the Authority shall furnish to the Authority upon the sale and delivery of the Bonds, complete transcripts of the Financing Documents relating to such Bonds, which may be furnished in pdf or other electronic format.

Section 4.5 Bond Validation Proceedings. The Authority may require that before issuance, its Bonds be validated by the Circuit Court of the City of Charlottesville, Virginia, pursuant to the requirements of Section 15.2-4908 of the Code. The costs, expenses and fees incurred in connection with any bond validation proceeding required by the Authority, including attorneys' fees, shall be paid by the Applicant.

Section 4.6 Additional Information Required of Applicants.

(a) The Authority may adopt a resolution conditioned upon the subsequent furnishing of certain information satisfactory to the Authority. All required information shall be promptly furnished to the Authority and failure of any Applicant to furnish such information shall constitute a ground for rescission of any resolution adopted pursuant to such conditions.

(b) The Authority may, at its option, require the furnishing of appraisals, evaluations or reports respecting the Project or any portion thereof. The Authority may retain advisors and consultants to advise it regarding any Project or other action after prior notification to the Applicant, the costs of which shall be paid by the Applicant.

(c) Since the Authority usually acts based upon information furnished to it solely by the Applicant, the Authority reserves the right to require at any time the furnishing of additional information deemed relevant by the Authority. In instances where the Applicant has undergone changes in form or management or where the security to be given for payment of the Bonds has changed, the Applicant shall report such changes promptly to the Authority.

ARTICLE V

PROVISIONS TO BE INCORPORATED INTO RESOLUTIONS  
AND FINANCING DOCUMENTS; APPROVAL PROCEDURES

Section 5.1. Inducement Resolutions. Each inducement or reimbursement resolution (“inducement resolution”) adopted by the Authority shall provide that it shall continue in full force and effect for a period of two years unless specifically extended by the Authority or the Bonds contemplated by the resolution are issued.

Section 5.2. Payment of Authority Expenses. The Financing Documents adopted by the Authority for the benefit of any Applicant shall provide that the Applicant agrees to pay all costs, fees and expenses incurred by the Authority (including attorney fees) in connection with:

- (a) the authorization, issuance, and sale of the Authority’s Bonds;
- (b) a public hearing or other action related to Bonds to be issued by other issuer(s);
- (c) the ownership, occupation, operation or use of the Project being financed, whether owned by the Authority or the Applicant;
- (d) prepayment or redemption of the Authority’s Bonds;
- (e) administrative costs and expenses of the Authority, including the fees of attorneys, accountants, engineers, appraisers or consultants, paid or incurred by the Authority by reason of the Bonds being outstanding or pursuant to requirements of the Financing Documents;
- (f) the Authority’s annual administrative fees as set forth in Section 4.3; and
- (g) such other fees and expenses of the Authority, not directly related to the Project being financed for the Applicant, but attributable to the Authority’s financing of industrial or commercial Projects, including without limitation, a share of costs of the Authority’s annual audit required by Virginia Code Section 15.2-4904(F), determined as follows:

- (1) All costs and fees relating to the annual audit and directly attributable to a particular Applicant or Project, shall be charged to such Applicant; and
- (2) Any costs and fees of such audit not directly attributable to any Applicant or Project shall be allocated among all Applicants having Bonds outstanding, pro rata, as the amount of Bonds originally issued for such Applicant bears to the total face amount of Bonds issued by the Authority of which any portion of any issue remains outstanding and unpaid.

Section 5.3. Indemnification of the Authority. Each Applicant shall agree to indemnify and save harmless the Authority and its officers, directors, employees and agents (hereinafter the “Indemnitees”) from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses, including without limitations:

(a) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the Applicant;

(b) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Applicant, the Project or Indemnitees;

(c) any judgments, penalties, fines, damages, assessments, indemnities or contributions; and

(d) the reasonable fees of attorney's, auditors, and consultants (hereinafter referred to as "Damages").

