



## MEETING AGENDA

### CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, December 9, 2025 – 4:00 p.m. @ CitySpace, 100 5<sup>th</sup> St. NE

---

- 1) CALL TO ORDER AND WELCOME
- 2) PUBLIC COMMENT
- 3) CONSENT AGENDA
  - a) Minutes from September 9 & October 14, 2025 meetings
  - b) Treasurer Reports from August, September & October 2025
- 4) NEW BUSINESS
  - a) FY2025 Annual Audit Presentation
  - b) FY2025 Annual Report
  - c) Election of Chair and Vice Chair for CY 2026
  - d) Review and Approval of Charlottesville Affordable Bridge Loan (CABL) Fund Documents and Process
  - e) FOIA Training Presentation from City Attorney's Office
- 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](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 – September 9, 2025**

**Members Present**

Quinton Harrell  
Addison Barnhardt  
Denise Herndon  
Jay O'Donnell  
Gareth Gaston  
Steven Johnson

**Staff Present**

Chris Engel  
Matt Johnson  
Jenny Biche  
Trish Carpenter

**Not Present**

James Cauthen

A meeting of the Charlottesville Economic Development Authority occurred on Tuesday, September 9th, 2025, at CitySpace. The Chair, Mr. Barnhardt, called the meeting to order at 4:03 PM.

Mr. Barnhardt, the Chair, asked if there was any public comment; no public comments noted.

Mr. Barnhardt asked the board if there were any comments or questions regarding the August 12, 2025, meeting minutes or the financial reports for June and July 2025. One item was noted on the meeting minutes. After all questions on the financial reports were answered by Mr. Engel, Mr. Barnhardt asked for a motion to approve the Consent Agenda, motion moved by Mr. Johnson, second by Mr. Harrell, all in favor. Motion passed.

The new business item was the continuation of the discussion on the CABL Fund. Based on the questions from the last meeting, documents were prepared by the staff and presented to the Board. A presentation from Mr. Matt Johnson walked through the CABL application process which will be available online. A checklist was introduced and discussed along with the outline of the complete process once an application is submitted for review. After much discussion, Mr. Engel noted the suggestions and will work on a draft with a real estate attorney. This will be placed on an agenda for the near future for further discussion.

In other business, Mr. Engel informed the Board that a Joint meeting with the County is planned for Tuesday, October 14 at the County offices. Working with the County EDA on the agenda. More details will follow.

Information about the NextGen event coming up in October was shared with the Board and asked to spread the word.

There being no further business, Mr. Barnhardt asked for a motion to adjourn the meeting, so moved by Mr. Johnson, second by Mr. Harrell, all present in favor. The Chair adjourned the meeting at 5:38 PM.

---

Chris Engel, Secretary

Date Approved by CEDA



**Charlottesville Economic Development Authority (CEDA)  
Meeting Minutes – October 14, 2025**

**Members Present**

Addison Barnhardt  
Quinton Harrell  
James Cauthen  
Jeff Morrill  
Steven Johnson  
Frank Friedman  
Jay O'Donnell  
David Storm  
Gareth Gaston

**Staff Present**

Chris Engel  
Matt Johnson  
Trish Carpenter  
Emily Kilroy

**Not Present**

Denise Herndon

**County Members**

Steve Hood  
Don Long

Bea Lapisto-Kirtley  
Bill Mechnick

A special meeting of the Charlottesville Economic Development Authority and the Albemarle County Economic Development Authority occurred on Tuesday, October 14th, 2025, at the County Office Building in Room 241. The Chair, Mr. Barnhardt, called the CEDA meeting to order at 4:02 PM.

Mr. Donald Long, Chair of the Albemarle EDA, welcomed the CEDA Board members to the meeting. Introductions were made around the table for each member present.

Helen Cauthen, President of the Central Virginia Partnership for Economic Development (CVPED), presented to both Boards an overview of the Region 9 Go Virginia Innovation Corridor project that is currently underway and that has been jointly support by both bodies and other regional partners. She opened with a review of recent accomplishments and projects currently in process. Central Virginia is poised to be the next national hub for innovation in biotech, digital technologies, and national security. Katie Dulaney, Talent Director of CVPED, presented the Central Virginia Innovation Corridor Strategic Roadmap for the GO Virginia 9 Planning Grant.

Chris Engel, Director of Economic Development for the City of Charlottesville, presented a brief overview of the City's Strategic Plan and the City's five goals. Emily Kilroy, Director of the County's Economic Development presented an overview of the recently adopted Strategic Plan for the County. Both plans were completed by the same consultant firm and include opportunities to work in concert.

After all the presentations, the Board members broke up into small groups to discuss opportunities for collaboration and visions for what success might look like a year from now. Each group shared out key items to the larger group.

There being no further business, Mr. Long and Mr. Barnhardt each adjourned their respective meetings at 5:20 PM.

---

Chris Engel, Secretary

Date Approved by CEDA

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

	August	Budget	YTD*	Variance
<b>REVENUES</b>				
EDA Admin Fees	\$ 6,000.00	\$ 16,500.00	\$ 7,500.00	\$ (9,000.00)
S&PG Rent Payment	\$ 20,000.00	\$ 240,000.00	\$ 40,000.00	\$ (200,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4		\$ 170,886.00	\$ 65,502.28	\$ (105,383.72)
Charlottesville Pavilion - Ticket Surcharge Remittance	\$ 7,674.00	\$ -	\$ 7,674.00	\$ 7,674.00
Charlottesville Pavilion - Maintenance Fund Deposit	\$ 2,718.00	\$ -	\$ 6,749.00	\$ 6,749.00
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 250,000.00		\$ (250,000.00)
State AFID Grant		\$ -		\$ -
Reserves		\$ 26,016.00		\$ (26,016.00)
<b>TOTAL REVENUES</b>	<b>\$ 36,392.00</b>	<b>\$ 703,502.00</b>	<b>\$ 127,425.28</b>	<b>\$ (576,076.72)</b>
<b>EXPENDITURES</b>				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training		\$ 2,000.00		\$ 2,000.00
Marketing	\$ 7,500.00	\$ 25,000.00	\$ 7,500.00	\$ 17,500.00
Legal Fees		\$ 15,000.00	\$ 765.00	\$ 14,235.00
Research	\$ 1,636.29	\$ 10,000.00	\$ 1,636.29	\$ 8,363.71
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	\$ 34.52	\$ 18,000.00	\$ 34.52	\$ 17,965.48
Cville Match		\$ 50,000.00	\$ 18,750.00	\$ 31,250.00
GO Hire		\$ 50,000.00		\$ 50,000.00
GO VA Match	\$ 50,000.00	\$ 150,000.00	\$ 50,000.00	\$ 100,000.00
Recovery Programming		\$ 20,000.00		\$ 20,000.00
Performance Agreements		\$ 250,000.00		\$ 250,000.00
State/AFID Grants				
Audit Fees/Adjustment		\$ 12,000.00		\$ 12,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 59,170.81</b>	<b>\$ 703,502.00</b>	<b>\$ 78,685.81</b>	<b>\$ 624,816.19</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 AUGUST 31, 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
FY25		\$ 240,000.00
7/1/2025	\$ 20,000.00	\$ 40,000.00
8/1/2025	\$ 20,000.00	
9/1/2025		
10/1/2025		
11/1/2025		
12/1/2025		
1/1/2026		
2/1/2026		
3/1/2026		
4/1/2026		
5/1/2026		
6/1/2026		
<b>TOTAL CURRENT FISCAL YR</b>	<b>\$ 40,000.00</b>	
<b>BEGINNING CASH BALANCE</b>		
	\$ 2,815,833.77	
Plus Revenues	\$ 36,392.00	
Minus Expenditures	\$ (59,170.81)	
<b>ENDING CASH BALANCE - 8/31/2025</b>	<b>\$ 2,793,054.96</b>	
<b>WORKING CASH BALANCE</b>		
Cash Balance 8/31/2025	\$ 2,793,854.96	
Reserved for COF Local Match	\$ (200,000.00)	
Reserved for Pavilion Maintenance Fund	\$ (119,425.99)	
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.	\$ (16,800.00)	
CEDA Opportunity Fund	\$ (500,000.00)	
<b>WORKING CASH BALANCE - 8/31/25</b>	<b>\$ 1,300,733.97</b>	

\* FISCAL YEAR RUNS FROM JULY 1, 2025 TO JUNE 30, 2026

**CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY  
TREASURER'S REPORT FOR PERIOD SEPTEMBER 30, 2025  
REVENUE & EXPENDITURE DETAIL**

