



FINANCE COMMITTEE
City Council Committee

Tuesday, June 23, 2026 | 3:00 PM
2nd Floor Training Room- City Hall
900 Church Street
Lynchburg, VA 24504

AGENDA

- I. Welcome** *Councilmember Stephanie Reed, Chair*
- II. General Business**
 - II.1. Hill City Howlers Franchise Amendments
 - II.2. Department of Homeland Security Federal Emergency Management Agency (DHS/FEMA) FY 2025 Fire Prevention and Safety Grant (FP&S)
 - II.3. FY 2027 Budget Amendment - Fire Assessment
 - II.4. FY 2027 Budget Amendments - Water and Stormwater Capital Projects Fund
- III. Other Information**
 - III.5. FY 2026 General Fund Reserve for Contingencies Update
 - III.6. Monthly Revenue Collections Update
 - III.7. State Budget Update
 - III.8. Record of Votes - Finance Committee Meeting: May 26, 2026
- IV. Roll Call**
- V. Next Regular Meeting**
 - V.9. The next Finance Committee meeting is Tuesday, August 25, 2026 at 3 p.m.



AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Gregory Patrick, Deputy City Manager

AGENDA ITEM # II.1

Hill City Howlers Franchise Amendments

RECOMMENDATION

Adopt an ordinance with two amendments to the Hill City Howlers franchise agreement.

SUMMARY

City Council will consider this item at its regular meeting on July 14, 2026.

Adopt an ordinance with two amendments to the franchise agreement. The first is to make the rent payable over two payments. The first payment at the beginning of the season (April 1) and the second payment towards the end of the season (September 1). This change will help with cash flow for the Howlers. The second change is to adjust the requirement for financial surety from a bond to a guaranty, bond, letter of credit or other security. A performance bond for a minor league baseball operation has proved to be financially unfeasible.

PRIOR ACTION(S)

City Council approved the current franchise agreement with the Hill City Howlers on May 13, 2025

FISCAL IMPACT

N/A

CONTACT(S)

Gregory Patrick, Deputy City Manager

ATTACHMENT(S)

1. Hillcats Franchise Agreement - April 1, 2025
2. Proposed Ordinance - Hill City Howlers Franchise Agreement (First Amendment)

REVIEWED BY

Donna Witt, Chief Financial Officer

Date:

Gregory Patrick, Deputy City Manager

Date:



250003410

THE CITY OF LYNCHBURG, VIRGINIA

CITY HALL, 900 CHURCH STREET, LYNCHBURG, VIRGINIA 24504 • (434) 455-3980 • FAX (434) 847-9049

OFFICE OF THE CITY ATTORNEY

MATTHEW C. FREEDMAN
CITY ATTORNEY

HOPE R. TOWNES
DEPUTY CITY ATTORNEY

SUSAN L. HARTMAN
SENIOR ASSISTANT CITY ATTORNEY

KATHRYN THOMAS
ASSISTANT CITY ATTORNEY

DAVID E. MASS
ASSISTANT CITY ATTORNEY

May 30, 2025

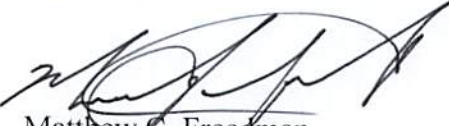
Prepared By:
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504

IN RE:

CITY OF LYNCHBURG'S / BANK OF THE JAMES STADIUM
3180 FORT AVENUE
LYNCHBURG, VA 24501
TAX MAP NO. 01202001

PLEASE TAKE NOTICE that attached to this letter is a copy of an agreement entitled "A Baseball Stadium Franchise Agreement by and between the City of Lynchburg and Hillcats Baseball, LLC", dated April 1, 2025, and approved by an Ordinance (#O-25-035) of the Council for the City of Lynchburg, Virginia on May 13, 2025. The parties to the above said instrument are the **CITY OF LYNCHBURG**, a GRANTOR FOR REFERENCE PURPOSES ONLY, and **HILLCATS BASEBALL, LLC**, a GRANTEE FOR REFERENCE PURPOSES ONLY.

Sincerely,



Matthew C. Freedman

COMMONWEALTH OF VIRGINIA }
CITY OF LYNCHBURG, *to-wit*: }

The foregoing instrument was acknowledged before me by Matthew C. Freedman, in his official capacity as the City Attorney for the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, on this 30th day of May, 2025.

Brittnie C. Hubbard
Notary Public

My Commission Expires: January 31, 2027
My Registration No. 7658697

Affix Notary Seal:

Brittnie Carole Hubbard
NOTARY PUBLIC
REG. # 7658697
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES JAN. 31, 2027

MY COMMISSION EXPIRES JAN. 31, 2025
COMMONWEALTH OF VIRGINIA
REG. # 1988627
NOTARY PUBLIC
Brittne Carole Hubbard

**A Baseball Stadium Franchise Agreement
by and between the City of Lynchburg
and Hillcats Baseball, LLC**

Dated April 1, 2025

TABLE OF CONTENTS

ARTICLE	TITLE	PAGE
I	DEFINITIONS	3
II	TERM OF AGREEMENT	5
III	TEAM USE OF STADIUM	5
IV	STADIUM OPERATION AND SERVICES	7
V	FOOD AND BEVERAGE SERVICES	9
VI	ADVERTISING, MARKETING AND BROADCAST RIGHTS	11
VII	COMPENSATION PAYABLE BY THE TEAM TO THE CITY	11
VIII	FACILITY MAINTENANCE	12
IX	UTILITIES	14
X	TEAM SUPPLIED EQUIPMENT	14
XI	SCHEDULING	14
XII	INDEMNIFICATION AND INSURANCE	15
XIII	EVENTS OF DEFAULT AND REMEDIES	16
XIV	PARKING	18
XV	TRAFFIC CONTROL AND POLICE PATROL	19
XVI	ASSIGNABILITY OF FRANCHISE SUBJECT TO PRIOR CITY APPROVAL	19
XVII	TEAM BASEBALL GAME TICKETS	19
XVIII	DESTRUCTION OF STADIUM	19
XIX	CONDEMNATION	20
XX	SIGNAGE	20
XXI	FORCE MAJEURE	20
XXII	NO RELOCATION OF TEAM	21
XXIII	ACKNOWLEDGEMENT OF BOND STATUS	21
XXIV	MISCELLANEOUS	21

CITY OF LYNCHBURG

BASEBALL STADIUM FRANCHISE AGREEMENT

THIS BASEBALL STADIUM FRANCHISE AGREEMENT (Franchise) is made and entered into as of April 1, 2025, by and between the CITY OF LYNCHBURG, a municipal corporation of the Commonwealth of Virginia (City) and HILLCATS BASEBALL, LLC, a Virginia Limited Liability Company d/b/a LYNCHBURG HILLCATS OF THE CAROLINA LEAGUE (Team), who are the sole parties to this Franchise.

