



**Economic Development Authority of the City of Richmond
Meeting Notice – October 26, 2023**

WHAT: The City of Richmond’s Economic Development Authority will hold its **October Board Meeting.**

WHEN: Thursday, October 26, 2023, at 1:00 P.M.

WHERE: Main Street Station, 1500 East Main Street, 3rd Floor Conference Room

CONTACT: Rick Winston at (804) 646-5036 or rick.winston@rva.gov

For more information about The City of Richmond’s Economic Development Authority (EDA),
Visit: <http://www.richmondeda.com>

Agenda

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND
REGULAR BOARD MEETING OCTOBER 26, 2023
BOARD MEETING AGENDA

- I. Call to Order
 - A. Public Meeting Disclosure

- II. Meeting Minutes
 - A. Meeting Minutes – August 24, 2023
 - B. Meeting Minutes – September 21, 2023

- III. Comment (Maximum of Three Minutes Per Person)

- IV. Committee Reports
 - A. Audit and Finance Committee
 - a. ASM August Report
 - b. Financial August Report

- V. New Business
 - A. Affordable Housing Performance Grants
 - a. The View at Belle Isle Apartments, LP
 - b. Oak Grove Multifamily, LLC
 - c. Walmsley Gardens, LLC
 - B. Westhampton Phase 2 Estoppel and Amended Condo Declaration

- VI. Report of the Officers
 - A. Report of the Chairman
 - B. Report of the Secretary

- VII. Other Business

- VIII. Adjournment

Upcoming Meetings

Board Meeting – November 16, 2023

Finance Committee Meeting – November 16, 2023

Meeting Minutes

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting
Thursday, August 24, 2023 Minutes

Members present:

John Molster, Chair
Nupa Agarwal, Vice-Chairperson
Jer'Mykeal McCoy
Jéron Crooks
Nathan Hughes
Neil Millhiser

Others present:

Bonnie Ashley- City of Richmond, City Attorney's Office
Carla Childs –Department of Economic Development
Katie McConnell - Department of Economic Development
Leonard Sledge - Department of Economic Development
Lisa Jones – A. G. Reese & Associates
Oliver Hughes - Visitor
Rick Winston - Department of Economic Development
Mike Platania– Richmond BizSense

Call to Order:

Mr. Molster called the meeting to order at 1:01 PM and Ms. Childs recorded the meeting.

Public Comment:

No public comments were received via email, phone, or otherwise by staff per Ms. Childs. Mr. Sledge read the public disclaimer.

Approval of Minutes of the Previous Meeting:

Mr. Molster requested a motion to adopt the minutes of the June 29, 2023, Board Meeting as stated. Ms. Agarwal moved to accept the minutes. Mr. Hughes seconded the motion. The Motion passed unanimously.

New Business – Mr. Leonard Sledge

Mr. Sledge asked for a motion to authorize the Board Chair, to execute the Twenty-Sixth Commercial Area Revitalization Effort (CARE) Program Cooperation Agreement between the City of Richmond and the Economic Development Authority of the City of Richmond. Mr. Crooks made the motion. This was a recommendation from the Audit and Finance Committee. The Motion passed unanimously.

Mr. Sledge asked for a motion to authorize the Board Chair, to execute the Local Enterprise Zone Cooperation Agreement between the City of Richmond and the Economic Development Authority of the City of Richmond. Mr. McCoy Made the motion. This was a recommendation from the Audit and Finance Committee. The Motion passed unanimously.

Audit & Finance Committee – Mr. Nathan Hughes

Mr. Hughes reported that the Training Center ended the year with a net income of \$262,194 which is \$243 under budget. The Training Center ended July with a net income of \$25,238. Mr. Hughes noted that the ASM contract ends on December 31, 2023. There was one unusual maintenance unbudgeted expense of \$4,000. This was due to the irrigation system being struck by lightning. Mr. Hughes reported that there was \$2.5 million in the Stone checking account and the Net Income for the year-end is \$478,000. Mr. Hughes noted that there was a \$700,000 grant that was acknowledged in FY2023 but will be recorded in the FY2024 financials. There was no unusual Loan activity.

Marketing Committee – Ms. Nupa Agarwal

Ms. Agarwal reported that the Marketing Committee met today. There was an update on the website and business retention.

Report of the Officers:

Chairman Report – Mr. John Molster

Mr. Molster summarized a BizSence article about the increase in production at Stone Brewery and the impact it will have on the City.

Report of the Secretary – Mr. Leonard Sledge

Mr. Sledge gave an update on the progression of the Economic Development and the new branding which included the marketing and the website. Mr. Sledge presented the Board with a few newly designed promotional items that highlighted the new logo. Mr. Sledge announced four new positions that will have been or will be posted. Mr. Sledge gave an update on the Casino Resort.

FY 2023 Annual Audit Timeline - Mr. Leonard Sledge

Mr. Sledge gave an update on the EDA Annual Audit. It was recommended that the Draft Audit report be presented at the next board meeting.

Adjournment

The meeting adjourned at 1:50 p.m.

Respectfully submitted:

Secretary to the meeting

Approved:

John Molster, Chair

Economic Development Authority (EDA) of the City of Richmond, Virginia
Special Called Board Meeting
Thursday, September 21, 2023
Meeting Minutes

Members present:

John Molster, Chairperson
Nupa Agarwal, Vice-Chairperson
Jéron Crooks
Nathan Hughes
Neil Millhiser

Others present:

Bonnie Ashley- City of Richmond, City Attorney's Office
Carla Childs –Department of Public Works*
Leonard Sledge - Department of Economic Development
Katie McConnell – Department of Economic Development
Sherrill Hampton – Housing & Community Development
Lisa Jones – A. G. Reese & Associates
Danielle Nikolaisen, Brown, Edwards & Company, L.L.P.*
Leslie Roberts, Brown, Edwards & Company, L.L.P.*
W. Glenn Major, ASM Global

*Participated virtually

Call to Order:

Mr. Molster called the meeting to order at 11:07 am.

Public Comment:

No public comments were received via email, phone, or otherwise by staff. Mr. Sledge read the public disclaimer.

New Business – Mr. Leonard Sledge

Mr. Sledge asked the Board to consider a motion to approve the FY2023 financial audit for the Economic Development Authority of the City of Richmond, Virginia, and submit the FY2023 financial audit to the City of Richmond for inclusion in the City's FY2023 Annual Comprehensive Financial Report. Ms. Agarwal made the motion. Mr. Hughes seconded the motion. The motion passed unanimously.

Mr. Sledge asked the Board to consider a motion to authorize the Chairman of the Board to execute a Grant Agreement between the Economic Development Authority of the City of Richmond,

Virginia, RVA Street Foodies, LLC, and Soul-Ice Vending, Inc., and authorize a grant of up to \$30,000, which is the sum of the \$10,000 local match and the \$20,000 Governor's Agriculture and Forestry Industries Development Fund (AFID) Infrastructure program grant, to support community-based entrepreneurial development, job training, and to increase access to fresh foods in underserved areas of the city of Richmond, Virginia. Mr. Crooks made the motion. Mr. Molster seconded the motion. The motion passed unanimously.

Mr. Sledge asked the Board to consider a motion to (a) approve the filing of a petition for the creation of a community development authority pursuant to Article 6 of the Virginia Water and Waste Authorities Act to facilitate the financing of various public improvements to be developed as part of the Diamond District Redevelopment Project, (b) authorize the Chair or Vice Chair, either of whom may act, to (i) approve the form of the petition, (ii) execute the petition and such other documents as are necessary or desirable in connection therewith and (iii) file the petition with the City and deliver such other documents as are necessary or desirable in connection therewith following the conveyance by the City to the Authority of the real property that will comprise more than 51% of the land area of the to be created community development authority district and (c) authorize the Chair, Vice Chair and other officers of the Authority to take all other actions as are necessary or desirable to implement the provisions of this motion and the filing of the petition. Mr. Millhiser made the motion. Ms. Agarwal, seconded the motion. The motion passed unanimously.

Report of the Officers:

Mr. Molster asked Mr. Major to provide an update of recent activity at the Bon Secours Training Facility, specifically the Iron Blossom Music Festival.

Report of the Secretary – Mr. Leonard Sledge

Mr. Sledge announced that the City, the Authority, and its partners were awarded nine Excellence in Economic Development Awards by the International Economic Development Council (IEDC).

Other Business

Ms. Hampton provided an overview of the Affordable Housing Performance Grant program.

Executive Session

Mr. Sledge asked the Board to consider a motion for the Board of the Economic Development Authority to move into a closed meeting pursuant to sections 2.2-3711(A)(3) and (A)(8) of the Virginia Freedom of Information Act to discuss the disposition of publicly held real property located at 2401 West Leigh Street and to consult with the Authority's legal counsel regarding such property and its disposition because such discussion in open session would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority. Mr. Hughes made a motion, which was seconded by Mr. Crook, and unanimously approved by the members of the Authority in attendance.

At the conclusion of the closed meeting, the five attending members of the Board of Directors unanimously approved the following Certification of Closed Meeting:

WHEREAS, the Board of Directors of the Economic Development Authority of the City of Richmond has convened in a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE,

BE IT RESOLVED:

That the Board hereby certifies that to the best of each member's knowledge (i) only public matters lawfully exempt from open meeting requirements by Virginia law were discussed in the closed meeting to which this certifying resolutions applies; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

Adjournment

The meeting adjourned at 12:47 PM.