	September	Budget	YTD*	Variance
<b>REVENUES</b>				
EDA Admin Fees	\$ 46,500.00	\$ 16,500.00	\$ 54,000.00	\$ 37,500.00
S&PG Rent Payment	\$ 40,000.00	\$ 240,000.00	\$ 80,000.00	\$ (160,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4		\$ 170,886.00	\$ 65,502.28	\$ (105,383.72)
Charlottesville Pavilion - Ticket Surcharge Remittance		\$ -	\$ 7,674.00	\$ 7,674.00
Charlottesville Pavilion - Maintenance Fund Deposit		\$ -	\$ 6,749.00	\$ 6,749.00
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 250,000.00		\$ (250,000.00)
State AFID Grant		\$ -		\$ -
Reserves		\$ 26,016.00		\$ (26,016.00)
<b>TOTAL REVENUES</b>	<b>\$ 86,500.00</b>	<b>\$ 703,502.00</b>	<b>\$ 213,925.28</b>	<b>\$ (489,576.72)</b>
<b>EXPENDITURES</b>				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training		\$ 2,000.00		\$ 2,000.00
Marketing	\$ 2,500.00	\$ 25,000.00	\$ 10,000.00	\$ 15,000.00
Legal Fees		\$ 15,000.00	\$ 765.00	\$ 14,235.00
Research		\$ 10,000.00	\$ 1,636.29	\$ 8,363.71
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	\$ 190.38	\$ 18,000.00	\$ 224.90	\$ 17,775.10
Cville Match		\$ 50,000.00	\$ 18,750.00	\$ 31,250.00
GO Hire		\$ 50,000.00		\$ 50,000.00
GO VA Match		\$ 150,000.00	\$ 50,000.00	\$ 100,000.00
Recovery Programming		\$ 20,000.00		\$ 20,000.00
Performance Agreements		\$ 250,000.00		\$ 250,000.00
State/AFID Grants				
Audit Fees/Adjustment		\$ 12,000.00		\$ 12,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,690.38</b>	<b>\$ 703,502.00</b>	<b>\$ 81,376.19</b>	<b>\$ 622,125.81</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 SEPTEMBER 30, 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	
FY25		\$	240,000.00	
7/1/2025	\$	20,000.00	\$	80,000.00
8/1/2025	\$	20,000.00		
9/1/2025	\$	40,000.00		
10/1/2025				
11/1/2025				
12/1/2025				
1/1/2026				
2/1/2026				
3/1/2026				
4/1/2026				
5/1/2026				
6/1/2026				
<b>TOTAL CURRENT FISCAL YR</b>	<b>\$</b>	<b>80,000.00</b>		
<b>BEGINNING CASH BALANCE</b>				
	\$	2,793,854.96		
Plus Revenues	\$	86,500.00		
Minus Expenditures	\$	(2,690.38)		
<b>ENDING CASH BALANCE - 9/30/2025</b>	<b>\$</b>	<b>2,877,664.58</b>		
<b>WORKING CASH BALANCE</b>				
Cash Balance 9/30/2025	\$	2,878,464.58		
Reserved for COF Local Match	\$	(200,000.00)		
Reserved for Pavilion Maintenance Fund	\$	(119,425.99)		
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.	\$	(17,600.00)		
CEDA Opportunity Fund	\$	(500,000.00)		
<b>WORKING CASH BALANCE - 9/30/25</b>	<b>\$</b>	<b>1,384,543.59</b>		

\* FISCAL YEAR RUNS FROM JULY 1, 2025 TO JUNE 30, 2026

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

<b>REVENUES</b>	<b>October</b>	<b>Budget</b>	<b>YTD*</b>	<b>Variance</b>
EDA Admin Fees		\$ 16,500.00	\$ 54,000.00	\$ 37,500.00
S&PG Rent Payment	\$ 20,000.00	\$ 240,000.00	\$ 100,000.00	\$ (140,000.00)
Charlottesville Pavilion Rent		\$ 100.00		\$ (100.00)
Charlottesville Pavilion Loan Payment-\$2.4		\$ 170,886.00	\$ 65,502.28	\$ (105,383.72)
Charlottesville Pavilion - Ticket Surcharge Remittance	\$ 5,430.00	\$ -	\$ 13,104.00	\$ 13,104.00
Charlottesville Pavilion - Maintenance Fund Deposit	\$ 1,810.00	\$ -	\$ 8,559.00	\$ 8,559.00
Interest Earned on CEDA Cash Deposits		\$ -		\$ -
Performance Agreements		\$ 250,000.00		\$ (250,000.00)
State AFID Grant		\$ -		\$ -
Reserves		\$ 26,016.00		\$ (26,016.00)
<b>TOTAL REVENUES</b>	<b>\$ 27,240.00</b>	<b>\$ 703,502.00</b>	<b>\$ 241,165.28</b>	<b>\$ (462,336.72)</b>
<b>EXPENDITURES</b>				
Project Reserves		\$ -		\$ -
Contribution to the City for Administration		\$ 100,000.00		\$ 100,000.00
Education and Training		\$ 2,000.00		\$ 2,000.00
Marketing	\$ 3,750.00	\$ 25,000.00	\$ 13,750.00	\$ 11,250.00
Legal Fees		\$ 15,000.00	\$ 765.00	\$ 14,235.00
Research		\$ 10,000.00	\$ 1,636.29	\$ 8,363.71
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	\$ 224.90	\$ 17,775.10
Cville Match		\$ 50,000.00	\$ 18,750.00	\$ 31,250.00
GO Hire	\$ 500.00	\$ 50,000.00	\$ 500.00	\$ 49,500.00
GO VA Match		\$ 150,000.00	\$ 50,000.00	\$ 100,000.00
Recovery Programming		\$ 20,000.00		\$ 20,000.00
Performance Agreements		\$ 250,000.00		\$ 250,000.00
State/AFID Grants				
Audit Fees/Adjustment		\$ 12,000.00		\$ 12,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,250.00</b>	<b>\$ 703,502.00</b>	<b>\$ 85,626.19</b>	<b>\$ 617,875.81</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 OCTOBER 31, 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
FY25		\$ 240,000.00
7/1/2025	\$ 20,000.00	\$ 100,000.00
8/1/2025	\$ 20,000.00	
9/1/2025	\$ 40,000.00	
10/1/2025	\$ 20,000.00	
11/1/2025		
12/1/2025		
1/1/2026		
2/1/2026		
3/1/2026		
4/1/2026		
5/1/2026		
6/1/2026		
<b>TOTAL CURRENT FISCAL YR</b>	<b>\$ 100,000.00</b>	
<b>BEGINNING CASH BALANCE</b>		
	\$ 2,878,464.58	
Plus Revenues	\$ 27,240.00	
Minus Expenditures	\$ (4,250.00)	
<b>ENDING CASH BALANCE - 10/31/2025</b>	<b>\$ 2,901,454.58</b>	
<b>WORKING CASH BALANCE</b>		
Cash Balance 10/31/2025	\$ 2,902,254.58	
Reserved for COF Local Match	\$ (200,000.00)	
Reserved for Pavilion Maintenance Fund	\$ (121,235.99)	
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.	\$ (18,400.00)	
CEDA Opportunity Fund	\$ (500,000.00)	
<b>WORKING CASH BALANCE - 10/31/25</b>	<b>\$ 1,405,723.59</b>	

\* FISCAL YEAR RUNS FROM JULY 1, 2025 TO JUNE 30, 2026



**2025 Annual Report**  
**Fiscal Year July 1, 2024– June 30, 2025**

**December 9, 2025**

# ***CEDA Annual Report***

## **Table of Contents**

<b>Brief History.....</b>	<b>1</b>
<b>Recent Projects.....</b>	<b>1</b>
<b>Activities for FY 2025.....</b>	<b>5</b>
<b>Board &amp; Officers.....</b>	<b>7</b>
<b>Financial Report.....</b>	<b>9</b>
<b>Statement of Net Assets</b>	
<b>Statement of Revenues &amp; Expenses</b>	
<b>Statement of Cash Flows</b>	

# **The Charlottesville Economic Development Authority (CEDA)**

## **A Brief History**

The Industrial Development Authority of the City of Charlottesville was created by ordinance of the City Council on July 19, 1976, pursuant to provisions of the Industrial Development and Revenue Bond Act (Title 15.2, Chapter 49, Section 15.2-4900 *et seq.*, of the Code of Virginia, 1950, as amended.) The name was changed to Economic Development Authority of the City of Charlottesville by approval of the Board on July 10, 2007 and by City Council on September 4, 2007. A board of seven directors, appointed by City Council, governs the Authority. As of June 30, 2025, the Authority had financed 65 separate projects, issuing debt totaling \$345,900,000. The bonds, notes, and other obligations of the Authority are payable solely from, and secured by, revenues derived from leases and contracts on the lands, buildings, and equipment financed. The City has no obligation for any indebtedness of the Authority.

The Charlottesville Economic Development Authority (CEDA) was established to promote economic development in the community, to expand the local tax base, and to encourage more job opportunities for our citizens. Composed of realtors, developers, attorneys and certified public accountants, among others, the CEDA board represents a cross-section of citizens skilled in successful development and redevelopment practices. CEDA uses its bond authority to support real estate projects approved by the City Council. CEDA pursues special projects in conjunction with the private sector that further the accomplishment of its goals. CEDA may acquire, own, lease or dispose of property in order to promote economic development.

## **Recent Projects**

In the mid 1980's, the Authority decided to become proactive in development in the Charlottesville area. It purchased a 10.5-acre, industrially zoned parcel, cleared and subdivided it, and offered it for sale to the private sector. The resulting development, known as Carlton Business Park, has since been sold out. Approximately \$11 million in new construction has been completed, including a new \$7 million publishing plant for the Lexis Law Publishers. In addition to the dollar return on investment, there has been a significant increase in the assessed value of the property. The property is now assessed at over \$12 million dollars.

The second large-scale undertaking by CEDA was the purchase of a 17-acre site from CSX Transportation for \$1.6 million in 1987. Residential construction began in December 1989, and the first major commercial project was completed in 1992. This first commercial project on former CSX land was the \$10 million headquarters building for the Lexis Law Publishing Company constructed on 3.5 acres on this site. As of July 2003, all former CSX properties owned by CEDA had been sold. The dollar value of the properties sold was \$2.45 million and represents a 47.6% return on investment. In addition to the dollar return on investment, there has been a significant increase in the assessed value of the property. It is now assessed at over \$40 million dollars.

In 2003, CEDA began a project that involved the acquisition and subsequent lease of the former National Ground Intelligence Center from the federal government and a \$2,500,000 loan to the tenant for upfit of the facility. The tenant, an existing local technology company, has leased the building to expand and consolidate its operations as a national headquarters. CEDA will receive an annual income of \$240,000 from the tenant which is more than sufficient to meet its obligation to any major system repairs and repay the loan. In addition, a long-term lease of the building, presently not on the tax rolls, will result in collections of real estate taxes of \$25,000 each year. Obvious benefits of the program include the retention and expansion of a growing local business, occupancy and renovation of the building in a timely fashion and the spin-off revenues from retail sales and BPOL taxes. In addition, 330 plus quality jobs will be added and/or retained in the City. The CEDA loan from the City to facilitate this project has been repaid in full.