Provided that the Damages arise out of:

(i) failure by the Applicant, or its officers, employees or agents, to comply with the terms of the Financing Documents and any agreements, covenants, obligations, or prohibitions set forth therein;

(ii) any action, suit, claim or demand contesting or affecting the title of the Project;

(iii) any breach of any representation or warranty set forth in the Financing Documents or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Applicant contains or contained any untrue or misleading statement of fact or omits or omitted any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made;

(iv) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the construction, acquisition, ownership, operation, occupation or use of the Project; or

(v) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Applicant, the Project or the Indemnitees which might adversely affect the validity or enforceability of the Bonds, the Financing Documents, or the performance by the Applicant or any Indemnitee of any of their respective obligations there under.

Section 5.4. Bond Counsel Opinion Required. Before issuing and delivering any of its Bonds, the Authority shall receive an unqualified approving opinion of recognized bond counsel, licensed to practice law in Virginia and approved by the Authority stating, among other things, that the Bonds have been duly authorized, executed, issued and delivered, that the interest thereon is exempt from Federal income taxation under the IRC

(or other applicable provision of law), if applicable, and taxation by the Commonwealth of Virginia, and that the Bonds are exempt from registration requirements under applicable state and Federal securities laws.

Section 5.5. Covenants to Preserve Tax Exempt Status of the Bonds. All Financing Documents presented for approval by the Authority shall contain appropriate covenants of the Applicant designed to insure compliance with the requirements of the IRC §103 to preserve the tax exempt status of interest on the Bonds, if applicable, including without limitation, “arbitrage” requirements, capital expenditure limitations and reporting requirements.

Section 5.6. Payments in Lieu of Taxes. In event title to the Project is held by any Person not subject to real or personal property taxes, the Applicant and any user of the Project, unless specifically exempted by the Authority, may be required to enter into an agreement to pay all taxes, levies, assessments, charges or other impositions which may be levied by any taxing authority on the Project as if such Applicant or user held title to the Project or any portion thereof.

Section 5.7. Public hearing and approval. Pursuant to the requirements of Virginia Code §15.2-4906, whenever federal law requires public hearing and approval as a prerequisite to obtaining federal tax exemption for the interest paid on private activity bonds, unless otherwise specified by federal law or regulation, the public hearing shall be conducted by the Authority and the procedure for the public hearing and approval shall be in accordance with this section. It shall be the obligation of the Applicant and the Applicant’s attorney to notify the Authority of the applicable federal law(s) or regulation(s).

(a) Notice of the required public hearing, and of the Authority’s intention to provide financing for a named individual or business entity, shall be published as provided under Federal or State law, at the Applicant’s expense.

(b) If, after a required public hearing has been held, the Authority approves the financing, a reasonably detailed summary of the comments expressed at the hearing shall be conveyed promptly by the Executive Director to the City Council, together with a resolution indicating the recommendation of the Authority and a fiscal impact statement in the form required by §15.2-4907 of the Virginia Code, if applicable.

Section 5.8. Limitations and priorities. The Authority shall in determining whether a particular facility or Project should be financed by the Authority, apply the priorities set forth within §2-391 of the Charlottesville City Code, to the extent permitted by law.

## ARTICLE VI

### REPORTS

Section 6.1. Interim Reports by Applicants. Each Applicant, upon request of the Authority, shall file with the Authority a written report describing the status of its proposed financing, from time to time, until the adoption of any Financing Documents by the Authority. Such written report should include the proposed purchaser of the Bonds, the proposed terms of the Bonds, the status of Financing Documents, and the current status of the Project. Each Applicant shall promptly notify the Authority of any significant or material changes to any information previously furnished by the Applicant to the Authority.

Section 6.2. Annual Reports of Applicants. Each Applicant, after the issuance and sale of the Authority's Bonds for the benefit of such Applicant, shall annually report to the Authority no later than June 30 the status of the Project, which shall include the outstanding and unpaid balance of Bonds issued for the Project, whether any event of default has occurred under the Financing Documents, and other information relating to the financing of the Project, and benefits to the City of Charlottesville.