Respectfully submitted:

Secretary to the meeting

Approved:

John Molster, Chair

ASM Reports

BON SECOURS TRAINING CENTER



FINANCIAL REPORTS AUGUST 2023

DISTRIBUTION:

EDA FINANCE COMMITTEE

LISA JONES - A.G. REESE AND ASSOCIATES

NATHAN HUGHES - SPERITY REAL ESTATE VENTURES

LEONARD SLEDGE - DEPT OF ECONOMIC DEVELOPMENT

ASM

BOB PAPKE, VICE PRESIDENT - THEATERS

GLENN MAJOR, GENERAL MANAGER

JEFFREY WONG, SVP FINANCE - AMERICAS

PREPARED

10/04/2023

DISTRIBUTED

10/04/2023

**BON SECOURS TRAINING CENTER
FINANCIAL REPORTS
INDEX**

	<u>Page</u>
Profit & Loss Budget Performance.....	1
Rolling Forecast.....	2
Event Income Statement.....	3
Indirect Expense Forecast	5
Balance Sheet.....	8
A/R Aging, A/P Aging, Event Deposit Schedule.....	9
Income Statement.....	10
Indirect Expense Detail.....	12
Monthly & Yearly Highlights.....	15

BON SECOURS TRAINING CENTER
Profit Loss Budget Performance
AUGUST 2023

	Aug-22	Aug-23	YTD Actual	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Event Income	5,950.00	44,992.00	61,365.00	34,450.00	71,025.00
Advertising & Other Income	0.00	0.00	79.00	0.00	0.00
Parking Income	0.00	0.00	0.00	0.00	0.00
1st Floor Ground Rent	1,767.00	1,767.00	3,535.00	0.00	10,602.00
2nd Floor Ground Rent	563.00	563.00	1,126.00	0.00	3,378.00
1st Floor Rent	25,484.00	25,484.00	50,969.00	0.00	152,904.00
2nd Floor Rent	13,448.00	13,448.00	26,896.00	0.00	80,688.00
1st Floor CAM	16,625.00	16,625.00	33,250.00	0.00	99,750.00
2nd Floor CAM	7,695.00	7,695.00	15,390.00	131,164.00	46,170.00
Rental Income-Westhampton	-	-	-	-	-
Sponsorship Fee-Bon Secours	-	-	-	-	-
Total Income	71,532.00	110,574.00	192,610.00	165,614.00	464,517.00
Expense					
Bank Service Charges	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
General and Administrative	3,223.00	2,262.00	4,626.00	5,160.00	16,839.00
Grounds Maintenance	10,010.00	9,709.00	19,419.00	20,152.00	60,456.00
Insurance Expense	2,376.00	2,637.00	5,273.00	3,933.00	11,799.00
Janitorial Service Supplies	1,463.00	1,613.00	3,076.00	3,014.00	9,042.00
Maintenance Expense	11,646.00	9,812.00	12,365.00	18,287.00	57,163.00
Base Management Fee	1,057.00	1,205.00	2,409.00	2,100.00	6,300.00
Incentive Management Fee	-	553.00	553.00	1,000.00	3,000.00
Operations	1,164.00	5,482.00	11,395.00	5,820.00	20,460.00
Additional Training Camp Expenses	0.00	0.00	0.00	0.00	0.00
Payroll Expenses	316.00	602.00	1,215.00	1,552.00	4,656.00
Ground Rent Expense	3,380.00	3,380.00	6,760.00	6,760.00	20,280.00
Repairs and Maintenance	-	0.00	0.00	0.00	0.00
Security Service	576.00	350.00	2,337.00	1,080.00	3,240.00
Staffing	17,412.00	15,280.00	29,702.00	27,429.00	87,376.00
Telephone Expense	838.00	605.00	370.00	1,210.00	3,630.00
Utilities	11,592.00	12,459.00	22,201.00	17,244.00	51,732.00
Total Expense	65,053.00	65,949.00	121,701.00	114,741.00	355,973.00
Net Ordinary Income	6,479.00	44,625.00	70,909.00	50,873.00	108,544.00
Other Income/Expense					
Other Income					
Interest Income-Cking	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00
Net Income	6,479.00	44,625.00	70,909.00	50,873.00	108,544.00

DocuSigned by:



7301057561192, Director of Facility Accounting

DocuSigned by:



581876901192116, General Manager

**BON SECOURS TRAINING CENTER
ROLLING FORECAST SUMMARY
STUB FISCAL YEAR ENDING DECEMBER 31, 2023*
SUMMARY FOR THE TWO MONTHS ENDING AUGUST 2023**

	8/31/23	ROLLING	TOTAL	BUDGET		OPERATING RESULTS	
	ACTUAL			FORECAST	6/30/2023	FYE2024	VARIANCE
NO. EVENTS	23	15	38	21	17	60	(22)
ATTENDANCE	23,859	3,375	27,234	14,285	12,949	20,210	7,024
DIRECT EVENT INCOME	60,520	57,296	117,816	47,875	69,941	134,780	(16,964)
ANCILLARY INCOME	846	0	846	3,150	(2,304)	1,572	(726)
FACILITY FEES & REBATES	0	0	0	20,000	(20,000)	6,728	(6,728)
TOTAL EVENT INCOME	61,365	57,296	118,662	71,025	47,637	143,081	(24,419)
OTHER INCOME	131,245	262,328	393,573	393,492	81	798,669	(405,096)
INDIRECT EXPENSES							
EXECUTIVE	9,532	32,628	42,160	47,285	5,125	83,798	41,638
FINANCE	3,945	2,200	6,145	4,906	(1,239)	31,502	25,357
MARKETING	0	2,410	2,410	3,012	602	5,651	3,241
OPERATIONS	68,418	145,690	214,108	191,047	(23,061)	317,768	103,660
OVERHEAD	36,844	92,237	121,861	100,423	(21,438)	220,670	98,809
TOTAL INDIRECT EXP.	118,739	275,165	386,684	346,673	(40,011)	659,389	272,705
MANAGEMENT FEE	2,962	7,220	10,182	9,300	(882)	20,168	9,986
NET INCOME - OPERATING	70,909	37,239	115,371	108,544	6,827	262,194	(146,823)

ESTIMATED FY24 BASE MANAGEMENT FEE:
ESTIMATED FY24 INCENTIVE MANAGEMENT FEE:

\$ 7,445.87
\$ 2,953.00

*ASM CONTRACT ENDS 12/31/23

BON SECOURS TRAINING CENTER
ROLLING FORECAST

EVENT	YEAR-TO-DATE						REMAINING PROJECTION								ROLL EVT INC FY 8/22			
	NO.	ATTND	DIRECT EVENT INC.	ANGULARY	FEES & REBATES	TOTAL EVENT INC.	NO.	ATTND	RENT	SERVICES INCOME	TOTAL DIR. INC.	GATHERING	CONCESSIONS	TOTAL ANGILL.		REBATES	FEES	TOTAL EVT. INC.
Assembly 701	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Banquets 702																		
07.27.23 MBL RVA LHKUP	1	100	5,450	-	-	5,450					-	0	0	0	0	0	-	5,450
08.19.23 Walker Birthday Party	1	300	5,197	-	-	5,197				-	0	0	0	0	0	0	-	5,197
08.28.23 Joyner Wedding	-	-	-	-	-	-	1	250	5,000	1,000	6,000	0	0	0	0	0	6,000	6,000
09.22.23 Chamber College Jam	-	-	-	-	-	-	1	250	5,000	1,000	6,000	0	0	0	0	0	6,000	6,000
08.30.23 Coley Wedding	-	-	-	-	-	-	1	75	5,000	300	5,300	0	0	0	0	0	5,300	5,300
10.13.23 Empty Plate Luncheon	-	-	-	-	-	-	1	75	1,500	300	1,800	0	0	0	0	0	1,800	1,800
11.02.23 YMCA Charman's Roundtable	-	-	-	-	-	-	1	250	5,000	1,000	6,000	0	0	0	0	0	6,000	6,000
11.18.23 Willbeth Bar Mitzvah	-	-	-	-	-	-	1	75	5,000	300	5,300	0	0	0	0	0	5,300	5,300
11.14.23 Pich VA	-	-	-	-	-	-	1	75	5,000	300	5,300	0	0	0	0	0	5,300	5,300
PAST EVENTS FY23	2	400	10,647	848	0	11,495	7	1,225	31,500	4,900	36,400	0	0	0	0	0	36,400	47,893
Concerts 704																		
08.28.23 Iron Blossom Festival	2	21,079	32,302	0	0	32,302	0	0	0	0	-	0	0	0	0	0	-	32,302
	2	21,079	32,302	0	0	32,302	0	0	0	0	-	0	0	0	0	0	-	32,302
EDA Complimentary Meetings 706																		
07.08.23 CRTG Meeting	1	21	1,468	-	-	1,468					-	0	0	0	0	0	-	1,468
08.11.23 Meyer Youth Academy	1	200	540	-	-	540					-	0	0	0	0	0	-	540
08.11.23 City DPJ Family and Friends Day	1	200	519	-	-	519					-	0	0	0	0	0	-	519
	3	421	2,528	0	0	2,528	0	0	0	0	-	0	0	0	0	0	-	2,528
Sporting Events 708																		
08.02-08.05.24 VCU Soccer	15	895	8,100	-	-	8,100					-	0	0	0	0	0	-	8,100
08.02.23 Parks and Rec Football	1	500	750	-	-	750					-	0	0	0	0	0	-	750
	15	895	8,100	0	0	8,100	1	500	750	0	750	0	0	0	0	0	750	8,850
Other 712																		
07.08.23 SMOKE AND VINE FESTIVAL	1	1,104	8,944	-	-	8,944					-	0	0	0	0	0	-	8,944
10.07.23 Compton Zane Camp Fall Festival	-	-	-	-	-	-	1	250	4,000	4,000	4,000	0	0	0	0	0	4,000	4,000
10.21.23 Pumpkin Festival	-	-	-	-	-	-	1	250	4,000	4,000	4,000	0	0	0	0	0	4,000	4,000
10.22.23 VA Pride Fest	-	-	-	-	-	-	2	700	1,556	1,556	1,556	0	0	0	0	0	1,556	1,556
10.14.23 Lupus Walk	-	-	-	-	-	-	1	100	2,795	2,795	2,795	0	0	0	0	0	2,795	2,795
10.28.23 Ash Fall Festival	-	-	-	-	-	-	1	100	2,795	2,795	2,795	0	0	0	0	0	2,795	2,795
10.29.23 Postal Service Union Picnic	-	-	-	-	-	-	1	100	2,795	2,795	2,795	0	0	0	0	0	2,795	2,795
	1	1,104	8,944	0	0	8,944	7	1,650	20,146	0	20,146	0	0	0	0	0	20,146	27,080
TOTAL EVENT INCOME	23	23,858	60,330	848	0	61,946	15	3,375	53,396	4,900	57,296	0	0	0	0	0	57,296	118,682