CEDA was involved in a unique public private partnership to develop the new Charlottesville Pavilion. The City maintains ownership of the property and all improvements, while CEDA manages a 30-year lease with the operator. CEDA also participated in the financing of the project through two loans totaling \$3.4 million dollars. These loans, as well as a percentage of ticket sales dedicated to maintenance of the facility, are being repaid to CEDA on an annual basis. The 3,500 seat venue serves as a focal point for entertainment and regularly draws large crowds to Downtown Charlottesville. The CEDA loan from the City to facilitate this project has been repaid in full.

In November 2008, the Authority entered into agreements with the City of Charlottesville and the Jefferson School Community Partnership to help facilitate the redevelopment of the Jefferson School into a community asset. The agreement authorizes the Authority to reimburse the JSCP up to \$5,764,000 towards the costs associated with the renovation project. In 2011, this agreement was amended to allow the funds to go to the Jefferson School Foundation. This agreement was fulfilled during 2012 as all funds were depleted.

The Authority entered into agreements in August 2009 with the City and Meadowbrook Creek, LLC for the construction of road improvements for Phase 1 of Hillsdale Drive. CEDA oversaw the distribution of \$2.0 million dollars on this project, which was completed in June 2011.

In August 2010, the Authority entered into a performance agreement with Great Eastern Management Company for the purpose of inducing significant capital investment and job creation in the City. The project, known as Waterhouse, included a \$27 million dollar capital investment and created 400 jobs downtown. The performance agreement was completed in 2019.

In June 2011, the Authority entered into a performance agreement with 459 Locust Charlottesville Owner, LLC for the purpose of inducing significant capital investment and job creation in the City at the site of the former Martha Jefferson Hospital site. In addition, the Authority committed \$200,000 from its working cash to serve as an upfront local match to leverage a Governor's Opportunity Fund grant in the same amount. The Authority funds will be repaid upon the completion of the project and the commencement of the tax increment grant period. In August of 2012, this agreement was amended to allow the anchor tenant (CFA Institute), to purchase their portion of the property and develop it themselves as opposed to leasing space in the building. This Amendment formalizes this understanding and specifies how the grant will be disbursed under the new arrangement.

In April 2014, the Authority and the City entered into agreements with Coal Tower Associates, L.L.C. totaling \$356,525 for the purpose of completing streetscape improvements in conjunction with the City Walk development along Water Street. In addition, CEDA had previously agreed as part of the property sale agreement to fund the construction of a fence along this portion of Water Street extended. The fence was completed in 2015.

Also in 2014, the Authority provided matching funds for a Governors Agricultural & Forestry Industries Development grant on behalf of Relay Foods. The company which was founded and is headquartered in Charlottesville has committed to adding 25 employees and investing \$735,000 in their local facility over the next three years.

During the 2016 fiscal year, the Authority and the City of Charlottesville entered into a funding agreement with a developer to share the costs of undergrounding utilities for the Market Plaza project. The project will facilitate the development of Market Plaza as a major mixed-use building with residential units, office space, retail space, underground parking and plaza for the City Market. The City contributed \$1,250,000 to the Authority and the Authority will

facilitate the transfer to the developer with a development cost reimbursement agreement. The utility work was completed in 2017.

In FY17, the Authority received a request to exercise an option to purchase the property at 701 E. Water Street (known as the Lexis Nexis building) which had been under a ground lease from the Authority since 1991. The lease agreement included an option for the current lessee to purchase the property provided certain conditions were met. The authority approved a resolution at its October 13<sup>th</sup> meeting authorizing the chair to sign the necessary closing documents related to this transaction. The closing occurred on November 15, 2016. The ground lease had a provision for a security deposit in the form of a U.S. Treasury Bond in the amount of \$1 million dollars. Now that the ground lease is complete, and title to the property has transferred to the new owner, the security deposit has been returned to the authority. Since the original funds to purchase the property were provided by the City, the Authority approved a resolution to transfer the funds to the City.

In FY18, the Authority was briefed on the new state supported regional economic development effort known as the GO Virginia initiative. The state funds require local matching dollars and a number of local initiatives are preparing applications for consideration, which would likely involve requests for Authority support. In addition, the Authority commissioned HR & A Advisors to conduct a comprehensive Office and Retail Market Study for the city. In May, the Authority approved a loan modification to extend an additional \$500,000 in funds to assist with roof replacement at the Pavilion. The new roof should last 20 years and carry the facility through the term of the lease. Finally, the Authority issued a new tax-exempt bond to the Jefferson Scholars Foundation on October 4, 2018 for an amount of \$22,500,000.

In FY19, the Authority issued a re-advance of \$500,000 in funds to assist with the roof replacement at the Pavilion. The additional proceeds are to be repaid under the same terms and conditions of the current loan with Charlottesville Pavilion LLC. The new roof should last 20 years and carry the facility through the term of the lease. Also, the Authority approved GO Virginia matching fund contributions for the CvilleBioHub effort to grow the local biotechnology sector and the Catalyst Accelerator to grow scalable high growth companies in the region. These were the first two local projects to receive state support through the GO Virginia program.

At the onset of the COVID-19 pandemic, the Authority held an emergency meeting on March 31, 2020 and allocated \$350,000 towards existing and new programs to help alleviate the immediate challenges faced by City businesses. This included continued support the GO HIRE program, the Advancing Charlottesville Entrepreneurs (ACE) program and the Cville

Match Programs and an additional, contribution of \$50,000 to Business Equity Fund loan program to support the City's Minority Business Program with low interest loans.

In FY20, due to the continuation of the COVID-19 pandemic, the Authority allocated \$200,000 of reserve funds towards existing and new programs to help alleviate the immediate challenges faced by City businesses. These funds helped support the OED's Recovery Roadmap initiative.

During FY22, the Authority reauthorized the Friendship Court Performance Agreement. The agreement is between the EDA and Piedmont Housing Alliance pertaining to the redevelopment of Friendship Court. The agreement follows the same basic model as past performance agreements whereby the developer receives a portion of the tax increment created by the project once complete. The EDA serves as a conduit for this funding. This agreement came before the Board and City Council in 2019 and an updated version was approved due to the delay in the start of the project because of COVID-19.

In addition, the Authority approved a resolution to support issuance of a Revenue Refunding Bond for St. Anne's Belfield School to refinance the previously issued Revenue Bond, Series 2013. The purpose of the Refunding Bond is to allow the school to access a lower financing rate due the tax-exempt status of the bond. The bond amount was \$12,643,722.

During fiscal year 2023, the Authority entered into a one-year lease for public restrooms at 112 E. Main Street with funding provided by the City. The full-service lease provides two restrooms 12 hours a day, seven days a week for public use fulfilling an ongoing need for both locals and visitors to the downtown mall. Separately, the board approved a resolution to support the United Way Envision Grant in the amount of \$50,000. This grant funding will help support up to 15 established minority businesses with future growth. Additional matching funds were also allocated in support of the Black Entrepreneurial Advancement & Community Opportunity Network (BEACON) commercial kitchen project to leverage a state GO Virginia grant and a state AFID grant.

In addition, the Authority received a previously commissioned Economic Impact Study for the Ting Pavilion. The report was completed by Chmura Economics and Analytics of Richmond, VA. The study concluded that the Pavilion has an annual impact of about \$12.5 million-dollars, 108 jobs were supported and \$375,000 in local city revenue from sales and food taxes were collected.

The City serves as fiscal agent for CEDA and its records are audited on an annual basis by outside auditors. A separate audited financial report is issued annually.

### **Recent Activities for Fiscal Year 2025**

- The Authority held six meetings throughout the year including the annual meeting, which is required according to the By-Laws. The regular meetings were held on the second Tuesday of the month at the City Space meeting room at 4:00 p.m.
- The Authority continued to support the Business Equity Fund loan program pool of funds managed by the Community Investment Collaborative, the GO HIRE program, the GO Start-Up program and the Cville Match Program. Collectively these programs help support the spectrum of entrepreneurship and innovation occurring across the City.
- The Lewis and Clark Exploratory Center (LCEC) loan of \$130,000 remains unresolved as discussions continue between LCEC and the County of Albemarle regarding loan payment terms and forgiveness.
- The Authority continued to provide matching grant funds to several local economic development initiatives including CvilleBioHub, 434 Accelerator, Venture Central, the United Way Envision Grant and the Defense Affairs Committee.
- The Authority continued to manage a lease for public restrooms at 112 E. Main Street with funding provided by the City. The full-service lease provides two restrooms 12 hours a day, seven days a week for public use fulfilling an ongoing need for both locals and visitors to the downtown mall.
- At the City's request, the Authority began management of a lease with the Rivanna River Company for space to operate a river guide service located at the 0 E. High Street property purchase by the City.
- The board approved a performance agreement with Stadium Row, LLC to facilitate state funding from the Virginia Brownfields Restoration and Economic Development Assistance Fund (VBAF) in support of environmental remediation work that will allow the safe reuse of a laundromat facility on Maury Avenue in the city.

- At the request of City Council, the Authority reviewed and approved a performance agreement for a project at 501 Cherry Avenue that will include 71 affordable housing units. The agreement is for a grant equivalent to 50% of the real estate tax increment created by the project over 30 years.
- In April, several board members joined city staff and community members at the grand opening of the BEACON commercial kitchen facility on Carlton Road. The Authority has been instrumental in supporting the work of New Hill Development Corporation in pursuing multiple grants to help the kitchen come to reality.
- The Authority, with support from counsel, reviewed and updated its Rules and Procedures to include a new fee schedule for bonds. The Authority approved the new schedule in May 2025.
- CEDA collected \$18,000 in administrative fees for outstanding bonds during fiscal year 2025.
- Staff engaged in detailed review of all existing bond holders to verify loan balances and determine the payment status of all outstanding tax-exempt bond issues. As of June 30, 2025, the aggregate balance of conduit debt was \$35,512,663.
- All board members remained current on the bi-annual Freedom of Information Act (FOIA) training requirement.
- Dan Siegel, of Sands Anderson, continued as Authority Counsel for the purpose of writing, reviewing and providing advice on bond issues, performance agreements and other legal matters.