WHEREAS, Hillcats Baseball LLC has purchased ownership and will operate a baseball team in the City of Lynchburg.

WHEREAS, that Team, The Lynchburg Hillcats, is a member of the Class A Advanced Carolina League of Minor League Baseball.

WHEREAS, Hillcats Baseball, LLC and the City desire that The Lynchburg Hillcats remain in the Carolina League and continue to play their home baseball games at Lynchburg City Stadium, Bank of the James Stadium (Stadium).

NOW, THEREFORE, WITNESSETH: that for and in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt of which is mutually acknowledged, the City and the Team agree as follows:

ARTICLE I

DEFINITIONS

For purposes of this Franchise, the terms defined in this section shall have the meanings specified herein whether stated in the plural or singular.

Section 1.01. "BASEBALL SEASON" shall mean the period commencing April 1st of each full calendar year of this Franchise and ending on the date on which the Team's last home game is played during the same calendar year including any and all post-season competition, exhibition, play-off and All-Star games, pursuant to the Carolina League schedule.

Section 1.02. "CITY EVENTS" shall mean all events or activities held at the Stadium, except a Team Event or Team Special Event, under the auspices of the City including events coordinated with the City by an outside entity or promoter. The Virginia Commonwealth Games is such an event.

Section 1.03. "CITY STADIUM SERVICES" shall mean those services which are required for City Events at the Stadium. These services may include but are not limited to Food and Beverage Services and Team Stadium Services.

Section 1.04. "COMMON AREAS" shall mean all portions of the Stadium except the Team Areas as defined in Section 1.10 and any areas designated for City use.

Section 1.05. "FOOD AND BEVERAGE SERVICES" shall mean all food and beverage services required or appropriate for any and all events at the Stadium or its parking areas, including without limitation, dining, catering, vending and food and beverage service, through fixed and portable food and beverage service stands, vending machines, roving vendors, and snack bars at Food and Beverage Service Areas in the Stadium or its parking areas.

Section 1.06. "FOOD AND BEVERAGE SERVICE AREAS" shall mean all areas, together with improvements, fixtures and trade fixtures, which are used in connection with the operation of Food and Beverage Services in the Stadium or its parking areas, as described in Article V hereof.

Section 1.07. "GROSS REVENUE" shall mean all receipts from the sale of individual game or season tickets for Team Events and Team Special Events held at the Stadium, including all Sky Box rental and Food and Beverage Services income at Team Events and Team Special Events held at the Stadium, all parking revenue (if Team initiates a parking fee), advertising sales including, but not limited to, naming rights, outfield fence advertising, scoreboard message center

advertising sold by the Team, program advertising, program sales, the sale of Team merchandise by the Team or any agent of the Team, the sale of royalty and logo rights, the sale of radio, television, cablevision, movie, or other video rights, sponsorships, and any and all other fees and revenues generated from Team Events and Team Special Events excepting from such amounts only any state and local sales taxes and meals taxes applicable to such transactions. The City retains any revenue derived from City Events with the exception of food and beverages sold by HillCats Catering or third-party contractors or concessionaires under contract with HillCats Catering unless otherwise agreed by the City and Team. The City retains the right to provide its own food and beverages or use an outside caterer for any City Events that are not open to the public in place of Hillcats Catering or third-party contractors or concessionaires under contract with HillCats Catering.

Section 1.08. "REQUIRED UTILITIES" shall mean all required water, sewer, electric, cable television and gas services for the playing field, on-site parking lot and all other areas of the Stadium.

Section 1.09. "SCOREBOARD" shall mean the main electronic scoreboard and message center located inside the Stadium. Scoreboard may consist of areas for team scores, advertising and a video screen.

Section 1.10. "STADIUM" shall mean The Lynchburg City Stadium, Bank of the James Stadium, as shown on Exhibit "A", including stadium lights, scoreboard, message board, City-owned concessions equipment, public address system, and other furniture and fixtures incident to stadium operations.

Section 1.09.01. "SKY BOX" shall mean the private fully furnished suites with outdoor balcony located on the upper level of the Stadium.

Section 1.09.02. "STADIUM BOX OFFICE" shall mean the physical space in the Stadium where tickets are sold for admission to games and events.

Section 1.09.03. "FIELD" shall mean the actual playing surface of the Stadium including dugout, bullpens, field lining, pitcher's mound, and bases.

Section 1.10. "TEAM AREAS" shall mean the Team administrative office area, locker room area, training area, press box area, dugouts, batting cages, ticket office, Team merchandise store area and all Sky Boxes in use during Team Events.

Section 1.11. "TEAM EVENTS" shall mean any Carolina League scheduled Team baseball game or other baseball-related event, such as practices or exhibition games, held at the Stadium by the Team with the approval of the City pursuant to Article XI, Section 11.02 hereof, other than a Team Special Event.

Section 1.12. "TEAM SPECIAL EVENTS" shall mean any events, other than Team Events, sponsored by the Team with City approval.

Section 1.13. "TEAM STADIUM SERVICES" shall consist of the following:

- a. Facility Services - shall mean the operation and staffing of the Stadium scoreboard, the public address system, the Stadium Box Office, all ticket booths, usher services, first-aid room, on-site and supplemental parking lot security services, the opening and closing of the Stadium, the operation of all Stadium utilities at all Team Events and Team Special Events.
- b. Field Maintenance - shall include, but not be limited to, maintenance of the playing field including without limitation, periodic mowing, watering, fertilizing and other chemical treatments required to maintain the field at professional stadium quality, sod replacement resulting from the use of the field, specialized turf care, such as aeration and other treatments which are required to maintain the quality of the field, and the maintenance of all unsodded areas of the field.
- c. Field Preparation - shall mean field preparation in advance of baseball games which shall include, but not be limited to, lining the field, preparation of the unsodded areas of the field, installation of bases, other such services needed to fully prepare the field for Team baseball games, and restoration of the field surface as required for uses of

the field other than baseball games.

- d. **Janitorial Services** - shall mean the cleaning and maintenance of all Team Areas and Common Areas during and after all Team Events, Team Special Events, and City Events held in the Stadium, including, but not limited to, the stocking of all restrooms with paper products as required prior to such events, the disposal of all trash collected from such areas immediately after such events, the pickup of all trash and debris from the on-site Team parking areas no later than 6:00 a.m. on the morning following such events and any needed clean-up of trash and debris from public areas surrounding the Stadium or such on-site parking areas as may be used by attendees of the Stadium. All Janitorial Services provided to the Team Areas and Common Areas shall include all action necessary to maintain the areas in a clean and attractive manner and in compliance with all legal requirements.
- e. **Pre-Event Field Preparation** - shall mean the preparation of the field for any Team Event or Team Special Event, as may be required for such event including, but not limited to, conversion of the playing field for other athletic events, installation of any supplemental seating equipment, installation of stage or platform equipment and/or temporary lighting which may be required for the event. Pre-Event Field Preparation shall be performed by the Team or, when necessary, by other parties under the supervision of the Team.