BON SECOURS TRAINING CENTER
 ROLLING FORECAST
 FOR THE STUB YEAR ENDING DECEMBER 31, 2023

	YTD as of 8/31/23	September 2023	October 2023	November 2023	December 2023	Total Forecast	TOTAL FYE2024	BUDGET FYE 12/31/23
OTHER INCOME								
ADVERTISING INCOME	0	-	-	-	-	-	-	0
TENANT INCOME	131,166	65,582	65,582	65,582	65,582	262,328	393,494	393,492
OTHER INCOME	79	-	-	-	-	-	79	0
MISC INCOME	0	-	-	-	-	-	-	0
TOTAL OTHER INCOME	131,245	65,582	65,582	65,582	65,582	262,328	393,573	393,492

		September 2023	October 2023	November 2023	December 2023	Total Forecast	TOTAL FYE2024	BUDGET FYE 12/31/23
EXECUTIVE								
SALARIES	7,912	5,000	5,000	5,000	5,000	20,000	27,912	31,500
BONUS	2,310	1,260	1,260	1,260	1,260	5,040	7,350	6,300
PAYROLL TAXES	463	630	630	630	630	2,520	2,983	3,150
EMPLOYEE BENEFITS	(1,270)	316	316	316	316	1,262	(8)	1,578
401k	117	316	316	316	316	1,262	1,379	1,578
PROFESSIONAL FEES-LEGAL	0	85	85	85	85	340	340	425
Dues & Subscriptions	0	551	551	551	551	2,203	2,203	2,754
		-	-	-	-	-	-	-
TOTAL EXECUTIVE	9,532	8,157	8,157	8,157	8,157	32,628	42,160	47,285

		September 2023	October 2023	November 2023	December 2023	Total Forecast	TOTAL FYE2024	BUDGET FYE 12/31/23
FINANCE								
PROFESSIONAL FEES - OTHER	0	-	-	-	-	-	-	0
DUES AND SUBSCRIPTIONS	2,730	50	50	50	50	200	2,930	250
PAYROLL PROCESSING	1,215	500	500	500	500	2,000	3,215	4,656
TOTAL FINANCE	3,945	550	550	550	550	2,200	6,145	4,906

**BON SECOURS TRAINING CENTER
ROLLING FORECAST
FOR THE STUB YEAR ENDING DECEMBER 31, 2023**

	YTD as of 8/31/23	September 2023	October 2023	November 2023	December 2023	Total Forecast	TOTAL FYE2024	BUDGET FYE 12/31/23
MARKETING								
DUES & SUBSCRIPTIONS	-	602	602	602	602	2,410	2,410	3,012
TOTAL MARKETING	-	602	602	602	602	2,410	2,410	3,012
OPERATIONS								
Salaries Administration	9,610	5,670	5,670	5,670	5,670	22,680	32,280	30,375
General Event Wages	6,309	-	-	-	-	-	6,309	-
Commission	-	240	240	240	240	960	960	1,200
Payroll Taxes	1,342	607	607	607	607	2,429	3,771	3,036
Benefits	2,241	911	911	911	911	3,645	5,886	4,556
401 (k)	324	304	304	304	304	1,215	1,539	1,519
Contracted Security	2,337	648	648	648	648	2,592	4,929	3,240
Contracted Cleaning	3,076	1,808	1,808	1,808	1,808	7,234	10,310	9,042
Contracted Landscaping	19,419	9,709	9,709	9,709	9,709	38,836	58,255	60,456
Operating Supplies	-	618	618	618	618	2,472	2,472	3,090
Trash Removal	1,560	-	-	-	-	-	1,560	-
Snow Removal	-	600	600	600	600	2,400	2,400	3,000
Sand & Salt	-	100	100	100	100	400	400	500
Landscaping	4,251	100	100	100	100	400	4,651	500
Exterminating	768	240	240	240	240	960	1,728	1,200
Exterior Window Clean	-	900	900	900	900	3,600	3,600	4,500
Small Equipment	-	80	80	80	80	320	320	400
Safety Equipment	153	70	70	70	70	280	433	350
Rental Other	989	277	277	277	277	1,109	2,098	1,386
Vehicle Expense	-	50	50	50	50	200	200	250
General Building Repairs	-	500	500	500	500	2,000	2,000	2,500
Yearly Electrical Inspection	-	100	100	100	100	398	398	498
Computer Expense	-	120	120	120	120	480	480	600
Elevator Escalator	-	200	200	200	200	802	802	1,002
Field Maintenance	7,259	3,000	3,000	3,000	3,000	12,000	19,259	15,000
Sprinkler Sys Prev Maintenance	-	325	325	325	325	1,301	1,301	1,626
Floor Maintenance	-	300	300	300	300	1,200	1,200	1,500
HVAC Systems	203	300	300	300	300	1,200	1,403	1,500
Maintenance Agreements	1,665	1,732	1,732	1,732	1,732	6,929	8,594	8,661
Other Repairs/Maintenance	-	2,000	2,000	2,000	2,000	8,000	8,000	4,998
Park Maintenance	3,441	3,856	3,856	3,856	3,856	15,422	18,863	19,278
General Building Supplies	320	500	500	500	500	2,000	2,320	2,500
Plumbing	-	200	200	200	200	800	800	1,000
Filters	-	100	100	100	100	400	400	500
Janitorial	3,151	257	257	257	257	1,027	4,178	1,284
Uniforms	-	-	-	-	-	-	-	-
TOTAL OPERATIONS	68,418	36,423	36,423	36,423	36,423	145,690	214,108	191,047

BON SECOURS TRAINING CENTER
 ROLLING FORECAST
 FOR THE STUB YEAR ENDING DECEMBER 31, 2023

OVERHEAD	YTD as of 8/31/23	September 2023	October 2023	November 2023	December 2023	Total Forecast	TOTAL FYE2024	BUDGET FYE 12/31/23
WORKERS COMP INSURANCE	344	450	450	450	450	1,800	2,144	2,250
BANK SERVICE CHARGES	624	236	236	236	236	946	1,570	1,182
POSTAGE	-	20	20	20	20	80	80	100
RENTAL OFFICE EQUIPMENT	257	247	247	247	247	989	1,246	1,236
OFFICE SUPPLIES	-	100	100	100	100	398	398	498
RENT EXPENSE	6,760	4,056	4,056	4,056	4,056	16,224	22,984	20,280
COMPUTER EXPENSE	994	840	840	840	840	3,360	4,354	4,200
COMPUTER MAINTENANCE	-	480	480	480	480	1,920	1,920	2,400
CABLE EXPENSE	21	223	223	223	223	893	914	1,116
INSURANCE EXPENSES	2,361	1,337	1,337	1,337	1,337	5,347	7,708	6,684
UMBRELLA COVERAGE	2,912	1,023	1,023	1,023	1,023	4,092	7,004	5,115
ELECTRICITY	14,936	7,422	7,422	7,422	6,798	29,064	44,000	37,110
TELEPHONE	370	726	726	726	726	2,904	3,274	3,630
WATER & SEWER & GAS	7,265	5,000	5,000	3,500	3,500	17,000	24,265	14,622
BASE FEE	2,409	1,205	1,205	1,205	1,205	4,820	7,229	6,300
INCENTIVE FEE	553	600	600	600	600	2,400	2,953	3,000
TOTAL OVERHEAD	39,806	23,965	23,965	22,465	21,841	92,237	132,043	109,723

Bon Secours Training Center
Balance Sheet
August 31, 2023

ASSETS		
Current Assets		
Cash	\$	129,196
Accounts Receivable		130,541
Prepaid Assets		11,041
Inventory		0
		<hr/>
Total Current Assets		270,778
Fixed Assets		
Fixed Assets		0
Accumulated Depreciation		0
		<hr/>
Total Fixed Assets		0
Other Assets		
Other Assets		0
Deposits		0
		<hr/>
Total Other Assets		0
		<hr/>
Total Assets	\$	<u><u>270,778</u></u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	\$	44,788
Accrued Expenses		54,888
Deferred Income		65,582
Advance Ticket Sales/Deposits		35,260
FUNDRAISING: Brick Program		2,160
		<hr/>
Total Current Liabilities		202,678
Long-Term Liabilities		
Long Term Liabilities		0
		<hr/>
Total Long-Term Liabilities		0
		<hr/>
Total Liabilities		202,678
Equity		
Contributions	(2,771,135)	
Net Funds Received		0
Retained Earnings		2,768,331
Net Income (Loss)		70,909
		<hr/>
Total Equity		68,105
		<hr/>
Total Liabilities & Equity	\$	<u><u>270,783</u></u>

BON SECOURS TRAINING CENTER
A/R Aging, A/P Aging, and Event Deposit Schedule

Schedule of A/R Aging

8/31/2023

Accounts Receivable	Total Amount Due	%
Current	77,054	60.60%
Past Due 30 Days	846	0.67%
Past Due 60 Days	21,853	17.19%
Past Due 90 + Days	27,401	21.55%
Total Accounts Receivable	127,154	100%

Explanation of Items Due 90 + Days

Customer Name	Event Date	Amount	Comment:
American Heart Association	Event	\$ 1,182	Resent to Client
Bon Secours Primary Care	Monthly	\$ 6,195	Resent to Client
Bon Secours Physical Therapy	Monthly	\$ 526	Resent to Client
Charlotte Baylor	Event	\$ 400	Resent to Client
City of Richmond	Event	\$ 788	Resent to Client
Bon Secours - Rent	CAM	\$ 2,869	Resent to Client
Blue Grey Events	Events	\$ 2,565	Resent to Client
RVA FASHION WEEK	4/23/2023	\$ 5,446	Resent to Event
RAMRAF	9/30/2021	\$ 871	Resent to Event
ZAKIA HALL BABY SHOWER	5/1/2023	\$ 5,311	Resent to Event
VA ROYALS FOOTBALL	4/3/2022	\$ 1,248	Resent to Event