### **Current Board Members and Officers**

CEDA board members as of June 30, 2025:

Quinton Harrell – term expires 3/31/2029

Addison Barnhardt – Chair, term expires 3/31/2028

James Cauthen – term expires 3/31/2028

Jay O'Donnell – Vice Chair, term expires 3/31/2027

Gareth Gatson – term expires 3/31/2029

Denise Herndon – term expires 3/31/2026

Steven Johnson - term expires 3/31/2027

The Officers of CEDA include the following:

Chris Engel – Secretary

Matt Johnson - Assistant Secretary

Chris Cullinan – Treasurer

Glen Pack – Assistant Treasurer



# CHARLOTTESVILLE AFFORDABLE BRIDGE LOAN

## Program Information Sheet and Checklist

Charlottesville Economic Development Authority | (434) 970-3111 | engel@charlottesville.gov

The **Charlottesville Economic Development Authority (CEDA)** recognizes that attainable housing options, as well as economic mobility and opportunity, are intricately linked in Charlottesville. The City's Economic Development Strategic Plan (2024-2028), Strategy 3.8, calls for continued support of the priorities of the Charlottesville Comprehensive Plan and the Affordable Housing Plan.

CEDA has deployed a portion of its available working cash to support formation of the **Charlottesville Affordable Bridge Loan (CABL)** fund, offering short-term loans to not-for-profit housing organizations that are active in preserving and/or creating affordable housing for low- to moderate-income individuals or families within the City of Charlottesville.

### CABL ADVANTAGE



- up to \$500,000 per loan
- low interest rates
- streamlined process

## CHARLOTTESVILLE AFFORDABLE BRIDGE LOAN ELIGIBILITY CRITERIA

Please complete the checklist below to verify that you are able to meet the minimum CABL Loan fund eligibility criteria.

<input type="checkbox"/>	I am authorized to represent a <u>not-for-profit</u> housing organization chartered to, and actively operating within, the City of Charlottesville.
<input type="checkbox"/>	The project for which loan funds will be used lies within the corporate boundaries of the City of Charlottesville.
<input type="checkbox"/>	The project involves either new construction OR the purchase and/or renovation of an existing home or multi-unit building.
<input type="checkbox"/>	I understand that loans are available for terms of up to 24 months.
<input type="checkbox"/>	My request for loan funding does not exceed \$500,000.
<input type="checkbox"/>	I understand the initial interest rate is 2%, adjusted annually, using simple interest calculation methodology.
<input type="checkbox"/>	I am prepared to sign a notarized promissory note and provide acceptable collateral for each loan.
<input type="checkbox"/>	I agree to provide documentation and/or reporting as requested by the program administrator.

## CABL LOAN PURPOSE AND PROCESS

In general, the CABL fund is intended to provide not-for-profit housing organizations with quick access to capital, helping to enable timely property acquisition prior to the development of a full capital stack needed to stabilize a property and place in service for attainable housing purposes. CEDA has appointed the City of Charlottesville Office of Economic Development (OED) as program administrator.

While CABL is designed to be nimble in response to immediate needs, interested applicants should contact OED as early as possible in the project planning process to confirm eligibility and loan fund availability. **For more information, contact Chris Engel at engel@charlottesville.gov or (434) 970-3111.**

## Charlottesville Affordable Bridge Loan (CABL) Fund

### Overview

The Charlottesville Economic Development Authority (CEDA) promotes economic development in the City of Charlottesville as a means of increasing the tax base and creating employment opportunities for City residents. CEDA recognizes that attainable housing options and economic mobility and opportunity are inextricably linked in Charlottesville. The City's Economic Development Strategic Plan (2024-2028), Strategy 3.8 calls for continued support of the priorities of the Charlottesville Comprehensive Plan and the Affordable Housing Plan.

### Objective

CEDA wishes to deploy a portion its available working cash in the form of short-term loans to not-for-profit housing organizations that are active in preserving and/or creating affordable housing for low-to-moderate income individuals or families within the City.

The CABL Fund is intended to provide quick access to capital to help enable timely property acquisition prior to the development of full funding needed to fully stabilize a property and place in service.

### Eligibility

Not-for-profit housing organizations that are chartered to and are actively operating within the City of Charlottesville.

### Criteria/Guidelines

- May include new construction or existing home/multi-unit building purchase and renovation
- Flexible with respect to affordability levels served
- Loans/Line of Credit with a term of up to 24 months
- Advance amounts up to \$500,000
- Interest rate: 2%. Adjusted annually. Interest calculation methodology: simple interest
- A notarized promissory note with full terms and conditions to be issued for each issuance.

- Collateral requirements include unencumbered real estate as collateral for the Fund and upon the purchase of real estate for a Project, the Project real property will be made subject to a supplemental deed of trust to secure the fund. The fund will release property purchased with a Project Advance from the lien of the supplemental deed of trust upon repayment of the principal from the Project Advance and any outstanding interest.

## **Applications**

Applications must include:

- A description of the property to include address, parcel #, land survey and recent appraisal. All properties must be located in the City of Charlottesville.
- A comprehensive plan for the acquisition and/or renovation that leads to occupancy to include financial plan, renovation/repair budget, sale/rental marketing plan, affordability levels targeted and timeline.
- Proposed source of collateral.

Preference is given for opportunities that enable first time home purchase for individuals or families that are currently part of the city workforce.

Applications are received and reviewed on a rolling basis pending funding availability.

## **Reporting Requirements**

Annually on the anniversary of the initial loan a written report covering all aspects of the acquisition and renovation plan will be submitted to CEDA.

Dated: August 12, 2025



**Receive Application**



**Review by Staff**

- City Location
- Amount of loan
- ADU range
- Verify collateral
- Renovation/marketing plan



**Review with Chair/Vice Chair**



**Draft Legal Documents**

- Promissory Note
- Deed of Trust for collateral



**Execute Documents**

(Chair/Vice Chair)



**Release Funds**

**IMPORTANT NOTICE**

**THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.**

**PROMISSORY NOTE**

\*\*\*Promissory Note Date\*\*\*  
Aggregate Principal\*\*\*

\$\$\$Max

**FOR VALUE RECEIVED**, the undersigned **\*\*\*Borrower Name Full\*\*\*** whose address is **\*\*\*Borrower Street Address\*\*\***, **\*\*\*Borrower City\*\*\*** **\*\*\*Borrower State Select\*\*\*** **\*\*\*Borrower Zip\*\*\*** (the "Borrower"), unconditionally promises to pay to the order of **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHARLOTTESVILLE, VIRGINIA** ("Lender"), without offset, at P.O. Box 911, Charlottesville, Virginia 22902, or at such other place as Lender may hereafter designate by notice, the principal amount of **\$\$\$Max Aggregate Principal\*\*\*** DOLLARS (**\$\$\$Max Aggregate Principal\*\*\***), (the "Loan Amount") together with interest thereon at the rate, and payable on the basis set forth below. This Promissory Note (the "Note") is secured by a Deed of Trust as hereinafter defined.

**1. INTEREST:**

1.1. Interest on the Loan Amount shall accrue at **\*\*\*Fixed Rate Option Percent Format Nine\*\*\*** Percent (**\*\*\*Fixed Rate Option Percent\*\*\*%**) per annum until this Note is paid in full.

1.2. Interest shall be calculated on a three hundred sixty (360) day year based on the actual number of days for which the calculation is made.

1.3. Interest shall never exceed the maximum lawful rate of interest applicable to this Note.

1.4. Upon the occurrence of an Event of Default (hereinafter defined) or maturity of this Note, whether by acceleration or otherwise, interest will be due and payable on the unpaid principal balance at the current interest rate plus 5% (the "Default Rate").

**2. PAYMENTS:**

2.1. Unless sooner paid, this Note is due and payable in full on **\*\*\*Maturity Date\*\*\*** (the "Maturity Date"). On the Maturity Date, Borrower shall pay to Lender all accrued interest as provided in Section 1, any outstanding attorneys' fees, late charges, and other costs and charges due under this Note or the Deed of Trust, and all outstanding principal.

2.2. At Lender's option, all payments made on this Note shall be applied first to fees, late charges and costs, next to accrued interest and then to principal.

2.3. The outstanding principal and interest of this Note may be prepaid at any time without penalty.

2.4. If a payment is not received within thirty (30) days of when due, then Borrower may be charged a fee of 5% of the past due balance at the discretion of Lender.