Section 6.3. Reports by Executive Director. At each regular meeting of the Authority, the Executive Director shall report any action taken on behalf of the Authority since the last regular meeting, including receipt of reports required under Sections 4.6, 6.1 and 6.2. no later than September 1 of each year. Also the Executive Director of the Authority may report to the Authority on the status, as of the end of the Authority's fiscal year, of each active and outstanding inducement resolution of the Authority and the status of each issue of the Authority's Bonds.

## ARTICLE VII

### ENFORCEMENT

Section 7.1. Enforcement of Provisions. The Authority may refuse to consider or adopt any resolutions, Financing Documents or any other matters presented for its consideration if the Applicant has failed to comply with the requirements of these Rules.

Section 7.2. Repeal of Actions Previously Taken. The Authority may rescind or repeal any inducement resolution previously adopted by it or any other action taken by the Authority because of failure of the Applicant to comply with the provisions of these Rules or because of substantial changes in the management, ownership, Project plan or financial circumstances of the Applicant, provided, however, no inducement resolution or action taken by the Authority shall be repealed or rescinded unless prior written notice of such proposed action shall have been mailed to the Applicant at least three weeks before the date upon which such action is proposed to be taken. Notwithstanding the foregoing, no such action shall be taken by the Authority which will impair or adversely affect the interests of the holders of the Authority's Bonds.

## ARTICLE VIII

## STATEMENTS OF POLICY

Section 8.1. Construction, Operation and Effect of Rules. These Rules are intended as guidelines to promote and insure the orderly and consistent consideration of Applications, Financing Documents and other matters brought before the Authority. For good cause, application of these Rules may be modified and waived upon a case by case basis upon the consent of the Authority. Any action taken by the Authority not in conformity with these Rules shall, nevertheless, be fully effective as if taken in compliance with these Rules. It is, however, the policy of the Authority that each Applicant comply fully and completely with these Rules, and failure to comply with these Rules may constitute grounds for refusal by the Authority to take any action requested.

Section 8.2. Approval of Inducement Resolution not to Constitute an Endorsement of Applicant. Pursuant to the Act, the Authority's powers shall be exercised for the benefit of the inhabitants of Virginia through the promotion of their safety, health, welfare, convenience or prosperity. Accordingly, the Authority's decision to adopt an inducement resolution or take other action will be based largely upon these factors. In conduit financings which provide tax exempt financing to promote the commerce and industry of the commonwealth of Virginia and the City of Charlottesville, the Authority believes it is improper for it to inquire into matters relating to the business judgment of the management of any Applicant not relevant to the foregoing factors. The Authority may, however, examine the business decisions and other aspects of management of the Applicant should it deem such matters relevant to the authorization, issuance and sale of its Bonds.

In view of the foregoing limitations, the adoption of an inducement resolution or any other action taken by the Authority is not to be used by any Applicant in any matter whatsoever as an endorsement or approval of the Applicant, its policies or its management.

Section 8.3. Compliance with Rules. These rules were adopted by the Authority to assist in the orderly and expeditious conduct of its business. As stated in Section 3.2 of these Rules, the Authority has reserved the right to require that any Applicant strictly conform to the requirements of the Rules. Among other things, the Rules require that each Applicant inform the Authority of any new developments or material changes in information which has been submitted to the Authority, either orally or in writing. Matters concerning the structure of the financing, the prospective purchasers of the Bonds and the security for payment of the Bonds are items of particular interest to the Authority; however, the Authority expects to be kept informed of all material changes to information submitted to it.

By submitting an Application to the Authority, the Applicant agrees to abide by these Rules. Thus, the burden is placed upon the Applicant to review and to comply with these Rules.

ADOPTED: By the Economic Development Authority of  
the City of Charlottesville on the \_\_\_ day of  
\_\_\_\_\_, 2025..

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