Schedule of A/P Aging

8/31/2023

Accounts Payable	Total Amount Due	%
Current	(5,047)	108.43%
Past Due 30 Days	174	-3.74%
Past Due 60 Days	218	-4.69%
Past Due 90 + Days	-	0.00%
Total Accounts Payable	(4,655)	100%

Explanation of Items Due 90 + Days

Paid City of Richmond September invoice in August

Schedule of Event Deposits

8/31/2023

Event Date	Event	Deposit Received	%
16-Sep-23	Joyner Wedding	5,000	14.18%
30-Sep-23	Coley Wedding	3,375	9.57%
14-Oct-23	Lupus Foundation Walk	2,000	5.67%
28-Oct-23	Ask Fall Festival	3,205	9.09%
18-Nov-23	Wallach Bar Mitzvah	5,000	14.18%
MGMT	SMG Mgmt Contract - Youth Programs FY20	3,380	9.58%
MGMT	SMG Mgmt Contract - Youth Programs FY21	3,301	9.36%
MGMT	SMG Mgmt Contract - Youth Programs FY22	5,000	14.18%
MGMT	SMG Mgmt Contract - Youth Programs FY23	5,000	14.18%
		35,260	100%

Bon Secours Training Center
Income Statement
For the Two Months Ending August 31, 2023

	Current Month Actual	Current Month Budget	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Prior Year
EVENT INCOME						
Direct Event Income						
Rental Income	\$ 42,700	\$ 6,000	\$ 5,600	\$ 51,350	\$ 10,000	\$ 6,680
Service Revenue	69,563	2,250	350	86,122	4,500	1,280
Service Expenses	(67,271)	(1,125)	0	(76,953)	(2,250)	(648)
Total Direct Event Inco	44,992	7,125	5,950	60,519	12,250	7,312
Ancillary Income						
F & B Concessions	0	0	0	846	0	0
F & B Catering	0	2,100	0	0	2,200	0
Novelty Sales	0	0	0	0	0	0
Gift Shop Sales	0	0	0	0	0	0
Parking	0	0	0	0	0	0
Parking Valet	0	0	0	0	0	0
Booth Cleaning	0	0	0	0	0	0
Business Center	0	0	0	0	0	0
Telephone	0	0	0	0	0	0
Electrical Services	0	0	0	0	0	0
Audio Visual	0	0	0	0	0	0
Internet Services	0	0	0	0	0	0
Equipment Rental	0	0	0	0	0	0
Other Ancillary	0	0	0	0	0	0
Total Ancillary Income	0	2,100	0	846	2,200	0
Other Event Income						
Other Event Related In	0	0	0	0	0	0
Luxury Box Ticket Sale	0	0	0	0	0	0
Club Seat Ticket Sales	0	0	0	0	0	0
Event Advertising Inco	0	0	0	0	0	0
Ticket Rebates	0	0	0	0	0	0
Facility Fees	0	20,000	0	0	20,000	0
Total Other Event Inco	0	20,000	0	0	20,000	0
Total Event Income	44,992	29,225	5,950	61,365	34,450	7,312
OTHER OPERATING INCOME						
Advertising	0	0	0	0	0	0
1st Floor Ground Rent	1,767	0	1,767	3,535	0	3,535
2nd Floor Ground Rent	563	0	563	1,126	0	1,126
1st Floor Rent	25,484	0	25,484	50,969	0	50,969
2nd Floor Rent	13,448	0	13,448	26,896	0	26,896
1st Floor CAM	16,625	0	16,625	33,250	0	33,250

An ASM Managed Facility

Bon Secours Training Center
Income Statement
For the Two Months Ending August 31, 2023

	Current Month Actual	Current Month Budget	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Prior Year
2nd Floor CAM	7,695	0	7,695	15,390	0	15,390
Other Income	0	65,582	0	79	131,164	0
Total Other Operating I	65,582	65,582	65,582	131,245	131,164	131,166
Adjusted Gross Income	110,574	94,807	71,532	192,610	165,614	138,478
INDIRECT EXPENSES						
Salaries & Wages	13,513	11,463	14,325	26,587	22,925	26,368
Payroll Taxes & Benefi	2,073	2,252	3,086	3,561	4,504	6,142
Labor Allocations to E	(306)	0	0	(446)	0	(78)
Net Salaries and Benefi	15,280	13,715	17,411	29,702	27,429	32,432
Contracted Services	11,672	12,123	12,049	24,832	24,246	24,350
General and Administr	6,244	6,736	6,919	12,601	13,472	13,604
Operating	1,808	2,363	975	7,721	4,726	1,831
Repairs & Maintenance	9,812	9,144	11,646	12,365	18,287	15,641
Operational Supplies	3,674	547	189	3,674	1,094	442
Insurance	2,637	1,967	2,376	5,273	3,933	4,749
Utilities	13,064	9,227	12,430	22,571	18,454	22,566
Redskins Local Contrib	0	0	0	0	0	0
ASM Management Fee	1,758	1,550	1,057	2,962	3,100	2,115
Allocated Expenses	0	0	0	0	0	0
Total Indirect Expenses	65,949	57,372	65,052	121,701	114,741	117,730
Net Income (Loss)	\$ 44,625	\$ 37,435	\$ 6,480	\$ 70,909	\$ 50,873	\$ 20,748

Bon Secours Training Center
Indirect Expenses Detail
For the Two Months Ending August 31, 2023

	Current Month Actual	Current Month Budget	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Prior Year
INDIRECT EXPENSES						
Employee Wages and Benefits						
Salaries Administration \$	9,050	\$ 10,313	\$ 11,210	\$ 17,522	\$ 20,625	\$ 22,166
Changeover Labor - W	3,308	0	0	6,615	0	78
Security - Event	0	0	0	140	0	0
Bonus - Performance	1,155	1,050	1,100	2,310	2,100	2,109
Commission	0	100	2,015	0	200	2,015
Payroll Taxes	915	1,031	843	1,805	2,062	1,662
Benefits	700	643	1,861	971	1,286	3,714
401 (k)	290	390	170	441	780	340
Workers Compensation	168	188	212	344	376	426
Allocated Chngover - L	(218)	0	0	(218)	0	(78)
Allocated Custodial - E	(88)	0	0	(88)	0	0
Allocated Security - Ev	0	0	0	(140)	0	0
Net Employee Wages a	15,280	13,715	17,411	29,702	27,429	32,432
Contracted Services						
Contracted Security	350	540	576	2,337	1,080	1,404
Contracted Cleaning	1,613	1,507	1,463	3,076	3,014	2,926
Contracted Landscapin	9,709	10,076	10,010	19,419	20,152	20,020
Total Contracted Servic	11,672	12,123	12,049	24,832	24,246	24,350
General and Administrative Expenses						
Professional Fees - Oth	0	56	0	0	112	0
Bank Service Charges	259	197	488	624	394	1,064
Travel	0	0	0	0	0	116
Dues & Subscriptions	1,365	732	1,523	2,730	1,464	2,847
Postage	0	20	15	0	40	25
Rental Office Equipme	0	206	234	257	412	468
Office Supplies	0	83	90	0	166	90
Rent Expense	3,380	3,380	3,380	6,760	6,760	6,760
Payroll Processing	602	776	316	1,215	1,552	488
Over & Short	0	0	0	0	0	(1)
Computer Expense	617	700	688	994	1,400	1,377
Computer Maintenance	0	400	0	0	800	0
Cable Expense	21	186	185	21	372	370
Total General and Adm	6,244	6,736	6,919	12,601	13,472	13,604
Operating Expenses						
Operating Supplies	0	0	0	0	0	56
Trash Removal	1,041	515	452	1,560	1,030	981
Snow Removal	0	500	0	0	1,000	0
Sand & Salt	0	42	0	0	84	0

Bon Secours Training Center
Indirect Expenses Detail
For the Two Months Ending August 31, 2023

	Current Month Actual	Current Month Budget	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Prior Year
Landscaping	0	42	0	4,251	84	0
Exterminating	418	200	195	768	400	195
Cleaning	0	750	0	0	1,500	0
Small Equipment	0	33	0	0	66	0
Safety Equipment	0	29	47	153	58	95
Rental Other	349	231	281	989	462	504
Vehicle Maintenance	0	21	0	0	42	0
Total Operating Expens	1,808	2,363	975	7,721	4,726	1,831
Repairs and Maintenance						
General Building Repai	0	208	0	0	416	0
Computer Equipment	0	50	0	0	100	0
Electrical Systems	0	83	0	0	166	0
Elevator Escalator	0	167	0	0	334	849
Field Maintenance	7,259	2,500	376	7,259	5,000	376
Fire Alarm	0	271	0	0	542	0
Floor Maintenance	0	125	1,047	0	250	1,047
HVAC Systems	0	250	7,433	0	500	7,433
Maintenance Agreemen	832	1,444	1,069	1,665	2,887	2,495
Luxury Seating	0	3,213	0	0	6,426	0
Other Repairs / Mainte	0	833	0	0	1,666	0
Park Maintenance	1,721	0	1,721	3,441	0	3,441
Total Repairs and Main	9,812	9,144	11,646	12,365	18,287	15,641
Operational Supplies						
General Building Suppl	320	208	189	320	416	189
Plumbing	0	83	0	0	166	0
HVAC	203	0	0	203	0	0
Filters	0	42	0	0	84	0
Janitorial	3,151	214	0	3,151	428	253
Total Operational Supp	3,674	547	189	3,674	1,094	442
Insurance						
Insurance Expense	1,130	1,114	1,114	2,260	2,228	2,226
Property Insurance	51	0	0	101	0	0
Umbrella Coverage	1,456	790	1,200	2,912	1,580	2,400
Other Insurance	0	63	62	0	125	123
Total Insurance	2,637	1,967	2,376	5,273	3,933	4,749
Utilities						
Electricity	8,138	6,185	7,158	14,936	12,370	13,716