### 3. **DEFAULT AND ACCELERATION:**

3.1. The happening of any of the following events shall constitute an "Event of Default":

A. any installment or other payment described herein, whether of principal, interest, late charges or otherwise, is not paid within thirty (30) days after such payment becomes due and payable;

B. the failure by any Obligor (as hereinafter defined) to perform, observe or comply with any of the terms, warranties, covenants, obligations or conditions, or the occurrence of any event of default, contained in any deed of trust, security agreement, guaranty, assignment or any other instrument which may now or hereafter be executed for the purpose of evidencing or securing this Note (all such documents including this Note are hereinafter collectively referred to as the "Loan Documents") which failure or occurrence is not cured within the applicable cure period, if any;

C. the termination of, or occurrence of any other event affecting, the validity of this Note or the validity or priority of any other Loan Documents;

D. the death, dissolution, merger, consolidation, change in ownership or membership interests, revocation or modification (to the extent any Obligor is a trust), or termination of existence of any Borrower, any guarantor or endorser, the grantor of any deed of trust securing this Note or the debtor under any security agreement securing this Note (any such Borrower and/or guarantor and/or endorser and/or grantor and/or debtor is herein called "Obligor" or collectively the "Obligors");

E. the inability of any Obligor to pay debts as they become due, or the insolvency of any Obligor, or the application for the appointment of a receiver or custodian for any Obligor or the property of any Obligor, or the entry of an order for relief or the filing of a petition by any Obligor under the provisions of any bankruptcy or insolvency law, or the filing of such a petition against any Obligor which is not discharged within thirty (30) days, or any assignment for the benefit of creditors by or against any Obligor;

F. the entry of a judgment in excess of \$\*\*\*Entry of Judgment in Excess of\*\*\* not covered by insurance against any Obligor which is not discharged within thirty (30) days, or the issuance or service of any lien, attachment, levy or garnishment against any Obligor or the property of any Obligor which is not discharged within thirty (30) days;

G. the failure of any Obligor to do all things reasonably necessary to preserve and maintain the value and collectability of any property or collateral securing this Note, including, but not limited to, the payment of taxes and premiums on policies of insurance on the due date without benefit of any grace period;

H. if the Lender believes in good faith that (i) the prospect of payment or performance under this Note is impaired, (ii) any collateral for this Note is insecure, or (iii) a material adverse change has occurred in the financial condition of the Borrower or any other Obligor; or

I. any other event constituting an Event of Default under any of the other Loan Documents.

3.2. Upon the happening of any Event of Default, this Note shall, at the sole option of Lender, become immediately due and payable without notice to or demand on any Obligor.

#### 4. **COVENANTS AND CONDITIONS:**

4.1. The Obligors individually and collectively hereby: waive presentment, demand, protest and notice of dishonor; agree that this Note may be renewed one or more times and any extension or extensions of the time of payment of this Note may be made before, at, or after maturity for periods in excess of the original term of this Note by agreement with Borrower without notice to and without releasing the liability of any other Obligor; agree that Lender may adjust the interest rate payable on this Note or any renewal(s) or extension(s) thereof, by agreement with Borrower, without notice to and without releasing the liability of any other Obligor; waive the benefit of all homestead and similar exemptions as to this Note; waive any right which they may have to require Lender to proceed against any other Obligor or person or any property securing this Note and agree that their liability hereunder shall not be affected or impaired by the release or discharge of any other Obligor from liability hereunder, the release or discharge of any collateral securing this Note or by any failure, neglect or omission of Lender to exercise any remedies of set-off or otherwise that it may have or by any determination that any security interest or lien taken by Lender to secure this Note is invalid or unperfected; subordinate any and all rights against Borrower and any collateral for the payment of this Note, whether by subrogation, agreement or otherwise until this Note is paid, in full; agree to pay all costs and expenses incurred by Lender in connection with the enforcement of this Note or any Loan Document, and/or the collection of the indebtedness evidenced hereby or other sums required to be paid herein or by any instrument securing this Note, and/or the collection of any judgment rendered hereon, and/or the preservation or disposition of any property, or the priority of any Loan Document, and/or the defense of any claim arising out of, or in any way related to, this Note or any Loan Document, or related to the making of the loan evidenced hereby, including, without limitation, reasonable attorneys' fees if this Note is placed in the hands of an attorney for collection or if Lender finds it desirable to secure the services or advice of an attorney with regard to collection hereof or the preservation or disposition of any property securing this Note; and waive the right to trial by jury in the event of litigation involving Lender and any one or more of the Obligors. Expenses covered by this paragraph include, without limitation, the Lender's reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, to the extent permitted by applicable law. Borrower also will pay any court costs, in addition to all other sums provided by law.

4.2. Any failure by Lender to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other rights at any time. No waivers and modifications shall be valid unless in writing and signed by Lender.

4.3. The term "Person" as used herein includes individuals, corporations, partnerships, limited liability companies and all other entities.

4.4. The term "Lender" as used herein shall include any future holder of this Note.

4.5. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Whenever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note. This Note shall apply to and bind each Obligor's heirs, personal representatives, successors and assigns and shall inure to the benefit of the Lender, its successors and assigns. Each Obligor hereby waives any common law or statutory rules of construction providing that the Loan Documents should be interpreted against the drafter, and each Obligor hereby agrees that the language in all provisions of the Loan Documents should be interpreted according to its fair meaning.

4.6. The aggregate principal balance shown on the books and records of Lender shall be prima facie evidence of the principal amount owing and unpaid on this Note. The failure to record the date and amount of any advance on the books or records of Lender shall not, however, limit or otherwise affect the obligation of the Borrower to this Note to repay the principal amount advanced together with all interest accruing thereon.

4.7. Borrower shall not send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender.

4.8. Any action, suit or proceeding regarding this Note or the Loan Documents shall be brought in the Circuit Court of the City of Charlottesville.

4.9. Upon request, Borrower shall deliver to Lender such information as Lender may reasonably request from time to time, including without limitation, financial statements and information pertaining to its financial conditions. Such information shall be true, complete, and accurate.

5. **WAIVER OF RIGHT TO JURY TRIAL:** BORROWER HEREBY WAIVES TRIAL BY JURY IN REGARD TO ANY CAUSES OF ACTION, CLAIMS, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS, WHICH BORROWER MAY HAVE ARISING OUT OF THIS NOTE OR THE LOAN DOCUMENTS AND IN REGARD TO ANY ACTION, OR PROCEEDING, WHICH LENDER MAY BRING TO ENFORCE ANY PROVISION OF THE LOAN DOCUMENTS. BY THE EXECUTION OF THIS NOTE, BORROWER HEREBY REPRESENTS THAT BORROWER IS REPRESENTED BY

COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED BORROWER OF THE MEANING AND RAMIFICATION OF THE WAIVER OF THE RIGHT TO A TRIAL BY JURY OR THAT IT HAD AMPLE OPPORTUNITY TO SEEK SUCH ADVICE OF COUNSEL BUT ELECTED NOT TO DO SO.

6. **CONFESSION OF JUDGMENT PROVISIONS:** THE BORROWER HEREBY APPOINTS NANCY R. SCHLICHTING AS EACH SUCH BORROWER'S DULY CONSTITUTED ATTORNEYS-IN-FACT, WHO SHALL EACH INDIVIDUALLY HAVE THE POWER TO CONFESS JUDGMENT AGAINST THE BORROWER IN FAVOR OF THE LENDER IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF CHARLOTTESVILLE, VIRGINIA, FOR THE PRINCIPAL AMOUNT OUTSTANDING, PLUS UNPAID INTEREST ACCRUED ON THE LOAN AMOUNT, PLUS ALL OTHER AMOUNTS THEN DUE AND PAYABLE UNDER THIS NOTE AND ANY OTHER LOAN DOCUMENTS, PLUS COSTS AND EXPENSES AND ATTORNEYS' FEES SPECIFIED HEREIN, UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS NOTE.
7. **COLLATERAL:** This Note is secured by a credit line deed of trust (the "Deed of Trust") conveying certain real estate located in the city of Charlottesville (the "Property"), to Flora Pettit PC, Trustee.
8. **ACKNOWLEDGEMENTS; NOTICE.**
  - 8.1. Borrower acknowledges having read and understood, and agrees to be bound by, all terms and conditions of this Note and hereby executes this Note as of the date first written above.
  - 8.2. Notice ("Notice") to Borrower or Lender shall be made at their addresses set forth in the first paragraph hereof (or as changed by Notice to the other Obligor) and shall be effective: (i) upon delivery if hand delivered; (ii) on the next business day if sent by a nationally recognized overnight courier, such as FedEx or UPS; (iii) three days after mailing by certified mail return receipt requested; or (iv) upon receipt by email, if send has a confirmation of email receipt and has sent a copy of the Notice by regular mail.
9. **REPRESENTATIONS AND WARRANTIES.** The Borrower represents and warrants as follows:
  - 9.1. This Note has been duly executed and delivered by Borrower, constitutes Borrower's valid and legally binding obligations and is enforceable in accordance with its terms against Borrower.
  - 9.2. The execution, delivery and performance of this Note and the consummation of the transaction contemplated will not, with or without the giving of notice or the lapse of time, (a) violate any material law applicable to Borrower, (b) violate any judgment, writ, injunction or order of any court or governmental body or officer applicable to Borrower, or (c) violate or result in the breach of any material agreement to which Borrower is a party.

9.3. No consent, approval, license, permit or other authorization of any third party or any governmental body or officer is required for the valid and lawful execution and delivery of this Note.

9.4. The Borrower warrants and represents that the loan evidenced by this Note is being made solely for the purpose of developing affordable housing on terms agreed in writing with Lender.

9.5. All information provided on Borrower's application was true and correct when made.

9.6. Borrower is a non-profit organization exempt from taxation under the Internal Revenue Code and shall remain so during the term of this Note.

10. **INDEMNIFICATION.** Borrower will indemnify and hold Lender harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Note or any document required hereunder, (b) any credit extended or committed by Lender to Borrower hereunder, (c) any litigation or proceeding related to or arising out of this Note, any such document, or any such credit and (d) the breach of any covenant or representation in this Note. This indemnity includes but is not limited to attorneys' fees, and extends to Lender and all of its managers, members, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of Borrower's obligations to Lender. All sums due to Lender hereunder shall be obligations of Borrower, due and payable immediately without demand.

[SIGNATURE PAGE FOLLOWS.]

[SIGNATURE PAGE TO PROMISSORY NOTE.]