ARTICLE II

TERM OF AGREEMENT

Section 2.01. TERM. The term of this Franchise shall commence as of April 1, 2025, and shall be for a period of fifteen (15) years, ending with the conclusion of the 2040 Baseball Season.

Section 2.02. RENEWAL. At the beginning of the thirteenth (13th) year of the Franchise, the City and the Team shall enter into a discussion regarding renewal of the Franchise for an additional term of five (5) years under the same terms and conditions. However, the City or the Team may negotiate and request changes to the terms and conditions for such renewal that may be considered mutually beneficial and appropriate at that time. The renewal of the Franchise shall be approved by the Lynchburg City Council in accordance with applicable Virginia law.

ARTICLE III

TEAM USE OF STADIUM

Section 3.01. GRANT OF USE AND OPERATION RIGHTS. Subject to the provisions of Section 3.02, the City hereby grants to the Team the exclusive right to use the Stadium on the days scheduled for Team Events and Team Special Events during the term hereof and its renewal term, for and in consideration of the compensation payable by the Team to the City under Article VII hereof and the obligations assumed and undertaken by the Team hereunder. Subject to the terms and conditions of this Franchise, the City hereby grants to the Team, and the Team hereby accepts from the City, the rights and responsibilities herein set forth in and to the Stadium 'as is', 'where is', and without warranty. The Team shall not use the Stadium for any purposes other than those specifically set forth herein. This Franchise does not confer upon the Team any title, leasehold or other estate of any kind, or any interest in or to the Stadium, other than the rights pertaining to the Stadium set forth herein. The Team shall not have the power to, nor shall it attempt to, create or permit the creation or continuance of any lien, encumbrance or charge which is or might become a lien, encumbrance or charge against the Stadium, other than against Team personal property.

Section 3.02. RESERVATION OF RIGHTS BY THE CITY. All rights to occupy, use, enjoy or derive benefit from the Stadium, not expressly granted herein to the Team, are reserved by the City during the term hereof and any renewal term. Without in any way limiting or defining the extent of the reservation of this Section, the City expresses its intent to schedule athletic contests or other events at the Stadium and to retain revenues from City Events for the City's benefit with the exception of any food and beverages sold by Hillcats Catering or third-party contractors or concessionaires under contract with Hillcats Catering unless otherwise agreed upon by City and Team. The City retains the right to provide its own food and beverages or use an outside caterer for any City Events that are not open to the

public in place of Hillcats Catering or third-party contractors or concessionaires under contract with Hillcats Catering.

Section 3.03. USE FOR HOME GAMES. The Team agrees to play all its home games (estimated to be seventy-five (75) in number during a full Carolina League season) during its Baseball Season at the Stadium, beginning with the 2025 Baseball Season through the term of this Franchise. In addition to permitting the Team to use the Stadium for its home games during the Baseball Season including playoffs, the City shall permit the Team to use the Stadium for scheduled Team practices, tournaments, and when applicable, Carolina League All Star Game play on those dates approved by the City and the Team in accordance with the provisions of Article XI, Section 11.02 hereof. The Team shall be permitted to conduct promotional events before and after baseball games with all such events being scheduled pursuant to said Article XI, Section 11.02. During the term hereof, the Team will have access to all Team Areas in the Stadium and will be provided designated storage space during the Baseball Season and between Baseball Seasons at the Stadium. The City shall not be liable for any damages to or loss of any of the Team's property or the property of its employees, agents or volunteers. The Team, its employees, agents and volunteers in placing their property at the Stadium, do so at their own risk.

Section 3.04. STARTING TIMES FOR TEAM EVENTS AND TEAM SPECIAL EVENTS. No Team Event or Team Special Event shall be scheduled to start later than 8:30 p.m. or end later than 11:30 p.m. on Sunday through Thursday, and 12:00 a.m./midnight on Friday or Saturday, without the prior written approval of the City. In the case of a Team double header baseball game, this Section shall not preclude the second game from being played upon the completion of the first game nor preclude completion of a game following a rain or fog delay or completion of a game that has gone into extra innings. In the event that a game is still in progress after the above stated end times, special actions shall be taken to reduce noise originating in the Stadium, including minimizing the use of the public address system to only essential announcements.

Section 3.05. FIREWORKS. Fireworks shall only be allowed as permitted by the City Fire Marshal, with the following restrictions: (1) fireworks shall not be shot from or in such a way as to damage the artificial turf field in the adjacent football stadium, (2) no excessively loud, "cannon" type fireworks shall be used, (3) fireworks displays shall be limited to Friday and Saturday evenings and, (4) opening day or night as well as the night before or day of Memorial Day, Juneteenth, Independence Day, Labor Day, and two (2) additional days as agreed upon by the City and the Team. No fireworks show shall commence after 10:00 p.m., unless there has been a rain or fog delay or the game has gone into extra innings, in which case the fireworks show shall commence no later than 10:30 p.m.

Any trash or debris from a fireworks display shall be removed from the Stadium and its field within twelve (12) hours of the conclusion of the display. The Team will be responsible for repairing, or paying for repairs to any damage to the artificial turf or Stadium resulting from a fireworks display.

Section 3.06. COMPLIANCE WITH APPLICABLE LAWS, ORDINANCES. In its management, occupancy or use of the Stadium, the Team shall not permit the violation of any applicable federal, state and City laws, regulations, codes or ordinances, whether currently in force or subsequently adopted that may apply to the Team's use of the Stadium.

Section 3.07. REPAIR OF DAMAGE. In its management, occupancy or use of the Stadium, the Team shall not permit the structure to be damaged by its use or neglect. Any damage caused by the use of the Stadium shall be promptly reported to the City and will be repaired at the Team's expense by the City in an acceptable workmanlike manner, with the damaged portion of the structure restored to its original condition prior to such damage and in compliance with all of the applicable zoning, fire code, building and health department statutes, ordinances, rules and regulations. Such expenses shall be paid by the Team within thirty (30) days of a written request by the City.

Section 3.08. MODIFICATIONS TO STRUCTURE. The Team shall not make any material structural modifications to the Stadium without the prior written approval of the City. The Team shall be solely responsible for the cost of any structural modifications, must comply with federal, state and local building codes, regulations and ordinances in making such modifications, and any structural modifications the Team makes to the Stadium will become the property of the City.

Section 3.09. COMPLIANCE WITH OCCUPANCY LIMITATIONS. In its management, occupancy, or use of the Stadium, the Team shall not permit the Stadium occupancy limitations to be exceeded. The use of temporary seating and/or seating in areas other than those areas designated as permanent seating areas or in such supplemental seating

areas as may be designated by the City, is subject to the prior approval of the City.