An ASM Managed Facility

**Bon Secours Training Center
Indirect Expenses Detail
For the Two Months Ending August 31, 2023**

	Current Month Actual	Current Month Budget	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Prior Year
Telephone	186	605	838	370	1,210	1,158
Water & Sewage	4,740	2,437	4,434	7,265	4,874	7,692
Total Utilities	13,064	9,227	12,430	22,571	18,454	22,566
Other Expenses						
Total Other Expenses	0	0	0	0	0	0
ASM Management Fees						
Base Fee	1,205	1,050	1,057	2,409	2,100	2,115
Incentive Fee	553	500	0	553	1,000	0
Total SMG Manageme	1,758	1,550	1,057	2,962	3,100	2,115
Expense Allocations						
Total Expense Allocati	0	0	0	0	0	0
Net Indirect Expenses	\$ 65,949	\$ 57,372	\$ 65,052	\$ 121,701	\$ 114,741	\$ 117,730

**Bon Secours Training Center
Financial Statements Monthly Highlights
For the Two Months Ending August 31, 2023**

	Current Actual	Current Budget	Variance	Prior Year Actual	Variance
Attendance	22,634	10,430	12,204	513	22,121
Attendance - Tickets S	0	0	0	0	0
Number of Performanc	18	3	15	9	9
Square Footage	0	0	0	0	0
Other Statistical	0	0	0	0	0
Gross Ticket Sales	0	0	0	0	0
Direct Event Income	44,992	7,125	37,867	5,950	39,042
Ancillary Income	0	2,100	(2,100)	0	0
Other Event Income	0	20,000	(20,000)	0	0
Total Event Income	44,992	29,225	15,767	5,950	39,042
Other Operating Incom	65,582	65,582	0	65,582	0
Adjusted Gross Income	65,582	65,582	0	65,582	0
Indirect Expenses	(65,949)	(57,372)	(8,577)	(65,052)	(897)
Net Income (Loss) Fro	44,625	37,435	7,190	6,480	38,145

Bon Secours Training Center
Financial Statements Year to Date Highlights
For the Two Months Ending August 31, 2023

	Year to Date Actual	Year to Date Budget	Variance	Prior YTD Actual	Variance
Attendance	23,859	11,060	12,799	563	23,296
Number of Performances	2	0	2	0	2
Number of Event Days	21	6	15	10	11
Square Footage	0	0	0	0	0
Other Statistical	0	0	0	0	0
Gross Ticket Sales	0	0	0	0	0
Direct Event Income	60,519	12,250	48,269	7,312	53,207
Ancillary Income	846	2,200	(1,354)	0	846
Other Event Income	0	20,000	(20,000)	0	0
Total Event Income	61,365	34,450	26,915	7,312	54,053
Other Operating Income	131,245	131,164	81	131,166	79
Adjusted Gross Income	131,245	131,164	81	131,166	79
Indirect Expenses	(121,701)	(114,741)	(6,960)	(117,730)	(3,971)
Net Income (Loss) From	70,909	50,873	20,036	20,748	50,161

EDA Financial Report

EDA City of Richmond-Stone Brewery
Balance Sheet Prev Year Comparison
As of August 31, 2023

DRAFT

	<u>Aug 31, 23</u>	<u>Aug 31, 22</u>
ASSETS		
Current Assets		
Checking/Savings		
10100 · Wells Fargo #2828	2,840,253.92	2,379,159.52
11000 · Accounts Receivable	17,000.19	17,000.19
14000 · Prepaid Expenses	3,115.69	3,219.05
Total Current Assets	<u>2,860,369.80</u>	<u>2,399,378.76</u>
Fixed Assets		
15602 · CIP- Ston Brewery	0.00	34,410.86
15603 · Building Improvements	83,625.00	83,625.00
16900 · Land	621,644.51	621,644.51
17000 · Accumulated Depreciation	-2,613.15	-522.63
Total Fixed Assets	<u>702,656.36</u>	<u>739,157.74</u>
Other Assets		
19000 · Net Invest-Cap Lease Rec-Curret		
19000.1 · Current-Capital Lease Receivabl	1,305,199.71	1,450,221.90
19000.2 · Current Portion Unearned int	-851,756.94	-977,261.09
Total 19000 · Net Invest-Cap Lease Rec-Curret	<u>453,442.77</u>	<u>472,960.81</u>
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	29,584,526.97	31,324,793.25
19500.2 · Unearned Int on Capital Lease	-11,178,170.48	-12,318,376.65
Total 19500 · Net Investment on Capital Lease	<u>18,406,356.49</u>	<u>19,006,416.60</u>
Total Other Assets	<u>18,859,799.26</u>	<u>19,479,377.41</u>
TOTAL ASSETS	<u><u>22,422,825.42</u></u>	<u><u>22,617,913.91</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	5,000.00	0.00
23100 · Accrued Interest Payable	171,076.71	176,520.63
25000 · Current Portion of Rec. Grant	750,000.00	730,000.00
Total Current Liabilities	<u>926,076.71</u>	<u>906,520.63</u>
Long Term Liabilities		
27200.1 · Recoverable Grant Payable	17,635,000.00	18,385,000.00
Total Liabilities	<u>18,561,076.71</u>	<u>19,291,520.63</u>
Equity		
32000 · Retained Earnings	3,786,883.62	3,246,256.90
Net Income	74,865.09	80,136.38
Total Equity	<u>3,861,748.71</u>	<u>3,326,393.28</u>
TOTAL LIABILITIES & EQUITY	<u><u>22,422,825.42</u></u>	<u><u>22,617,913.91</u></u>

**EDA City of Richmond-Stone Brewery
Profit & Loss Budget Performance
August 2023**

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Ordinary Income/Expense	Aug 23	Aug 22	YTD 23	YTD Budget	\$ Over Budget	Annual Budget
Income						
42800 · Interest Income	2,098.42	501.81	3,888.76	2,500.00	1,388.76	15,000.00
43000 · Interest on Capital Lease	192,052.45	99,028.81	192,052.45	190,034.36	2,018.09	1,140,206.17
Total Income	194,150.87	99,530.62	195,941.21	192,534.36	3,406.85	1,155,206.17
Expense						
62400 · Depreciation Expense	174.21	174.21	348.42	348.42	0.00	2,090.52
63300 · Insurance Expense	389.08	402.38	778.16	1,166.67	-388.51	7,000.00
63500 · Bank Fees	0.00	0.00	0.00	16.67	-16.67	100.00
66100 · Interest Expense-Bond	57,025.57	58,840.21	114,051.14	114,702.08	-650.94	688,212.50
66700 · Professional Fees	0.00	0.00	0.00	3,333.33	-3,333.33	20,000.00
67200 · Repairs and Maintenance	898.40	0.00	898.40	5,000.00	-4,101.60	30,000.00
67500 · Roof Expense	5,000.00	0.00	5,000.00	5,000.00	0.00	30,000.00
Total Expense	63,487.26	59,416.80	121,076.12	129,567.17	-8,491.05	777,403.02
Net Ordinary Income	130,663.61	40,113.82	74,865.09	62,967.19	11,897.90	377,803.15
Other Income/Expense						
Other Income						
70200 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	130,663.61	40,113.82	74,865.09	62,967.19	11,897.90	377,803.15

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of August 31, 2023

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	Aug 31, 23	Aug 31, 22
ASSETS		
Current Assets		
Checking/Savings		
10200 · FCB #7709 Savings	1,147,037.98	1,475,185.53
10300 · Towne Bank Savings	50,786.70	50,761.31
10450 · Well Fargo #7155 Checking	90,425.73	38,213.80
10500 · Restricted Checking/Savings		
10501 · FCB 8381 -Stone (GOF)	0.00	1,031,195.90
10501.1 · FCB 8605 Facade/Vent	89,049.35	36,383.11
10502 · C&F Bank #3929 Tobacco Rowe	140,075.91	117,605.35
10505 · Wells Fargo #0731 Grants	1,187,605.02	1,205,202.11
10509 · EDA-Hull Street Facade Program	250,031.85	0.00
10510 · EDA Triple A Grant Program	700,002.68	0.00
Total 10500 · Restricted Checking/Savings	2,366,764.81	2,390,386.47
Total Checking/Savings	3,655,015.22	3,954,547.11
11000 · Accounts Receivable	6,800.00	6,942.00
112000 · Due from City of Richmond	119,692.23	119,692.23
14000 · Prepaid Expenses	0.00	4,531.39
Total Current Assets	3,781,507.45	4,085,712.73
Fixed Assets		
15000 · Furniture and Equipment	3,168.47	3,168.47
17000 · Accumulated Depreciation	-739.20	-105.60
Total Fixed Assets	2,429.27	3,062.87
Other Assets		
17500 · Website	119,509.00	0.00
18000 · Investment City Center	13,173,606.89	0.00
19100 · Net Invest.-Cap Lease Rec-Curre		
19100.1 · Current-Capital Lease Rec	22,000.00	22,000.00
19100.2 · Current Portion Unearned Int	-12,841.08	-13,134.00
Total 19100 · Net Invest.-Cap Lease Rec-Curre	9,158.92	8,866.00
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	550,000.00	594,000.00
19500.2 · Unearned Int on Capital Lease	-191,899.92	-226,741.00
Total 19500 · Net Investment on Capital Lease	358,100.08	367,259.00
Total Other Assets	13,660,374.89	376,125.00
TOTAL ASSETS	17,444,311.61	4,464,900.60
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
27000 · Accounts Payable	28,672.23	22,058.00
20000 · Other Accounts Payable	958.97	1,638.60
24000 · Grants Payable	0.00	300,000.00
Total Current Liabilities	29,631.20	323,696.60