WITNESS the following signature and seal on the date first above written:

BORROWER:

**\*\*\*Borrower Entity Name\*\*\***

By: \_\_\_\_\_(SEAL)  
\*\*\*Borrower Signatory Name Comp\*\*\*, \*\*\*Borrower  
Signatory Title Comp\*\*\*

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF \_\_\_\_\_, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_ on behalf of \*\*\*Borrower Entity Name\*\*\*, who is  
personally known to me and voluntarily acknowledged this instrument before me.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Notary Registration No.: \_\_\_\_\_

LENDER:

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

By: \_\_\_\_\_(SEAL)  
\_\_\_\_\_, Chair

Prepared by:  
Flora Pettit PC  
530 East Main Street  
Charlottesville, VA 22902  
Donald D. Long, Esq. (VSB No. 39982)

\*\*\*Real Property City\*\*\* City Tax Map Nos. \*\*\*Tax Map Number\*\*\*

THIS IS A CREDIT LINE DEED OF TRUST  
Maximum aggregate amount of principal to be  
secured hereby at any one time: \$\*\*\*Max Secured Amount\*\*\*

Name and address of Lender secured hereby:

**Economic Development Authority of the City of Charlottesville, Virginia  
P.O. Box 911  
Charlottesville, Virginia 22902**

**THIS CREDIT LINE DEED OF TRUST AND SECURITY AGREEMENT** (hereafter referred to as "Deed of Trust"), dated as of the \*\*\*Deed of Trust Date\*\*\*, by and between \*\*\*Borrower Name Full\*\*\* (the "Grantor"), and **FLORA PETTIT PC, TRUSTEE** ("Trustee"), whose business addresses is 530 East Main Street, Charlottesville, VA 22902, for the benefit of Economic Development Authority of the City of Charlottesville, Virginia (the "Lender"), whose address is P.O. Box 911, Charlottesville, Virginia 22902. Lender and Trustee are the grantees hereunder for indexing purposes by the Clerk of Court.

**WITNESSETH:**

That, for valuable consideration, Grantor does hereby grant and convey, with general warranty, unto Trustee, the real property located in Charlottesville, Virginia, described in **SCHEDULE A** attached hereto and by this reference made a part hereof;

**TOGETHER** with (i) all buildings and improvements now or hereafter constructed thereon; (ii) all the estate and rights, if any, of Grantor in and to all land lying in public and private streets, roads and alleyways abutting the above-described property; (iii) all easements, rights of way, privileges and appurtenances now or hereafter belonging to or in any way related to the above-described property; (iv) all fixtures, located in, or on, or used, or intended to be used, in connection with the property described in **SCHEDULE A** attached hereto, including, but without limitation, heating, air conditioning, refrigerating, plumbing, and equipment, boilers, generating equipment, elevators, water pipes and water system distribution equipment and apparatus and materials, gas pipes and gas system distribution equipment and apparatus and materials, electric wires and electrical system distribution equipment and apparatus and materials, fixtures, plants and shrubbery and landscaping materials, materials and equipment and apparatus used in the construction and paving of the roads and curbs and gutters and sidewalks and drainage ditches, and replacements thereof and additions thereto, including replacements thereof and additions thereto, shall be deemed part of the realty hereby conveyed (and Grantor hereby declares such personal property to be part of said realty, whether attached thereto or not, and subject to the lien hereby created); (v) all tangible personal property listed on **SCHEDULE B** (the "Personal Property") and (vi) all proceeds of the conversion, whether voluntary or involuntary, of any of the above-described property into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive same, which may be made as a result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof,

the alteration of the grade on any street and any injury to or decrease in the value of the above-described property, together with all costs and expenses incurred by the Lender, in connection with the collection of such awards, payments and proceeds, including, without limitation, reasonable attorneys' fees.

All the above-described real and personal property is hereinafter sometimes referred to as the "Property."

**IN TRUST** to secure to the Lender the following:

(a) the repayment of all amounts evidenced by a certain Promissory Note dated \*\*\*Deed of Trust Date\*\*\*, (the "Note"), made by \*\*\***Borrower Name Full**\*\*\* (the "Borrower"), payable to the order of the Lender, in the principal sum of \*\*\*Max Aggregate Principal\*\*\* DOLLARS (\$\*\*\*Max Aggregate Principal\*\*\*);

(b) the payment of any note, guaranty or agreement given in curtailment, renewal, extension or substitution, in whole or in part, of the above-described indebtedness (unlimited renewal or extension of all or any part of said indebtedness being expressly permitted);

(c) the payment of all other sums, with interest thereon, advanced in accordance with the provisions hereof by the Lender or the Trustee for the protection of the lien and security interest of the Lender in and to the Property;

(d) the payment of interest at the rate stated in the Note, or at the maximum lawful rate of interest applicable to the Note, whichever is higher, on any arrearage if Borrower or Grantor shall file a petition and plan under Chapter 11 or Chapter 13 of the Federal Bankruptcy Code ("arrearage" being defined as the amount of principal and interest past due, and any other amounts properly due and unpaid as of the date of the filing of such petition), which interest Borrower hereby agrees to pay;

(e) the performance of the covenants and agreements of Grantor herein contained; and

(f) the performance of, or compliance with, any of the covenants, conditions, and agreements set forth in (i) any contract, deed of trust, assignment of leases and rents or any other agreements executed by Borrower, Grantor or any other persons liable for the payment of the indebtedness hereby secured in favor of the Lender (hereinafter collectively the "Loan Documents"), or (ii) any other agreements relating to any other obligations owed to Lender by Borrower, Grantor or any other person or entity liable for the payment of the indebtedness described in (i) above.

The above-described indebtedness and obligations are hereinafter collectively called the "Obligations". The term "Lender" as used herein includes any future holder of the Note. The address at which payments and communications may be mailed or delivered to the Lender is the address set forth in the first paragraph of this Deed of Trust or such other addresses as Lender may hereafter designate by written notice to Grantor.

So long as no Event of Default (hereinafter defined) exists under this Deed of Trust, Grantor shall remain in quiet use, possession and management of the Property, and in the enjoyment of the income, revenue and profits therefrom.

So long as any part of the Obligations hereby secured remains unpaid or otherwise unperformed, Grantor covenants and agrees as follows:

1. **FUTURE ADVANCES.** This is a credit line Deed of Trust and given to secure not only existing Obligations, but also future advances to the same extent as if such future advances are made on the date of the execution of this Deed of Trust. The principal amount (including future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed **\*\*\*Max Secured Amount\*\*\* DOLLARS (\$\*\*\*Max Secured Amount\*\*\*), plus all interest, costs, reimbursements, fees and expenses due under this Deed of Trust and secured hereby. Grantor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Deed of Trust.**

Nothing herein obligates Lender to provide credit in excess of the Obligations.

2. **TAXES, ASSESSMENTS AND ESCROWS.** Grantor shall pay, promptly when due, all taxes, licenses, assessments, repair bills, other bills of mechanics and materialmen, and public and private charges upon the Property, and upon request will forward to the Lender official receipts evidencing such payments. Grantor shall take all steps necessary to keep the Property eligible for land use taxation, if applicable.

3. **INSURANCE.** Grantor shall obtain and maintain hazard insurance insuring against fire, casualty and other hazards (including flood damage, if the improvements are located in a special flood hazard area) with replacement cost coverage with such insurance companies and in such amounts as shall, at all times, be satisfactory to the Lender, with loss payable to the Lender without contribution; and will deliver to the Lender the original policy or policies (or certified copies thereof), at least ten (10) days before the expiration of any policy or the renewal thereof. Such policies shall further provide that not less than thirty (30) days' written notice shall be given to Lender before such policy may be canceled or changed to reduce insurance provided thereby. As to such insurance the Lender may, after ten (10) days' written notice mailed to Grantor at Grantor's last known address, change any or all of the coverages, terms, amounts or insurers, cause any policy to name the Lender as an insured as its interests may appear, surrender existing policies for cancellation, obtain any cancellation, obtain any additional insurance it so desires, pay any required premiums and receive premium refunds, and in any such event any premium adjustment shall be charged against or credited to the debt secured hereby. Grantor shall add "Economic Development Authority of the City of Charlottesville, Virginia " at the address for payments above as additional insureds to the above-mentioned insurance policies, and provide Lender with evidence thereof in the form of certificates of insurance and endorsements to the policies. In the event any claim for loss covered by such insurance is not settled promptly, but in any event within ninety (90) days after the occurrence of such loss, the Lender may negotiate with any insurance companies involved and make a reasonable settlement of said claim, and the Lender and such insurance companies, upon such settlement being made, shall not be liable in any manner to Grantor with respect to such claim and settlement. Any insurance proceeds shall be applied to the payment of the indebtedness hereby secured except that if, pursuant to the provisions of the next paragraph, the Lender, in its sole and absolute discretion, directs Grantor to restore the damaged portion of the Property, then, to the extent necessary, such proceeds shall be applied in periodic draws to the cost of such restoration, and the Lender may, without paying interest thereon, retain all or any part thereof until the Property has been restored to the satisfaction of the Lender. Grantor hereby appoints (which appointment constitutes a power coupled with an interest and is irrevocable as long as any of the indebtedness secured hereby remains outstanding) the Lender as its lawful attorney-in-fact with full authority to make, adjust, settle claims under and/or cancel any such insurance and to endorse the Grantor's name on any instruments or drafts issued by or upon any insurance companies.

4. **PRESERVATION AND MAINTENANCE OF PROPERTY AND COMPLIANCE WITH LAWS AND AGREEMENTS.** Grantor will keep the Property in good order and repair, including the making of such replacements as may be necessary for that purpose and, if the Lender so directs, in its sole and absolute discretion, the prompt restoration of any part of the Property which may be damaged by fire or other casualty, irrespective of the availability of adequate insurance proceeds for that purpose. Grantor shall promptly comply with and shall not permit violation of any laws, ordinances, rules and regulations of the United States, the Commonwealth of Virginia or other governmental authority applicable to the use, occupancy or operation of the Property, including but not limited to environmental laws, ordinances, rules or regulations. Grantor shall comply with and shall not permit violation of the terms of any restrictive covenant applicable to the use, occupancy or operation of the Property. Grantor shall take whatever actions are required to obtain and maintain land use taxation valuation, if applicable.