Section 3.10. ADMINISTRATIVE OFFICE AREA. In consideration of the Team playing its home games at the Stadium during its Baseball Season, and providing City Stadium Services as provided herein and to facilitate the provision of such services, office space in the Stadium, along with batting cage facilities, will be provided for the use of the Team on a year-round basis while this Franchise is in effect. All furnishings and equipment required for such space(s) shall be the sole responsibility of the Team. The Team shall provide all Janitorial Services required for the office space and adjoining non-public restrooms and batting cages and shall maintain such areas in a clean condition at all times. Upon reasonable prior notice to the Team, the City may inspect the areas. Upon termination of this Franchise, the Team shall surrender possession of the areas to the City in the same condition as received, normal wear and tear excepted.

Section 3.11. TEAM MERCHANDISE SALES STORE. The Team shall have the right, on a year-round basis, to use the merchandise sales store in the Stadium for sale of the Team merchandise items.

Section 3.12. TEAM AREA FURNISHINGS. The Team shall be responsible for the provision of all furnishings required for its utilization of the Team Areas, including washers and dryers and vending machines, except for any lockers permanently installed in such areas by the City.

Section 3.13. IMPROVEMENTS. The Team shall make no improvements in the Team Areas or any portion of the Stadium without the prior written approval of the City. The Team shall be solely responsible for the cost of any improvements, must comply with federal, state, and local building codes, regulations, and ordinances in making such improvements, and any improvements the Team makes to the Stadium will become the property of the City.

Section 3.14. WASTE OR NUISANCE. The Team shall not commit or permit any waste on or about the Stadium while this Franchise is in effect nor shall it maintain, commit or permit the maintenance or commission of any nuisance on or about the Stadium or use the Stadium or Team Areas for any unlawful purposes.

ARTICLE IV

STADIUM OPERATION AND SERVICES

Section 4.01. TEAM STADIUM SERVICES. The Team will provide all Team Stadium Services required for Team Events and Team Special Events held in the Stadium and will retain, employ, compensate, train and manage sufficient numbers of polite and well-groomed personnel to provide such services in a high quality and professional manner while this Franchise remains in effect.

Section 4.02. COMMUNITY RELATIONS. The Team agrees to work in good faith with the City to develop programs to minimize the adverse impact of the Stadium's operation on the neighborhoods in which the Stadium is situated or which are directly affected by the Stadium.

Section 4.03. CITY STADIUM SERVICES. The Team shall provide the City with City Stadium Services as required for all City Events held in the Stadium. The cost of said services shall not exceed the actual cost for such services to the Team during such City Events and shall be calculated and accounted for on the basis of each separate City Event with the assessment of costs for such services to be in accordance with the schedules for such services as provided for in Article IV, Sections 4.04 and 4.05 hereof. Notwithstanding the provisions of this Agreement relating to City Stadium Services, if the Team is in default under the terms of this Franchise and the applicable period of time, if any, for curing such default has passed, the City expressly reserves the right to assume management and operating responsibility for City Events at the Stadium upon reasonable prior notice to the Team.

Section 4.04. SCHEDULE OF SERVICES AND COSTS. The Team and the City, prior to the commencement of each Baseball Season, shall adopt a Schedule of Services and Costs to be utilized in the assessment of costs for City Events and events sponsored by a promoter or outside entity. The costs of such City Stadium Services shall be reimbursed to the Team within thirty (30) days of the submission of an appropriate invoice to the City, outside entity or promoter.

Section 4.05. CITY STADIUM SERVICES & SCHEDULE OF SERVICES AND COSTS. The cost of City Stadium Services shall be assessed in accordance with the Schedule of Services and Costs, which shall be approved in writing by the Team and City upon the expiration of the prior year's Schedule of Services and Costs, or upon such later date as agreed to by the parties. At no time will the charges in such schedule or subsequent schedules agreed upon exceed

the actual costs of providing such services by the Team. The schedule shall be reviewed and modified, upon the agreement of the parties, if necessary, prior to the start of each Baseball Season during the term of this Franchise.

Section 4.06. PROMOTION OF THE CITY OF LYNCHBURG. The Team agrees that it will actively promote the tourism attributes and attractions of the Lynchburg region and will work with the City's Department of Economic Development and Tourism to promote the development and success of athletic activities in the Lynchburg region, including, but not limited to, the Virginia Commonwealth Games.

Section 4.07. QUALITY OF TEAM STADIUM SERVICES AND CITY STADIUM SERVICES. Team Stadium Services and City Stadium Services by the Team shall be provided in a manner to promote the use of the Stadium, attract the public to Team and City events scheduled at the Stadium, and shall be of acceptable quality consistent with the standards required of a professional Minor League Baseball facility. Should the quality of services be unacceptable to the City, notice shall be provided to the Team and the Team shall have thirty (30) days to improve the quality of such services. The City reserves the right, subsequent to the passage of said thirty (30) day period, to undertake corrective action with its own resources and invoice the Team for the cost of such corrective action. The cost shall be paid by the Team within thirty (30) days of receipt of such invoice. This Section does not authorize the City to retain, terminate, supervise, or take other direct actions relating to the employees of the Team.

Section 4.08. STADIUM OPERATION SERVICES. Such services shall include the retention, employment, compensation, training and management of the required personnel for the provision of City Stadium Services for City Events, coordination with the food and beverage staff pursuant to the Food and Beverage Services Agreement referred to herein at Article V, Section 5.01 hereof, and the monitoring of all elements of required City Stadium Services as described in Article I, Section 1.03 hereof.

Section 4.09. OPERATION OF STADIUM BOX OFFICE. The Team, in addition to providing ticketing services for all of its home Baseball Season games, shall operate the Stadium Box Office during home Baseball Season games and at other times to conduct advance ticket sales for Team Events. The Team shall provide all Janitorial Services required for the Stadium Box Office and shall maintain it in a clean condition at all times.

The City shall have the right to operate the Stadium Box Office during City Events and shall leave it in a better or same condition as it was found.

Section 4.10. EVENT SECURITY SERVICES. The Team will be responsible for providing security for all Team Events and Team Special Events where the public is in attendance and shall hire a minimum of one (1) uniformed off-duty City of Lynchburg Police Department law-enforcement officer. More law-enforcement personnel may be required at the direction of the Chief of Police of the City. Should, for any reason, off-duty City of Lynchburg Police Department law-enforcement officers be unavailable for such employment as required herein, other appropriate security officers, provided the same are reasonably approved by the Chief of Police of the City, may be hired by the Team. There shall be at least two (2) such officers employed at each Thursday, Friday, and Saturday Team baseball game held at the Stadium as well as any Sunday, Tuesday, and Wednesday games if attendance is expected to be in excess of 750 attendees. The number of officers provided at Team promotional events, other Team Events, Team Special Events, and City Events shall be adequate for the security of those persons attending the particular event and the provision of security for the Stadium and its contents, including all on-site parking lots. If Team employees are utilized for such purposes, they shall be uniformed and equipped with appropriate radio communications equipment. The officers or other security personnel shall be directed to be at the Stadium no later than one-half hour prior to its opening to the public and until at least one-half hour after the Stadium is closed to the public. When necessary, the Team, through a designated security representative, shall consult with the Chief of Police of the City, or the Chief's designee, to determine the adequacy of intended security for Team Events, Team Special Events, and City Events. The quality of the services provided for in this Section shall be expressly subject to the notice and substitute performance rights reserved to the City generally under Article IV, Section 4.07 hereof. In addition, any private security personnel utilized by the Team shall be considered as employees or independent contractors of the Team and in no manner considered or construed to be employees or agents of the City.