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of August 31, 2023

DRAFT

	<u>Aug 31, 23</u>	<u>Aug 31, 22</u>
Total Liabilities	29,631.20	323,696.60
Equity		
39005 · Retained Earnings	16,229,102.15	3,817,256.35
Net Income	1,185,578.11	323,947.65
Total Equity	<u>17,414,680.26</u>	<u>4,141,204.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>17,444,311.46</u></u>	<u><u>4,464,900.60</u></u>

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**Economic Development Authority-Operations
Profit & Loss Budget Performance
August 2023**

	Aug 23	Aug 22	\$ Over PY	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
40800 · Restricted Interest Income	64.86	29.67	35.19	124.27	5,000.00	-4,875.73	30,000.00
41200 · Grants	138,838.99	247,519.37	-108,680.38	1,363,152.59	206,393.67	1,156,758.92	1,238,362.00
41220 · Grants (non-city)	700,000.00	0.00	700,000.00	700,000.00	116,666.67	583,333.33	700,000.00
41225 · Grants-Façade Program	0.00	0.00	0.00	0.00	33,333.33	-33,333.33	200,000.00
41400 · Contributed Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42000 · Administrative Loan Fee Income	3,000.00	3,000.00	0.00	6,000.00	13,500.00	-7,500.00	81,000.00
42300 · Annual Bond Administrative Fee	0.00	0.00	0.00	0.00	3,333.33	-3,333.33	20,000.00
42800 · Interest Income	1,068.49	358.47	710.02	2,009.88	5,000.00	-2,990.12	30,000.00
43000 · Parking Lot Rental Income	0.00	-1,833.33	1,833.33	0.00	22,000.00	-22,000.00	22,000.00
43100 · Interest on Capital Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	842,972.34	249,074.18	593,898.16	2,071,286.74	405,227.00	1,666,059.74	2,321,362.00
Expense							
60100 · Grants-Econ Dev Incentives	0.00	0.00	0.00	138,839.00	206,393.67	-67,554.67	1,238,362.00
60115 · Grants Triple A	0.00	0.00	0.00	0.00	116,666.67	-116,666.67	700,000.00
60200 · Grants-Façade	0.00	0.00	0.00	0.00	33,333.33	-33,333.33	200,000.00
60400 · Bank Service Charges	227.27	335.62	-108.35	492.40	833.33	-340.93	5,000.00
61700 · Computer & Internet Expenses	549.00	0.00	549.00	549.00	333.33	215.67	2,000.00
61900 · Contingency fund	0.00	0.00	0.00	0.00	833.33	-833.33	5,000.00
6240 · Depreciation	52.80	52.80	0.00	105.60	166.67	-61.07	1,000.00
6250 · Due & Memberships	0.00	0.00	0.00	0.00	833.33	-833.33	5,000.00
62550 · Accounting Services	3,000.00	2,800.00	200.00	6,000.00	6,666.67	-666.67	40,000.00
62552 · Audit Services	30,089.00	22,058.00	8,031.00	30,089.00	7,000.00	23,089.00	42,000.00
63300 · Insurance Expense							
63300.1 · Board Insurance	206.16	206.16	0.00	412.32	416.67	-4.35	2,500.00
63300.2 · Insurance-Laurel/Stoney Point	0.00	429.33	-429.33	429.33	833.33	-404.00	5,000.00
Total 63300 · Insurance Expense	206.16	635.49	-429.33	841.65	1,250.00	-408.35	7,500.00
64100 · Legal Expense	0.00	0.00	0.00	0.00	2,083.33	-2,083.33	12,500.00
64200 · Marketing							
64200.1 · Web Hosting	0.00	40.00	-40.00	0.00	3,333.33	-3,333.33	20,000.00
64200 · Marketing - Other	3,693.00	0.00	3,693.00	7,386.00	1,666.67	5,719.33	10,000.00
Total 64200 · Marketing	3,693.00	40.00	3,653.00	7,386.00	5,000.00	2,386.00	30,000.00
64300 · Meals and Entertainment	0.00	0.00	0.00	0.00	1,666.67	-1,666.67	10,000.00
64400 · Miscellaneous Expense	0.00	0.00	0.00	0.00	250.00	-250.00	1,500.00
64900 · Office Supplies	0.00	0.00	0.00	0.00	83.33	-83.33	500.00
66700 · Professional Fees	0.00	0.00	0.00	0.00	2,083.33	-2,083.33	12,500.00
67200 · Repairs and Maintenance	0.00	0.00	0.00	535.00	0.00	535.00	0.00
67800.7 · Workmans Comp Insurance	58.66	80.40	-21.74	117.32	166.67	-49.35	1,000.00
68400 · Meetings expense	582.43	0.00	582.43	582.43	0.00	582.43	5,000.00
68500 · Travel	0.00	0.00	0.00	0.00	333.33	-333.33	2,000.00
68600 · Utilities	83.23	0.00	83.23	83.23	0.00	83.23	0.00
68600.1 · Internet Service	44.00	44.00	0.00	88.00	83.33	4.67	500.00
Total Expense	38,585.55	26,046.31	12,539.24	185,708.63	386,060.33	-200,351.70	2,321,362.00
Net Ordinary Income	804,386.79	223,027.87	581,358.92	1,885,578.11	19,166.67	1,866,411.44	0.00
Net Income	804,386.79	223,027.87	581,358.92	1,885,578.11	19,166.67	1,866,411.44	0.00

ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Balance Sheet Prev Year Comparison
As of August 31, 2023

DRAFT

	Aug 31, 23	Aug 31, 22
ASSETS		
Current Assets		
Checking/Savings		
Truist #5122		
10200 · Operating Funds	25,208.27	40,856.37
10200.1 · Reserve Funds	112,356.76	122,919.30
10200.2 · Westhampton Funds	28,834.55	24,254.00
Total Checking/Savings	166,399.58	188,029.67
11000 · Accounts Receivable	33,000.00	33,000.00
11400 · ASM Escrow	67,338.59	155,885.29
11200 · Interest Receivable	77.21	913.16
Total Current Assets	266,815.38	377,828.12
Fixed Assets		
15000 · Furniture and Fixtures	49,999.59	39,706.59
15100 · Equipment	95,357.04	95,357.04
15300 · Other Depreciable Property	94,788.00	94,788.00
15350 · Improvement- Training Fields	86,682.00	62,187.00
15500 · Building Improvements	10,779,715.64	10,779,715.64
15501 · Construction in Progress	20,240.00	20,240.00
15550 · Building Improvements-2nd Floor	1,330,696.31	1,330,696.31
15600 · Building-Westhampton	3,135,228.00	3,135,228.00
16900 · Land-Westhampton	848,578.00	848,578.00
16990 · Leased capital assets		
16990.1 · Leased capital asset--Museum	1,505,819.00	1,505,819.00
16990.2 · Accumulated amortization	-63,351.40	-34,112.20
Total 16990 · Leased capital assets	1,442,467.60	1,471,706.80
17000 · Accumulated Depreciation	-134,526.35	-131,103.99
17300 · Accum Depr-Other	-83,036.16	-72,571.16
17500 · Accum Depr- Building	-3,135,228.00	-3,135,228.00
17600 · Accum Depr-Building Improvement	-2,963,395.33	-2,660,635.03
Total Fixed Assets	11,567,566.34	11,878,665.20
Other Assets		
19000 · Net Invest Lease Rec-Current		
19000.1 · Current Lease Rec-Training Cent	28,518.07	280,218.10
19500.1 · Lease Asset-Museum Lease	0.00	56,959.00
Total 19500 · Lease Asset Receivable	28,518.07	337,177.10
TOTAL ASSETS	11,862,899.79	12,593,670.42
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
20000 · Accounts Payable	783.15	5,344.44
23100 · Interest Payable	33,449.21	25,377.77
24800 · Deferred Revenue	4,166.74	4,166.74

ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Balance Sheet Prev Year Comparison
As of August 31, 2023

DRAFT

	<u>Aug 31, 23</u>	<u>Aug 31, 22</u>
25000 · Maintenance Reserve-Westhampton	140,356.76	150,919.30
Total Current Liabilities	178,755.86	185,808.25
Long Term Liabilities		
27100 · Recoverable Grant-City of Rich	6,000,000.00	6,500,000.00
27500.1 · LT Lease Liabiltiy-Museum	1,469,283.00	1,469,283.00
Total Long Term Liabilities	7,469,283.00	7,969,283.00
Total Liabilities	7,648,038.86	8,155,091.25
Equity		
39005 · Net Position	4,180,055.61	4,481,021.32
Net Income	34,805.32	-42,442.15
Total Equity	4,214,860.93	4,438,579.17
TOTAL LIABILITIES & EQUITY	11,862,899.79	12,593,670.42

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**ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Profit & Loss Budget Performance
August 2023**