5. **WASTE.** Grantor will not permit, suffer or commit any waste, impairment or deterioration of, nor allow any nuisance to exist upon, the Property or any part thereof.

6. **COVENANTS, ASSURANCES OF TITLE.** Grantor covenants and agrees to the provisions set forth in Sections 55.1-320 through 55.1-324, and 55.1-325 of the Virginia Code, as amended. Grantor will execute or cause to be executed such further assurances of title to the Property, and will take and cause to be taken such steps including legal proceedings, as may at any time appear to Trustee, or to the Lender, to be desirable to perfect the title to the Property in Trustee or to preserve the priority of the lien and security interest created hereby. The following terms as defined in Section 55.1-325 of the Virginia Code, as amended, confer the powers, rights, duties, and obligations described therein:

- Exemptions waived.
- Subject to all (call) on default.
- Renewal, extension or reinstatement permitted.
- Any trustee may act.
- Substitution of trustees permitted.

7. **LIENS AND ENCUMBRANCES.** Except as disclosed to Lender in writing, the Grantor represents and warrants that Property is not subject to any liens or encumbrances. Grantor will not, without the prior written consent of the Lender, permit or suffer the perfection of any lien or encumbrance on the Property, or interest therein (legal or equitable), or any part thereof, either inferior or superior in right to the lien of this Deed of Trust. In the event that Lender consents to such lien or encumbrance, then Grantor shall timely pay and perform any obligation, covenant or warranty contained in such lien or encumbrance.

8. **NOTICE OF SUITS AND PROCEEDINGS.** Grantor shall immediately notify the Lender by registered or certified mail, return receipt requested, of any taking or condemnation, or any threatened or pending proceedings for the taking or condemnation, of any part of the Property under any power of eminent domain; and in the event that title to, or possession of, the Property or any portion thereof, is taken or condemned under any power of eminent domain, then Grantor shall (and hereby does) assign, and will forthwith upon receipt pay over, to the Lender, the proceeds and consideration resulting from taking or condemnation, not to exceed the unpaid balance of the indebtedness secured by this Deed of Trust, said proceeds so paid to be applied, including any prepayment penalty, to the indebtedness secured hereby.

**9. TRANSFER OF PROPERTY OR BENEFICIAL INTEREST IN GRANTOR.**

Grantor shall not, without the prior written consent of the Lender, (a) lease the Property, or any portion thereof, other than in the ordinary course of business; (b) bargain, sell, encumber, transfer, assign or convey the Property, or any portion thereof, or any legal or equitable interest therein, or (c) sell, transfer, issue or encumber (or permit the sale, transfer, issuance, or encumbrance of) any membership interests (or other equity or ownership interests) in Grantor. Any leases of the Property, in whole or in part, and any options to purchase or rights of first refusal to purchase the Property, in whole or in part, that may be granted or entered into by Grantor shall be subordinate to this Deed of Trust and terminable by Trustee or the Lender upon written notice in the event of foreclosure.

**NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED HEREBY, OR ANY INTEREST THEREIN, EXCEPT AS OTHERWISE PROVIDED ABOVE.**

**10. USE OF PROPERTY.** Grantor will not, without the prior written consent of the Lender, (a) change, or permit any changes in, the use for which all or any part of the Property was intended at the time of the execution of this Deed of Trust, or (b) initiate or acquiesce in a change in the zoning classification of the Property.

**11. PROTECTION OF THE LENDER'S SECURITY.** In the event (a) Grantor fails to perform any of its covenants or agreements herein contained, which is not cured within any applicable cure or grace period, or (b) any action or proceeding is commenced or threatened which materially affects the Property or title thereto or the interest of the Trustee or Lender therein, including, without limitation, eminent domain, insolvency, arrangements or proceedings involving a bankrupt or decedent, then, in any of such events, the Lender may, at its option, make such appearances, disburse such sums and take such action as the Lender deems necessary, in its sole discretion, to protect its interest, including, without limitation, (i) the employment of attorneys and disbursement of reasonable attorneys' fees, (ii) the entry upon the Property to make repairs or to complete the construction of improvements in accordance with the provisions of any loan agreement between the Lender and Grantor, (iii) the procurement of insurance as provided in paragraph 2 hereof, and (iv) if the property is subject to another deed of trust or lien whether inferior or superior hereto, the curing of any default of Grantor in the performance of the terms and provisions thereof, or if the indebtedness thereby secured is accelerated, the purchase or payment in full of such indebtedness, all on such terms as the Lender shall, in its sole discretion, deem necessary or advisable. Any amounts disbursed by the Lender pursuant to the provisions of this paragraph 11 shall be added to, and deemed a part of, the Obligations, shall be secured in the same manner as the Obligations is secured, shall bear interest from the date of the disbursement thereof at the same rate of interest applicable to principal as set forth in the Note or at the maximum lawful rate of interest applicable thereto, whichever is higher, and shall, together with the interest thereon, be repayable by Grantor on demand.

**12. ENVIRONMENTAL PROTECTION.** The Grantor represents and warrants that, except as disclosed in writing to the Lender as of the date hereof, there are no "hazardous substances" (as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq. as amended) on the Property, except for such as are associated with normal construction and maintenance of residential dwellings or are naturally occurring in the area; there has been no release or any threat of release of any hazardous substance; the Property is not subject to any governmental enforcement or clean up action and is not the subject of any notice or investigation under any law, ordinance rule or regulation or subject to any liability to any person because of the

presence of petroleum products, underground storage tanks or the presence, release, threat of release, discharge, storage, treatment, generation or disposal of any “hazardous waste” (as defined in 42 U.S.C. § 6903(5), as amended), including but not limited to asbestos. Grantor shall promptly notify the Lender in the event of the discovery of such substances at the Property. Further, Grantor will promptly forward to the Lender copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge, spillage, use or the discovery of such substances or any other environmental matters as they may affect the Property. In the event of such discovery or communications affecting the Property, Grantor agrees that the Lender, its employees and agents may have access to, on, under and over the Property to undertake or cause to be undertaken a full or partial environmental audit and site inspection of the Property at the Lender’s cost. The Grantor hereby agrees to indemnify the Lender and hold the Lender harmless from and against any and all losses, liabilities, damages, injuries (including, without limitation, attorneys’ fees) and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against the Lender for, with respect to, or as a direct or indirect result of (a) the presence of any such substances on the Property regardless of whether or not caused by or within the control of Grantor, its employees, agents, affiliates, tenants or licensees or their respective contractors or subcontractors (each, a “Grantor Party” and collectively the “Grantor Parties”), (b) the violation of any environmental laws, ordinances, rules or regulations relating to or affecting the Property, whether or not caused by or within the control of Grantor or any other Grantor Party, (c) the failure by Grantor or any other Grantor Party to comply fully with the terms and provisions of this paragraph 13, or (d) any warranty or representation made by Grantor in this paragraph 13 being false or untrue in any material respect. The Grantor shall be liable for all costs and expenses incurred by or asserted against the Lender arising under this paragraph 13 even if said costs and expenses exceed the amount of the Obligations secured by this Deed of Trust. All of the representations, warranties, covenants and agreements of this paragraph 13 shall survive the termination, satisfaction or release of this Deed of Trust or conveyance of the Property.

13. **EVENTS OF DEFAULT.** Each of the following events constitutes an “Event of Default” and collectively constitute “Events of Default”:

(a) Default in the payment of the Note, or any installment thereof, or any interest thereon, as provided in the Note;

(b) Default in the performance of, or compliance with, any of the covenants, conditions and agreements set forth in this Deed of Trust which failure of performance or compliance is not cured to the satisfaction of the Lender within thirty (30) days after notice of such default is given by the Lender to Grantor, or default in the performance of, or compliance with, any of the covenants, conditions and agreements set forth in the Note or any other Loan Document;

(c) Default under any other lien or encumbrance placed on the Property, or any interest therein (legal or equitable), or any part thereof, either inferior or superior in right to the lien of this Deed of Trust;

(d) Default under any provision of the Note, any other notes, deeds of trust, guaranties, assignments of leases and rents or agreements relating to any other obligations owed to the Lender by Borrower, Grantor or any other person or entity liable for the payment of the Note including any guarantors;

(e) Any other event constituting an Event of Default under any of the other Loan Documents.

14. **REMEDIES.** If any Event of Default occurs, then Trustee and the Lender shall, in addition to any other rights and remedies provided by law, have the following rights and remedies, any one or more of which shall be exercisable at the option of the Lender and without notice to Grantor:

(a) the Lender may declare the Note, and all sums due thereunder, immediately due and payable, including any prepayment penalty provided in the Note, without demand;

(b) the Lender may apply for and obtain the appointment of a receiver for the Property, with the power to collect the rents, issues and profits therefrom, without regard to the value of the Property or of the solvency of any person or persons liable for the payment of the indebtedness secured hereby, and Grantor hereby waives any and all defenses to the application for appointment of such receiver and consents to the appointment of such receiver without notice, but reserves the right to apply for vacation of any order of appointment of such receiver, or for any other appropriate relief, upon showing that none of the foregoing Events of Default occurred prior to application for the appointment of such receiver or during the pendency of such application in court; and

(c) the Trustee may foreclose by a sale of the Property as follows:

(i) Trustee may take possession of the Property and proceed to sell the same at auction at the premises or at such other place in the city or county in which the Property or the greater part thereof lies, or in the corporate limits of any city surrounded by or contiguous to such county, or in the case of annexed land, in the county of which the land was formerly a part, as Trustee may select upon such terms and conditions as Trustee may deem best after first advertising the time, place, and terms of sale once a week for three (3) consecutive weeks in a newspaper published or having a general circulation in the county or city where the Property or some portion thereof is located, or otherwise in any manner permitted by Virginia Code Section 55.1-322;