Section 4.11. CITY NOTICE TO TEAM OF REQUESTED LEVEL OF FACILITY SERVICES. The City shall, in advance of each City Event held in the Stadium, complete a memorandum of understanding with the Team with details for the City Event and what support services are needed from the Team within thirty (30) days of the scheduled event.

Section 4.12. FIELD RESTORATION COSTS AND DAMAGE TO THE FIELD. All costs of field restoration required as a result of damage to the field shall be borne by the party scheduling the event causing the damage to the field and shall be payable as an element of either Team Stadium Services or City Stadium Services as the case may be.

Section 4.13. NO SMOKING FACILITY. The Stadium shall be designated and operated as a non-smoking facility, with the exception of certain designated smoking areas separate from Stadium seating, and no tobacco, electronic cigarette or vaping products, shall be sold or marketed therein.

Section 4.14. PROHIBITION AGAINST FOOD AND BEVERAGES BEING BROUGHT INTO THE STADIUM. The City shall post signs in appropriate locations in the Stadium which shall prohibit patrons from bringing any food or beverages into the Stadium for Team Events, Team Special Events, and certain other events.

Section 4.15. PUBLIC ADDRESS ANNOUNCEMENTS REGARDING CITY AND CITY EVENTS. The Team agrees to make appropriate public address announcements and announcements on the Scoreboard message center in regard to future City Events to be held in the Stadium and/or other City facilities not scheduled for the same time as any Team Events or Team Special Events.

ARTICLE V

FOOD AND BEVERAGE SERVICES

Section 5.01. GRANT OF EXCLUSIVE LICENSE TO TEAM. The City hereby grants to the Team an exclusive food, beverage, and team merchandise license, except as otherwise provided for in Article V, Sections 5.06 and 5.07 herein, permitting the sale of food and beverages from those areas of the Stadium designated for the same by the City and the Team while this Franchise is in effect. The grant of this exclusive license includes the right of the Team to provide Food and Beverage Services in the said areas, either directly or by entering into a Food and Beverage Services Agreement granting a license to operate the same and certain merchandise sales to such professional Food and Beverage Services third-party contractors or concessionaires as may be acceptable to the Team and reasonably approved by the City. The aforesaid described exclusive license shall remain in effect while this Franchise remains in effect, but shall terminate when this Franchise terminates.

The City reserves the right to contract with outside vendors for Food and Beverage Services at City Events held outside of the Stadium, in the parking lot or other open areas.

Section 5.02. CITY APPROVAL OF TEAM FOOD AND BEVERAGE SERVICES CONTRACT. The Team shall advise the City when it intends to enter into a Food and Beverage Services Agreement. The material terms of such Food and Beverage Services Agreement shall include food products liability coverage comparable to the coverage required in Article XII, Section 12.04 hereof. Such agreement shall be approved by the City in writing, and the material provisions of said agreement shall not be modified except with the prior written approval of the City. Should the Food and Beverage Services Agreement be terminated, the Team shall have the right to provide Food and Beverage Services and certain merchandise sales as described in the agreement either directly or through a Food and Beverage Services Agreement entered into with another professional Food and Beverage Services third-party contractor or concessionaire with the selection being subject to the written approval of the City. If the Team undertakes the self-operation of Food and Beverage Services, the Team shall provide the same level of quality service and price provided at first-class professional baseball facilities. In the event the Team enters into a Food and Beverage Services Agreement with a third-party contractor or concessionaire, such contractor or concessionaire shall be experienced in such services.

Section 5.03. FOOD AND BEVERAGE SERVICE AREA JANITORIAL SERVICES. Janitorial Services to the areas designated for Food and Beverage Services shall be provided (i) pursuant to the Food and Beverage Services Agreement entered into by the Team, if any, or (ii) by the Team directly.

Section 5.04. MENU AND PRICE LIST. The menu and price list of food and beverages to be sold in the Stadium shall be provided and posted by the Team. Prices should be comparable to other Minor League Baseball parks in the Carolina League.

Section 5.05. TEAM MERCHANDISE ITEMS. The City hereby grants to the Team the right to sell Team merchandise items from those areas designated for the same by the Team and the City. The Team shall provide all Janitorial Services required for such areas and shall maintain such areas in a clean condition at all times.

Section 5.06. CONCERT AND OTHER ENTERTAINMENT MERCHANDISE. The Team and the City acknowledge that the sale of concert and other entertainment merchandise may be conducted through either (i) the City directly, during City Events scheduled under Article XI, Section 11.03 hereof, (ii) the Team during Team Special Events, or (iii) the event promoter or organizer. Such sales shall be from areas other than those areas designated for the sale of Team merchandise items unless the Team otherwise approves of the use of such areas, which approval shall not be unreasonably withheld, conditioned or delayed. The Team shall have the right to approve the sale of such merchandise items in advance of their sale which approval shall not be unreasonably withheld, conditioned, or delayed, and which approval shall be directed solely to assuring that the merchandise items sold are not substantially similar to Team merchandise items. The Team shall have no responsibility for the collection and payment of any sales taxes due or payable incidental to such sales.

Section 5.07. COMPLIANCE WITH STATE AND LOCAL RULES AND REGULATIONS. The Team shall assure that the areas designated for Food and Beverage Services are operated in a clean and healthy manner and in compliance with all rules, regulations, statutes and ordinances, whether currently in force or subsequently adopted/enacted that may apply to the Team's use of such areas.

Section 5.08. COMPLIANCE WITH STATE ALCOHOLIC BEVERAGE STATUTES AND REGULATIONS. The Team shall assure that the provision of Food and Beverage Services complies with all statutes and regulations concerning the sale of alcoholic beverages. The compliance of the areas designated for Food and Beverage Services with all statutes and regulations concerning the sale of alcoholic beverages shall be the sole responsibility of the Team.

Section 5.09. LICENSES AND PERMITS. The Team shall obtain and maintain all licenses and permits which may be required by the Commonwealth of Virginia, the City, or any other governmental agency or body for the use, operation or management of the Stadium. The Team shall at all times observe all rules and regulations pertaining to such licenses and permits and avoid any loss or suspension thereof. The Team shall assure that all applicable state and/or local permits and licenses for the provision of Food and Beverage Services in the Stadium will be obtained either directly or, during the period of the Team's agreement with its experienced third-party contractors or concessionaires, by said contractors or concessionaires, for the provision of Food and Beverage Services.