	Aug 23	Aug 22	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40000 - Event Income	44,992.00	5,950.00	61,365.00	7,979.17	53,385.83	47,875.00
41500 - Advertising & Other Income	0.00	0.00	79.00	525.00	-446.00	3,150.00
41600.1 - Building Rent-1st Floor	25,484.00	25,782.35	49,597.53	50,968.00	-1,370.47	305,808.00
41600.2 - Building Rent-2nd Floor	13,448.00	13,448.00	26,896.00	26,896.00	0.00	161,376.00
41600.3 - 1st Floor Ground Rent	1,767.00	1,767.00	3,534.00	3,534.00	0.00	21,204.00
41600.4 - 2nd Floor Ground Rent	563.00	563.00	1,126.00	1,126.00	0.00	6,756.00
41600.5 - 1st Floor CAM	16,625.00	16,625.00	33,250.00	33,333.33	-83.33	200,000.00
41600.6 - 2nd Floor CAM	7,695.00	7,695.00	15,390.00	16,666.67	-1,276.67	100,000.00
41650 - Rental Income-Westhampton	416.63	416.63	833.26	833.33	-0.07	5,000.00
41660 - Westhampton Maintenance Res	26,955.80	1,170.70	27,655.80	2,000.00	25,655.80	12,000.00
Total Income	137,946.43	73,417.68	219,726.59	143,861.50	75,865.09	863,169.00
Expense						
60100 - Amortization Expense	2,436.60	2,436.60	4,873.20	4,873.20	0.00	29,239.20
60500 - Staffing	15,280.00	17,412.00	29,704.00	26,630.00	3,074.00	159,780.00
60510 - Payroll Expenses	602.00	316.00	1,215.00	1,166.67	48.33	7,000.00
61000 - General and Administrative	2,262.00	3,223.00	4,626.00	7,018.17	-2,392.17	42,109.00
61500 - Security Service	350.00	576.00	2,337.00	1,666.67	670.33	10,000.00
63400 - Interest Exp-lease	4,066.18	4,055.36	8,132.36	8,333.33	-200.97	50,000.00
63500 - Bank Service Charges	22.00	22.20	44.25	83.33	-39.08	500.00
63700 - Landscaping and Groundskeeping	2,800.00	850.00	3,500.00	2,000.00	1,500.00	12,000.00
66500 - Telephone Expense	605.00	838.00	1,210.00	1,333.33	-123.33	8,000.00
66670 - Insurance Expense	2,637.00	2,376.00	5,274.00	4,166.67	1,107.33	25,000.00
66700 - Professional Fees	0.00	0.00	0.00	833.33	-833.33	5,000.00
67100 - Ground Rent Expense	0.00	0.00	0.00	6,760.00	-6,760.00	40,560.00
67700 - Real estate taxes	0.00	4,819.30	0.00	1,666.67	-1,666.67	10,000.00
68400 - Grounds Maintenance	9,709.00	10,010.00	19,418.00	16,666.67	2,751.33	100,000.00
68500 - Maintenance Expense	9,812.00	11,646.00	12,365.00	10,000.00	2,365.00	60,000.00
68510 - Janitorial Service Supplies	1,613.00	1,463.00	3,076.00	2,833.33	242.67	17,000.00
69000 - Base Management Expense	1,205.00	1,057.00	2,410.00	1,550.00	860.00	9,300.00
69001 - Incentive Management Fee	553.00	0.00	553.00	1,000.00	-447.00	6,000.00
69500 - Operations	5,482.00	1,164.00	12,436.00	3,333.33	9,102.67	20,000.00
78000 - Utilities	12,535.18	12,295.84	21,437.18	18,333.33	3,103.85	110,000.00
Total Expense	71,969.96	74,560.30	132,610.99	120,248.03	12,362.96	721,488.20
Net Ordinary Income	65,976.47	-1,142.62	87,115.60	23,613.47	63,502.13	141,680.80
Other Income/Expense						
Other Income						
42800 - Interest Income-Cking	1.65	1.61	3.38	20.00	-16.62	30.00
Total Other Income	1.65	1.61	3.38	20.00	-16.62	30.00
Other Expense						
72500 - Depreciation Expense	26,156.83	26,450.11	52,313.66	52,313.67	-0.01	313,881.99
Total Other Expense	26,156.83	26,450.11	52,313.66	52,313.67	-0.01	313,881.99
Net Other Income	-26,155.18	-26,448.50	-52,310.28	-52,293.67	-16.62	-313,851.99
Net Income	39,821.29	-27,591.12	34,805.32	-28,680.20	63,485.52	-172,171.19

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND**
(A Component Unit of the City of Richmond, Virginia)
Statement of Net Position
Enterprise Funds
August 31, 2023

DRAFT

	CARE	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
ASSETS							
Premier Bank							1,111,315.88
Wells Fargo Checking	762,102.87		674,569.34	376,744.75		60,001.79	762,102.87
Wells Fargo Money Market	104,976.58						104,976.58
Community Capital Bank				180,498.37			180,498.37
Atlantic Union Bank		244,215.38					244,215.38
Community Capital Bank GLFIA					458,789.41		458,789.41
Premier Bank LRA					1,623,223.86		1,623,223.86
Premier Bank GLFIA					1,028,196.90		1,028,196.90
Premier Bank GLFIA-2					357,353.85		357,353.85
Total Cash	867,079.45	244,215.38	674,569.34	557,243.12	3,467,564.02	60,001.79	5,870,673.10
Prepaid/Accounts Receivable							
Total Current Assets	867,079.45	244,215.38	674,569.34	557,243.12	3,467,564.02	60,001.79	5,870,673.10
Capital Assets							
Equipment/Furniture/Software							
Accumulated Depreciation							
Total Capital Assets							
Long Term Assets							
Note/Grant Receivable	25,506.73		223,844.71	1,030,125.63	8,191,037.28		9,470,514.35
Unused LOC							
Accrued Interest Receivable	9,643.84		53,132.43	115,287.55	1,032,620.96		1,210,684.78
Loan Loss Reserve	(12,155.68)		(87,326.39)	(230,962.00)	(159,898.36)		(490,342.43)
Total Long Term Assets	22,994.89		189,650.75	914,451.18	9,063,759.88		10,190,856.70
Total Assets	890,074.34	244,215.38	864,220.09	1,471,694.30	12,531,323.90	60,001.79	16,061,529.80
Accounts Payable	1,050.00		1,500.00	2,400.00		1,850.00	6,800.00
Due to City of Richmond						54,863.16	54,863.16
Net Position	889,024.34	244,215.38	862,720.09	1,469,294.30	12,531,323.90	3,288.63	15,999,866.64
Total Liabilities & Net Position	890,074.34	244,215.38	864,220.09	1,471,694.30	12,531,323.90	60,001.79	16,061,529.80

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

(A Component Unit of the City of Richmond, Virginia)

**Statement of Revenues, Expenses and Changes in Net Position
For the Two Months Ending August 31, 2023**

	CARE	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
Operating Revenues							
Program Income-Interest	271.99	-	2,735.55	9,909.74	64,668.52	-	77,585.80
Loan origination fee	-	-	-	-	-	-	-
Application fees	-	-	-	-	-	-	-
Loan Document Fees	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-
Late fees , etc.	-	-	-	-	-	-	-
Total Revenues	271.99	-	2,735.55	9,909.74	64,668.52	-	77,585.80
Expenses							
Bank Charges/Late Fees	106.74	-	-	93.58	-	11.87	212.19
Loan Fund Grants	-	-	-	-	-	-	-
Loan Fund Expenses	-	-	-	-	-	-	-
ECD/FSG Administration	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-
Training/Seminars/Conference	-	-	-	-	-	-	-
Loan loss reserve	-	-	-	-	-	-	-
EDA Administration	2,100.00	-	1,500.00	2,400.00	-	-	6,000.00
Total Expenses	2,206.74	-	1,500.00	2,493.58	-	11.87	6,212.19
Net Increase (Decrease) From Operations	(1,934.75)	-	1,235.55	7,416.16	64,668.52	(11.87)	71,373.61
Other Income & Expenses							
Bank Interest Earned	1,493.60	103.67	22.91	471.69	1,651.89	1.92	3,745.68
Recoveries	-	-	-	-	-	-	-
Total Other Income & Expenses	1,493.60	103.67	22.91	471.69	1,651.89	1.92	3,745.68
Net Increase (Decrease) in Funds	(441.15)	103.67	1,258.46	7,887.85	66,320.41	(9.95)	75,119.29
Net Position, Beg of Year	889,465.49	244,111.71	861,461.63	1,461,406.45	12,465,003.49	3,298.58	15,924,747.35
Net Position, End of Period	889,024.34	244,215.38	862,720.09	1,469,294.30	12,531,323.90	3,288.63	15,999,866.64

Affordable Housing Performance Grants

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of ____, 2023 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **THE VIEW AT BELLE ISLE APARTMENTS, LP**, a Virginia limited partnership, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$15,672 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to one hundred percent (100%)_of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period;).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means a one-time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real Estate Tax Revenue, provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

“Project” means a development on the Site containing not less than 116 residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means The View at Belle Isle Apartments, LP, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means, collectively those certain 0.496; 0.099; 0.165; and 0.099-acre parcels currently owned by Lawson Development, LLC, located at 812 Hull Street; 811 Decatur Street; 813 Decatur Street; and 6 E 9th Street, Richmond, Virginia 23224 and currently referred to in the records of the City Assessor as Parcel Nos.S0000080001; S0000080010; S0000080011; S0000080023.

“State Housing Finance Agency” means Virginia Housing (formerly known as Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient’s Obligations

2.1 The Recipient shall pay a Grant Management Fee consisting of (i) a one-time, non-refundable \$500.00 fee immediately upon execution of the agreement to the Authority, and, (ii) thereafter, the Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice..

2.2 Completion of Project Construction; Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar

submission for the Project to the City's Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Plan of Development or similar submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the "Construction Commencement Date"), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within three years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City's Chief Administrative Officer ("CAO"), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City's intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City's election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties ("Transferee"), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term "Recipient" as used herein shall mean the Transferee.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient's completion of Project construction as set forth in Section 2.2.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient's obligation to Maintain the Project includes the Recipient's ongoing compliance with the

provisions set forth in Section 2.5 (Affordable Housing) of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.4.2. Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown in Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of One Million One Hundred and Sixty Thousand dollars (\$1,160,000) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the

City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 Any and all actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or has been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect

the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an “Event of Default”) shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City’s option, terminate ninety (90) days after the City’s notice to Recipient and Recipient’s designated lender, unless Recipient cures the Event of Default to the City’s satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient’s obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient’s expense, detailed updates and verification reasonably satisfactory to the City of the Recipient’s progress regarding the completion of Project construction and, following Project construction, of the Recipient’s continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean the return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

The Lawson Companies, Inc.
Attention: William Sexauer
150 W. Main Street Ste.1650
Norfolk, VA. 23510

with a copy to:

T. Preston Lloyd, Jr., Esq
Williams Mullen
200 South 10th Street Ste. 1600
Richmond, VA 23219

if to the City, to

with a copy to:

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

with a copy to:

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the Entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner of the Site, the Project, or both, provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a lender a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by a lender providing funds for the development of the Project, and any action taken by such lender or successor in interest to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, but no such consent shall be required to the exercise by lender or any assignee of lender of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that the lender shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Development Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City nor the Authority to enforce any

covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI, according to standards promulgated by the State Housing Finance Agency, for a minimum of thirty (30) years.