(ii) The power of sale above granted may be exercised at different times as to different portions of the Property, and if for any reason any executory contract of sale shall not be performed, then new contracts may be made with respect to the same portion of the Property (with or without other portions). If Trustee deems it best for any reason to postpone or continue the sale at any time or from time to time, they may do so, in which event Trustee shall advertise the postponed sale in the same manner as the original advertisement of sale provided for in clause (i) above;

(iii) Full power and authority is hereby expressly granted and conferred upon Trustee to make, execute, and deliver all necessary deeds of conveyance for the purpose of vesting in the purchaser or purchasers complete and entire legal and equitable title to the Property, or the portion thereof so sold, and the recitals therein shall be received in all courts of law and equity as prima facie evidence of the matters therein stated; and at such sale the Lender may become a purchaser, and no purchaser shall be required to see to the proper application of the purchase money;

(iv) The proceeds of such sale shall be applied, first, to discharge the expenses of executing the trust, including a 5% commission to Trustee; next, to discharge all taxes, levies, and assessments on the Property, with costs and interest, including a proper proration thereof for the current year; next, to reimburse Trustee and the Lender for all sums expended by them pursuant to the provisions of this Deed of Trust, with interest thereon; next to pay the loan fee, any prepayment fee and any late charges due under the Note; next, to pay the accrued interest on the unpaid principal balance due under the Note; next, to pay said unpaid principal balance; next, to pay any indebtedness secured by any lien of record inferior to the lien of this Deed of Trust; and any residue of said proceeds

shall be paid to Grantor provided, however, that Trustee as to such residue shall not be bound by any inheritance, devise, conveyance, assignment or lien of or upon Grantor's equity, without actual notice thereof prior to distribution.

15. **SECURITY AGREEMENT.** This Deed of Trust, to the extent that it relates to personal property, is a security agreement and shall support any financing statement filed showing the Lender's interest as a secured party, lienholder or creditor with respect to any personal property mentioned in such financing statements. In addition, Grantor grants a security interest to Lender in the personal property described on Schedule B. Grantor authorizes the Lender to execute on Grantor's behalf and file any financing statements describing such personal property in any location deemed necessary and appropriate by the Lender. Grantor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all costs and expenses (including legal fees) of any record searches for financing statements the Lender may reasonably require. Without the prior written consent of the Lender, Grantor shall not create, or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said personal property, including replacements and additions thereto. In the event of a default of any covenant or agreement of Grantor contained in this Deed of Trust, the Lender shall, in addition to all other rights and remedies herein provided, have all the remedies accorded a secured party under the Uniform Commercial Code.

16. **NONWAIVER.** No delay, act or failure to act, by Trustee and the Lender, or any of them, however long continued, shall be construed as a waiver of any of their rights hereunder or of any default by Grantor.

17. **NO LIABILITY OR OBLIGATION ON TRUSTEE OR THE LENDER.** Nothing in this Deed of Trust shall be construed to impose any obligation upon either the Lender or Trustee to expend any money or to take any other discretionary act herein permitted, and neither the Lender nor Trustee shall have any liability or obligation for any delay or failure to take any discretionary act. Trustee shall not be required to see that this Deed of Trust is recorded and shall not be liable for the default or misconduct of any agent or attorney appointed by them in pursuance hereof, or for anything whatever in connection with this trust, except willful misconduct or gross negligence. Trustee may act upon any instrument or paper believed by them in good faith to be genuine and to be signed by the proper party or parties, and shall be fully protected for any action taken or suffered by them in reliance thereon.

18. **RELEASES.** Upon full payment of all indebtedness to the Lender due under the Note and this Deed of Trust, Trustee or the Lender shall, upon the request of Grantor, execute a proper full release of the lien of this Deed of Trust.

19. **INDEMNIFICATION BY GRANTOR.** Grantor shall protect and indemnify the Trustee and the Lender from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) imposed upon or incurred by or asserted against the Trustee, the Lender or the directors, officers, members, managers, agents or employees of the Lender by reason of (a) ownership of the Property or any interest therein, or receipt of any rent or other sum therefrom, (b) any accident to, injury to or death of persons or loss of or damage to property occurring on or about the Property, (c) any use, nonuse or condition of the Property, (d) any failure on the part of the Grantor to perform or comply with any of the terms, covenants, conditions and agreements set forth in this Deed of Trust, the Note, or any Loan Documents, (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof for construction or

maintenance or otherwise, (f) any action brought against the Trustee or the Lender attacking the validity, priority or enforceability of this Deed of Trust, the Note, or any loan agreement, guaranty, or any other agreements executed by Grantor or any other persons liable for the payment of the indebtedness hereby secured, and/or (g) the presence of hazardous substances or other substances on the Property in violation of any environmental law, ordinance, rule or regulation. Any amounts payable to the Trustee or the Lender under this paragraph 21 which are not paid within ten (10) days after written demand therefore by the Trustee or the Lender shall bear interest at the maximum rate per annum then permitted by law from the date of such demand and shall be secured by this Deed of Trust. In the event any action suit or proceeding is brought against the Trustee, the Lender or the directors, officers, agents or employees of the Lender by reason of any such occurrence, Grantor, upon the request of the Trustee or the Lender and at Grantor's expense, shall resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by Grantor and approved by the Trustee and/or the Lender. Such obligations under this paragraph 21 shall survive the termination, satisfaction or release of this Deed of Trust.

**20. WAIVER OF NOTICE OF FUTURE ADVANCES AND CONSENT TO EXTENSIONS, MODIFICATIONS AND RELEASE.** Grantor agrees that the Lender, without notice to or further consent of Grantor, may release or discharge any persons who are or may become liable for the payment of the Note or release or discharge any other collateral for the payment of the Note and that any such release or discharge shall not alter, modify, release or limit the liability of Grantor hereunder or the validity and enforceability of this Deed of Trust.

**21. RENTS AND PROFITS.** Grantor hereby assigns to the Lender all future rents and profits from the Property as additional security. Grantor hereby appoints the Lender as Grantor's attorney-in-fact to collect any rents and profits, with or without suit, and to apply the same, less expenses of collection, to the Note or to any obligations secured by this Deed of Trust in any manner as the Lender may desire. However, until default under the Note or under this Deed of Trust, Grantor may continue to collect and retain the rents and profits without any accountability to the Lender. The Lender's election to pursue the collection of the rents or profits shall be in addition to all other remedies which the Lender might have and may be put into effect independently of or concurrently with any other remedy.

**22. ATTORNEYS' FEES; EXPENSES.** If the Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by the Lender which in the Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Obligations, payable on demand by Grantor, and bear interest at the rate applicable to principal as set forth in the Note, or the maximum lawful rate of interest applicable thereto, from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, the Lender's reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**23. ANTI-MARSHALLING PROVISIONS.** Trustee and the Lender may grant releases at any time and from time to time of all or any portion of the Property (whether or not such releases are required by agreement among the parties) agreeable to Trustee and the Lender without notice to or

the consent, approval or agreement of other parties in interest, including junior lienors and purchasers subject to the lien of this Deed of Trust, and such releases shall not impair in any manner the validity of or priority of this Deed of Trust on the portion of the Property remaining subject to this Deed of Trust, nor release Grantor from personal liability for the indebtedness secured hereby. Notwithstanding the existence of any other security interests in the Property held by the Lender or by any other party, the Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies available to the Lender, and the Lender shall further have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of any remedy it has. Grantor, or any party who consents to this, or any party who has actual or constructive notice hereof, hereby waives any and all rights to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

24. **INSPECTION.** The Lender may at any reasonable time and from time to time make or cause to be made reasonable entries upon, investigations, and inspections of the Property, including without limitation any inspections or investigations such as sampling and testing which may be necessary or desirable to review compliance with environmental laws.

25. **COVENANTS OF GRANTOR.** Grantor shall not at any time (a) change its name or corporate structure or transact any business with respect to the collateral under a name other than its present name, unless in either case it shall have given the Lender at least 60 days prior written notice of such change and the Lender shall have consented to such change, which consent may be conditioned upon amendments or modifications to this Deed of Trust or other Loan Documents; or (b) change the nature of its business or enter into any business which is substantially different from the business presently conducted by it.

26. **HEADINGS.** The headings of the paragraphs of this Deed of Trust are for the convenience of reference only and are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

27. **NUMBER AND GENDER.** The pronouns and verbs set forth herein shall be construed as being of such number and gender as the context may require.

28. **SUCCESSORS AND ASSIGNS.** This Deed of Trust shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and assigns, and any descriptive term used herein shall include such heirs, personal representatives, successors and assigns.

29. **PERSONS.** The use of the word "persons" in this Deed of Trust includes individuals, corporations, partnerships, limited liability companies and all other entities.

30. **LAWS OF COMMONWEALTH OF VIRGINIA.** This Deed of Trust and all of the rights, remedies and duties of the Lender and Grantor shall be governed by the laws of the Commonwealth of Virginia, without regard to its conflicts of law provisions. Wherever possible, each provision of this Deed of Trust shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Deed of Trust shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Deed of Trust.

31. **TIME OF THE ESSENCE.** Time is of the essence in the performance of this Deed of Trust.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO DEED OF TRUST]

IN WITNESS WHEREOF:

GRANTOR: **\*\*\*Borrower Entity Name\*\*\***

By: \_\_\_\_\_(SEAL)  
\*\*\*Borrower Signatory Name Comp\*\*\*, \*\*\*Borrower  
Signatory Title Comp\*\*\*

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF \_\_\_\_\_, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
by \_\_\_\_\_ on behalf of \*\*\*Borrower Entity Name\*\*\*, who is personally known  
to me and voluntarily acknowledged this instrument before me.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Notary Registration No.: \_\_\_\_\_

**SCHEDULE A**

(Legal Description)

\*\*\*Legal Description\*\*\*

**SCHEDULE B**

(Personal Property)

\*\*\*Personal Property\*\*\*