Section 5.10. QUALITY OF FOOD AND BEVERAGE SERVICES. The Team acknowledges that the provision of high-quality Food and Beverage Services in a manner pleasing to the public is of utmost importance to the overall success of the Stadium and events held in the Stadium. The Team shall make all reasonable efforts to assure that food is of high quality and consistent with the goals of the Team and the City to enhance attendance at all events held in the Stadium.

Section 5.11. BEVERAGES IN BOTTLES, GUM AND TOBACCO PRODUCTS. In the provision of Food and Beverage Services either directly by the Team or through its third-party contractors or concessionaires, no beverages in glass bottles, gum, tobacco, electronic cigarette or vaping products, fireworks, magic markers, silly string and other nuisance items or items prohibited by applicable law or City ordinance will be sold in the Stadium.

Section 5.12. USE OF STADIUM PICNIC AREA. Picnic areas in the Stadium, as designated by the City and the Team, may be utilized for casual dining services during any Team Event or Team Special Event.

Section 5.13. LOCAL VENDORS. The Team, directly and/or in its relationship with Food and Beverage Services third-party contractors or concessionaires, may, and is encouraged to, permit appropriate licensed local food and food service supply vendors to sell and/or supply their existing products having a local reputation within the Stadium during events.

ARTICLE VI

ADVERTISING, MARKETING AND BROADCAST RIGHTS

Section 6.01. TEAM MARKETING RESPONSIBILITIES. The Team shall market and enter into contractual arrangements for the use of those areas of the Stadium designated as Sky Boxes and for the provision of advertising space on the outfield advertising wall or fence and the Scoreboard message center. The Team shall additionally be responsible for marketing internal and concourse Stadium advertising which may be available during the term of this Franchise. All advertising shall be in good taste and consistent with the overall goals of the Team and the City to provide family entertainment through baseball and other athletic and recreational events at the Stadium. No tobacco advertising shall be permitted at any time. In no event shall the Team or the City, except in connection with the sale of any naming rights, locate any advertising upon the exterior or roof of the Stadium. Advertising may be placed by the Team in all suitable areas within the interior of the Stadium. The Team shall retain all advertising revenue, including outfield advertising and scoreboard advertising, as part of its Gross Revenue. The installation of any new exterior mounted digital message board or billboard and its content is subject to City approval.

Section 6.02. IMPROVEMENTS TO SKY BOX AREAS. The Team or the Sky Box licensee may make improvements, such as furniture, fixtures and finishes to the Sky Box areas. Furniture, fixtures and finishes shall remain the property of the Team or the licensee and be removed at the end of their agreement. No furniture, fixtures or finishes may be permanently affixed to the Sky Boxes other than the hanging of pictures, without City approval. Team or Licensee will be responsible for the cost to repair or restore any areas of the Sky Boxes as a result of their installation of furniture, fixtures or finishes. Any structural or mechanical system changes shall be subject to prior written approval of the City and such changes shall become part of the Stadium and the property of the City.

Section 6.03. TEAM SALE OF SCOREBOARD MESSAGE CENTER ADVERTISING FOR TEAM EVENTS. The Team shall have the right to sell Scoreboard message center advertising to be displayed at Team Events to be held at the Stadium. The sale of Scoreboard message center advertising for such events shall not preclude the City from the advertising of future City Events to be displayed at no cost to the City. All revenues generated by the sale of such advertising by the Team shall be the property of the Team. The cost of providing staffing for the Scoreboard message center shall not be an element of City Stadium Services. The City reserves the right to use the Scoreboard message center for City Events and to promote the City for municipal, tourism, and economic development purposes.

Section 6.04. EXCLUSIVE BROADCAST RIGHTS. The Team shall have the exclusive right to (i) broadcast, televise and cablecast all Team Events and Team Special Events held in the Stadium while this Franchise is in effect, and (ii) to retain all income and revenue generated by such broadcast rights.

ARTICLE VII

COMPENSATION PAYABLE BY THE TEAM TO THE CITY

Section 7.01. TEAM GROSS REVENUE. The Team will retain all Gross Revenue from Team Events and Team Special Events.

Section 7.02. ANNUAL RENT. The Team, without notice or demand, on or before April 1st of each year this Franchise is in effect, shall pay to the City \$132,500 as annual rent ("Annual Rent"). The Annual Rent will increase each year by the actual CPI for the City of Lynchburg, Virginia area.

Section 7.03. SALES AND MEALS TAX. The City will retain all sales and meals tax revenue generated by Team Events and Team Special Events.

Section 7.04. ADMISSIONS TAX. The City will retain all admissions tax revenue generated by Team Events and Team Special Events from the sale of tickets. The current Admissions Tax for the City of Lynchburg is 7%, and it may be subject to modification by the Lynchburg City Council. In the event the Admissions Tax is increased, the additional revenue generated above the previous 7% rate will be added to the Repair, Replacement and Maintenance Funds described in this Franchise.

Section 7.05. NAMING RIGHTS REVENUE. The Team, on or before April 1st of each year this Franchise is in effect, shall pay to the City an annual Naming Rights Fee of \$25,000. The Team will have the right to sell Naming

Rights to the Stadium and retain 100% of the revenue. The Team is responsible for all associated commissions and fulfillment expenses. All Naming Rights shall be in good taste and consistent with the overall goals of the Team and the City to provide family entertainment through baseball and other athletic and recreational events at the Stadium. Naming Rights associated with tobacco products shall not be permitted at any time.

ARTICLE VIII

FACILITY MAINTENANCE

Section 8.01. FACILITY MAINTENANCE. The City agrees to furnish the Team with a field that is in playable condition. The Team will maintain the Stadium turf and facilities as set forth in this Franchise.

Section 8.02. ONE-TIME CAPITAL IMPROVEMENTS. The City agrees to fund up to \$5.25 Million in one-time capital improvements to the Stadium inclusive of all project costs to include all Architectural and Engineering fees and any other fees associated directly therewith. Improvements are intended to take place in the first two (2) years of this Franchise, if possible. The Team will have the right to make recommendations for improvements to the City and to make such procurements subject to City approval. All improvements to the Stadium will be and remain the property of the City. The City will pay all invoices. In the event the City approves the Team paying an invoice, the Team will invoice the City only after satisfactory completion of work, as determined by the City. The City will then have thirty (30) days after receipt of an invoice to pay the Team.

Section 8.03. STRUCTURAL AND SYSTEMS MAINTENANCE. Routine maintenance, operation and repair of all structural components of the Stadium and all heat, ventilating, air conditioning, plumbing and electrical systems shall be the responsibility of the City. The Team shall follow City procedures to request maintenance and repairs, and the City shall have sole authority over scheduling repairs depending on staff levels and funding. The Team shall be responsible for repairs caused by abuse, neglect, damage, and/or vandalism by its employees, umpires, concessionaires, agents, Stadium opponents or attendees during Team Events or Team Special Events. The City shall make necessary repairs and invoice the Team for these repairs. The City shall not be responsible for any loss of revenues to the Team resulting from a building systems failure. Requests for payments hereunder shall be fulfilled within thirty (30) days of a request.