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of _____, 2023 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **OAK GROVE MULTIFAMILY, LLC**, a Virginia limited liability company, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$9,684 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to one hundred percent (100%) of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period).

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.5 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means a one time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year

during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real Estate Tax Revenue, provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.2.2 of this Agreement.

“Project” means a development on the Site containing not less than 243 residential units, subject to income and rent restrictions as set forth in Section 2.4 and as shown on Exhibit A, and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means Oak Grove Multifamily, LLC, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means that certain 4.15-acre parcel together with that certain 0.39-acre parcel as shown on Exhibit B, both portions to be divided from Parcel No. S0000863001 located at 2200 Ingram Avenue, Richmond, VA, and is currently owned by the City of Richmond.

“State Housing Finance Agency” means Virginia Housing (formerly known as Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient’s Obligations

2.0 Grant Management Fee.

The Recipient shall pay a Grant Management Fee consisting of (i) a one-time, non-refundable \$500.00 fee immediately upon execution of the agreement to the Authority, and, (ii) thereafter, the Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.1 Completion of Project Construction; Timeline.

2.1.1 Plan of Development. Recipient shall submit a Plan of Development or similar

submission for the Project to the City’s Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Plan of Development or similar submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.1.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the “Construction Commencement Date”), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.1.3 Completion of Project Construction. The Recipient shall complete the Project within three (3) years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.1.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.1 then the City’s Chief Administrative Officer (“CAO”), in her sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City’s intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice then this Agreement, including all rights and obligations herein, shall, upon the City’s election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.2 Continued Maintenance and Operation of Project.

2.2.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.1.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties (“Transferee”), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee.

2.2.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.1.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient’s obligation to Maintain the Project includes the Recipient’s ongoing compliance with the provisions set forth in Section 2.4 (Affordable Housing) of this Agreement.

2.3 MBE Participation.

2.3.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.3.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.4 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown in Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.5 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments subsequent to the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has made capital improvements to the Project in an aggregate amount of Two Million Four Hundred and Thirty Thousand dollars (\$2,430,000) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by

the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 Any and all actions necessary to enable the Recipient to enter into this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient;

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City's option, terminate ninety (90) days after the City's notice to Recipient and Recipient's designated lender, unless Recipient cures the Event of Default to the City's satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient's expense, detailed updates and verification reasonably satisfactory to the City of the Recipient's progress regarding the completion of Project construction and, following Project construction, of the Recipient's continued compliance with Section 2.2 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean the return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to:

Oak Grove Multifamily, LLC
Attention: John Gregory
7 East 2nd Street
Richmond, VA 23224

with a copy to:

Brian K. Jackson, Esq
Hirschler Fleischer, P.C.
2100 East Cary Street
Richmond, VA 23223

if to the City, to:

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street Suite 201
Richmond, VA 23219

with a copy to:

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to:

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the Entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner of the Site, the Project, or both, provided the Recipient first shall have complied with the requirements set forth in Section 2.2.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a lender a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by a lender providing funds for the development of the Project, and any action taken by such lender or successor in interest to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, but no such consent shall be required to the exercise by lender or any assignee of lender of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that the lender shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. Any and all disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Development Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any

covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

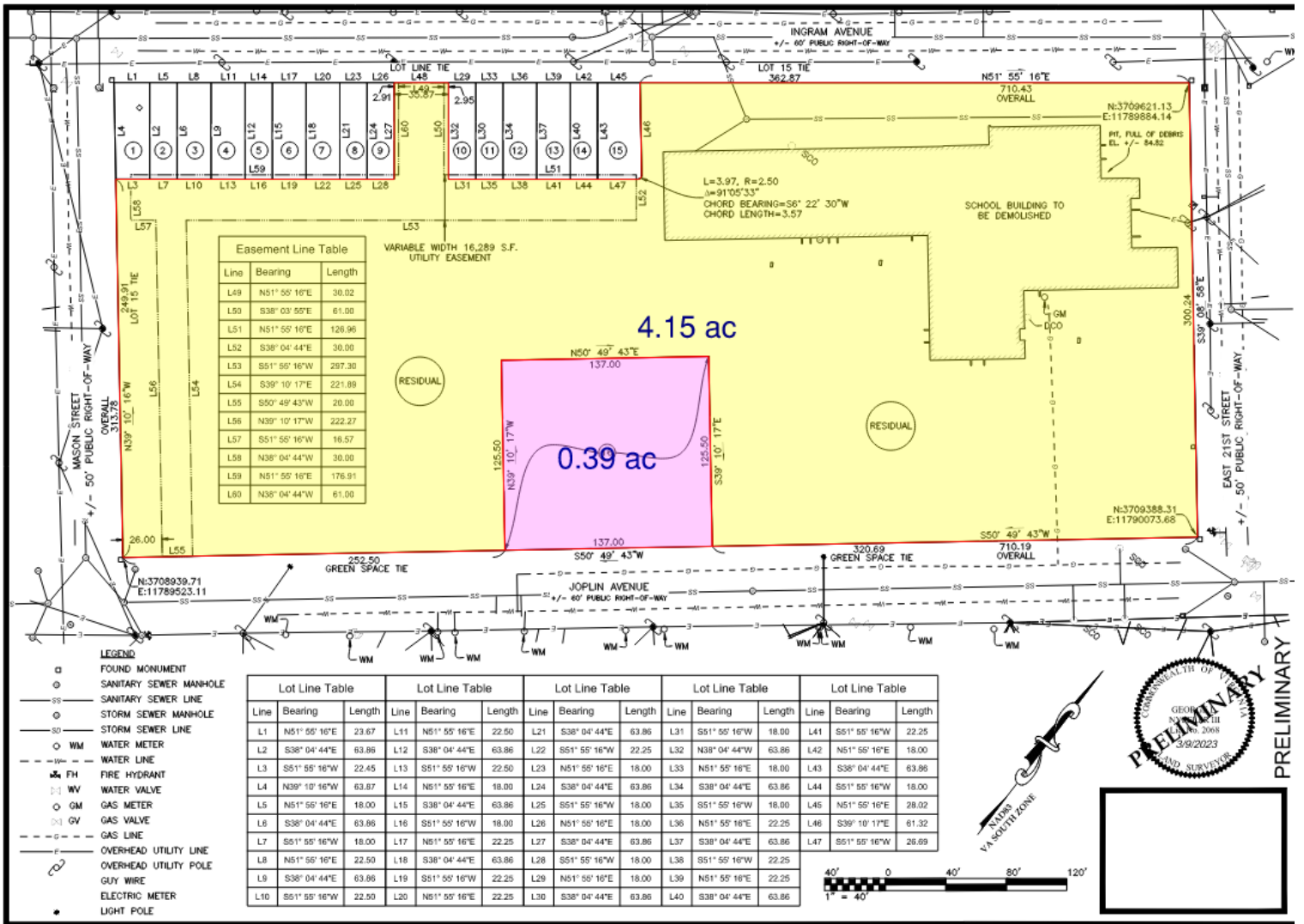
EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI, according to standards promulgated by the State Housing Finance Agency, for a minimum of thirty (30) years.

EXHIBIT B

Site



Address: 2200 Ingram Avenue
 Tax map reference number: S0000863001

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of _____, 2023 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **WALMSLEY GARDENS, LLC** a Virginia Limited Liability Company, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$9,876 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to one hundred percent (100%) of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means one time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real

Estate Tax Revenue, provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

“Project” means a development on the Site containing not less than 276 residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means Walmsley Gardens LLC, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means, collectively, (i) those certain parcels 0.299; and 0.381; acres currently owned by Kim Chin Ha, located respectively at 4818 and 4830 Walmsley Boulevard and currently referred to in the records of the City Assessor as Parcel Nos. C0080745024 and C0080745028; and (ii) those certain parcels 0.303; 0.362; 2.98; 2.01; and 4.184 acres currently owned by KCH Total Management, LLC, located respectively at 4824, 4838, 4850, and 4890 Walmsley Boulevard and currently referred to in the records of the City Assessor as Parcel Nos. C0080745026; C0080745030; C0080745031; C0080745032; and C0080745033.

“State Housing Finance Agency” means Virginia Housing (formerly known as Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient’s Obligations

2.1 Grant Management Fee.

The Recipient shall pay a Grant Management Fee consisting of (i) a one-time, non-refundable \$500.00 fee immediately upon execution of the agreement to the Authority, and, (ii) thereafter, the Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction; Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City’s Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Plan of Development or similar submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the “Construction Commencement Date”), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within three years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City’s Chief Administrative Officer (“CAO”), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City’s intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City’s election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties (“Transferee”), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.1.3 of this

Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient's obligation to Maintain the Project includes the Recipient's ongoing compliance with the provisions set forth in Section 2.5 (Affordable Housing) of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be

contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of Two Million Seven Hundred and Sixty Thousand dollars (\$2,760,000) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this

Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 Any and all actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City's option, terminate ninety (90) days after the City's notice to Recipient and Recipient's designated lender, unless Recipient cures the Event of Default to the City's satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient's expense, detailed updates and verification reasonably satisfactory to the City of the Recipient's progress regarding the completion of Project construction and, following Project construction, of Recipient's continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

with a copy to:

Walmsley Gardens, LLC
Attention: Zachery Frederick
2601 Broad St. Suite 201
Richmond, VA 23220

T. Preston Lloyd Jr, Esq
Williams Mullen
200 S. 10th Street, Ste. 1600
Richmond, VA 23219

if to the City, to

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

with a copy to:

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the Entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner of the Site, the Project, or both, provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a lender a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by a lender providing funds for the development of the Project, and any action taken by such lender or successor in interest to realize on such security interest or assignment and performance thereafter shall be deemed

permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, but no such consent shall be required to the exercise by lender or any assignee of lender of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that the lender shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Development Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI, according to standards promulgated by the State Housing Finance Agency, for a minimum of thirty (30) years.