Section 8.04. CUSTODIAL SERVICES. The Team shall be responsible for the routine daily cleaning of the clubhouse, office areas, non-public restrooms and other administrative areas. The Team shall also be responsible for cleaning the public restrooms, Common Areas, seating areas, picnic areas, and clubhouse after each Team Event or Team Special Event. The Team will furnish sufficient equipment and supplies such as soap, paper products and cleaning supplies that are needed for its own use, visiting teams and the general public. The Team is responsible for the removal of all trash and debris from the site in accordance with all applicable regulations and City ordinances. All areas shall be maintained in a clean and attractive manner and in compliance with all applicable legal requirements. The City shall perform heavy cleaning, including, but not limited to, washing windows and walls, stripping floor tile, and shampooing carpet in all areas of the Stadium during the off season.

Section 8.05. ON-SITE PARKING AREA CLEAN-UP. The Team shall be responsible for picking up all trash, broken glass, etc., in the Stadium parking area and on street parking in surrounding neighborhoods by 9:00 a.m. the morning following a Team Event or Team Special Event. Should these services not be completed by that time, and upon reasonable notice to the Team, the City reserves the right to conduct such services and invoice the Team for services provided. Requests for payments hereunder shall be fulfilled within thirty (30) days of a request. The City shall be responsible for the onsite parking area cleanup for all City Events and subject to City approval, the Team may provide this clean-up for City Events and invoice the City for services provided if necessary.

Section 8.06. EMERGENCY REPAIRS. The City will provide emergency repair services to the Stadium after the City's normal operating hours. The Team shall follow the City's procedures to request these services. To request emergency repairs after hours, the Team should call Lynchburg Emergency Communications with the nature of the request and duty personnel will be contacted to respond. In order to keep the City's overtime costs to a minimum, the Team shall reserve the request of this service for extreme emergencies, including, but not limited to, failure of building systems that would cause the cancellation of an event, structural damage to the facility or a threat to the life safety of the public or employees.

Section 8.07. EXTERIOR SITE AND FIELD MAINTENANCE. The City shall be responsible for routine maintenance of the grounds and landscaping surrounding the Stadium. The City's responsibility shall include mowing,

landscape maintenance, including the replacement of trees and shrubs, and parking lot maintenance and repair.

The Team shall provide daily routine maintenance for the field, including, but not limited to, mowing the infield and outfield, spot seeding, watering, all infield maintenance, marking, trash pick-up, edging infield, and repairing damage to the field due to Team Events or Team Special Events. All field maintenance practices or enhancements used by the Team are subject to prior written approval by the City and shall meet professional baseball standards. The Team shall be required to provide all tools and equipment necessary to perform field maintenance. The Team shall supply marble dust, red clay, "weblight", sand, and any other specialized field materials. The Team shall purchase and handle field covers at its own effort and expense.

The Team shall provide broad leaf weed control, pre-emergent herbicide applications, seed, and fertilizer and shall perform periodic activities beyond routine daily maintenance such as aerating, overseeding, and warning track renovation. All pesticides shall be applied, stored, and disposed of in accordance with all applicable regulations.

Section 8.08. LONG-TERM FIELD MAINTENANCE. The City's written consent shall be necessary prior to the Team's undertaking of a major turf replacement. In the event of a major turf replacement, the Team shall submit a report to the City, specifying in detail the nature and cause of the damage to the turf and the cost of replacement. Sod removal and/or replacement necessitated by the conversion of the Stadium's field for athletic events or resulting from damage to the field occurring at Team Events, Team Special Events, or City Events, shall be handled pursuant to Article IV, Stadium Operation and Services, of this Franchise. Field renovation would qualify as a capital expense to be funded from the capital reserve as outlined in Article VIII, Section 8.13 hereof.

Section 8.09. SITE SECURITY. The Team assumes full responsibility for the security of those portions of the Stadium it occupies and/or uses pursuant to the terms of this Franchise and it is understood that any property placed at the Stadium is so placed at the risk of the owner. The City shall not be responsible for any loss of or damage to property which the Team, any of its players or any visiting team may sustain at the Stadium, regardless of how such loss or damage occurs. The Team is expressly prohibited from using the football field or the running track adjacent to the Stadium without the City's approval.

Section 8.10. LIGHT BULB REPLACEMENT. The Team will be responsible for all light bulb replacement in the interior and exterior of the Stadium while this Franchise is in effect, excluding field lights. The City agrees to maintain field lights at or above Minor League Baseball standards.

Section 8.11. MAINTENANCE OF ELECTRONIC SCOREBOARD, PUBLIC ADDRESS SYSTEM, AND ELECTRONIC MESSAGE BOARD. The Team shall be responsible for the maintenance and repair of the Scoreboard, the electronic message board, and the public address system. Upon termination of this Franchise, the public address system, the Scoreboard, and the electronic message board will remain the property of the City. Any manuals, software, or records relating to the operation of this equipment shall be given to the City. If Team elects not to use any of the \$5.25M in capital improvements for a new Scoreboard and new electronic message board, then the Team, not the City, will pay the cost for any replacement Scoreboard or major repair of the current Scoreboard during the term hereof.

Section 8.12. REPLACEMENT OF CAPITAL ITEMS. While this Franchise is in effect, the Team shall replace as necessary all capital items that are not the responsibility of the City under the provisions of this Franchise consistent with the provisions of Article VIII, Section 8.13 hereof, including the Scoreboard and the electronic message board. The City shall undertake to pursue its remedies under any warranties for all capital items and original construction. Any recoveries realized shall be reimbursed to the Team to the extent the Team has incurred expenses under this Section. The City shall be responsible for scheduling all Capital Improvement Projects related to the Stadium including the Scoreboard, the electronic message board, and the public address system depending on available funding. Requests for payments hereunder shall be fulfilled within thirty (30) days of a request.

Section 8.13. REPAIR, REPLACEMENT AND MAINTENANCE FUND. The City will establish a \$150,000 annual reserve account, to be maintained by the City, for mutually agreed upon expenditures of a capital nature such as repair, replacement, maintenance and improvements of the Stadium structural elements and associated equipment. Subject to City approval, Funds may be used for repairs and replacement in Sky Boxes and a new Scoreboard. Capital expenditures shall consist of those items having an initial cost in excess of \$10,000 and which are required to be assigned a useful life in accordance with Internal Revenue Service rules and guidelines for amortization purposes. The funds will roll over each year with any excess funds added to the \$150,000 in the following year. In the event the spending should exceed \$150,000 in any year, then any savings in other years will be used to offset any years overages.

Section 8.14. MLB OR CAROLINA LEAGUE REQUIRED OR MANDATED IMPROVEMENTS. The City will make its best efforts to include these in the "Repair, Replacement and Maintenance Funds" as listed in Section 8.13 above. If any Major League Baseball ("MLB") or Carolina League required or mandated improvements result in the "Repair, Replacement and Maintenance Funds" exceeding \$150,000 in any given Baseball Season, the overage amount will be shared equally between the City and the Team.

Section 8.15. PDL TERMINATION. In the event that MLB terminates the license agreement with Lynchburg and the team desires to change from a natural grass field to Artificial Turf, the City and the Team agree to address the issue of sharing costs of repairing or converting the field in the next or renewed franchise.

ARTICLE IX

UTILITIES

Section 9.01. ELECTRICAL, WATER, SEWER, CABLE SERVICE. The City shall be responsible for providing and funding all utilities at the Stadium, including electricity, water, and sewer. Where able, the City shall also provide a cable television drop for free basic cable service as part of a local cable franchise held by the City. Cable service above and beyond this free service is the responsibility of the Team. The Team shall responsibly consume the utilities provided to keep the cost to the City at a minimum.

ARTICLE X

TEAM SUPPLIED EQUIPMENT

Section 10.01. TEAM SUPPLIED EQUIPMENT. The Team shall provide, at its sole cost and expense, the following items (the "Team Supplied Equipment"): all equipment necessary for Food and Beverage Services, other than currently existing City-owned equipment; Batting Cages apparatus; the furniture and office equipment for the areas designated for ticketing, merchandise sales, Press Box, and administrative offices; and any other Team equipment necessary for its operations. If any Team Supplied Equipment is removed by the Team, the Team shall repair and restore, at its sole cost and expense, any damage caused by its removal.

ARTICLE XI

SCHEDULING

Section 11.01. AGREEMENT OF THE PARTIES. The Team and the City agree that all scheduling for events in the Stadium will be coordinated in a fashion to maximize the beneficial use of the Stadium by the City and the Team.

Section 11.02. SCHEDULING TEAM EVENTS. By October 1st of each year, the City and the Team shall mutually and reasonably approve all Team Special Events and Team Events to take place at the Stadium during the succeeding calendar year. The Team shall have priority in the selection of its home Baseball Season dates, tournament game dates, and Carolina League All-Star game dates, if applicable, and will be provided (number to be determined) rain dates during the home Baseball Season prior to the scheduling of City Events during the Baseball Season.

Section 11.03. SCHEDULING CITY EVENTS. No later than October 1st of each year while this Franchise is in effect, the City will provide to the Team a listing of those City Events which are priority events for purposes of scheduling during the Baseball Season. In no case shall the City preempt the Team's Baseball Season with a single or multi-day event. The Team shall submit its approved home Baseball Season schedule to the City as soon thereafter as such schedule is approved by the Carolina League and Major League Baseball. Any dates reserved for post-season play by the Team shall be released and canceled on the schedule from the time that the Team is mathematically eliminated from post-season competition.

The Team shall notify the City of requested dates for Team Special Events no later than October 1st of each calendar year. The balance of the events scheduled at the Stadium shall be scheduled with conflicts in requested dates being resolved by the parties on the basis of the following criteria:

- (a) The date the request was received by the City or Team, as the case may be;

- (b) The requested event's ability to maximize the productive long-term use of the Stadium; and
- (c) The goal of the City to provide the opportunity of equal access to the Team to maximize scheduling of Team Events after the scheduling of those City Events which are priority events.

Section 11.04. ACCESS FOR BASEBALL PRACTICES. The Team shall have reasonable access to the Stadium to conduct practices during the Baseball Season. A "practice" shall consist of required drills and workouts under coaching supervision at which all players are required to appear and shall be scheduled so as not to interfere with otherwise scheduled events at the Stadium.

Section 11.05. COORDINATION OF SCHEDULING. All scheduling will be coordinated with the Team to assure that the required City Stadium Services can be provided by the Team without hindering the provision of Team Stadium Services as required for the Team's use of the Stadium.

ARTICLE XII

INDEMNIFICATION AND INSURANCE

Section 12.01. INDEMNIFICATION. The Team agrees to indemnify, defend and hold harmless the City and its respective officers, agents, employees and volunteers, from any and all claims brought against them for personal injury, death, property damage and any other losses, damages, charges or expenses, including attorneys' fees, which are in connection with, or by reason of any act, omission or negligence of the Team, its officers, employees, contractors, agents, players, or of any occupant, visitor or user present on or about the Stadium in connection with the Team's activities pursuant to this Franchise. The indemnity set forth in this Article XII shall survive the termination or expiration of this Franchise. The Team agrees to have its insurance companies waive any rights of subrogation that such companies may have against the City and such waiver shall be shown on the certificates of insurance described in this Article. Further, the Team agrees to indemnify, defend and hold harmless the City, its officials and employees, from any and all environmental liability arising out of the use and operation of the Stadium during the term of this Franchise.

Section 12.02. INSURANCE POLICIES ON TEAM PROPERTY. The Team shall, effective as of the commencement date of this Franchise, obtain policies of insurance on any property or equipment placed within the Stadium or on surrounding City property and maintain such policies on all its property or equipment placed in the Stadium or on surrounding City property during the term of this Franchise. Such policies shall provide for fire, theft, vandalism and extended coverage for the Team's equipment. The City shall have no responsibility or liability whatsoever with respect to any loss, theft of, or damage to the personal property of the Team, its employees, officers, agents, contractors, players, players for opposing teams, umpires, concessionaires, employees and agents of concessionaires, stadium attendees, and others.

Section 12.03. INDEMNIFICATION FOR LOSS, THEFT OR DAMAGE TO PERSONAL PROPERTY. The Team agrees to indemnify, defend and hold harmless the City, its officers, directors, employees and agents with respect to any claim or liability for loss, theft of, or damage to personal property of the Team, its employees and players, players for opposing teams, umpires, concessionaires, employees and agents of concessionaires, stadium attendees, and others, except to the extent that such loss, theft or damage is caused by the acts of the City, its employees, or agents.

Section 12.04. REQUIRED TEAM POLICIES OF INSURANCE EFFECTIVE AS OF COMMENCEMENT DATE. The Team shall, effective as of the commencement date of this Franchise and thereafter while this Franchise is in effect, keep in full force and effect the following policies of insurance: Comprehensive general liability insurance, including products liability insurance against any and all claims and losses arising out of its activities under this Franchise in the following minimum amounts:

Bodily injury and property damage coverage with a combined single limit of \$3,000,000.00.

Umbrella Liability Coverage and Umbrella Liability Policy in an amount not less than \$5,000,000.00 for any one occurrence in excess of the aforementioned general liability insurance.

Liquor Liability Coverage - The Team, either directly or through its Food and Beverage Services third-party contractors or concessionaires, shall provide and keep in full force and effect while this Franchise is in effect, liquor liability coverage in the amount of \$3,000,000.00.

Food and Vending Liability Coverage - the Team, either directly or through its Food and Beverage Services third-party contractors or concessionaires, shall provide and keep in full force and effect while this Franchise is in effect, food and vending liability coverage in an amount of \$3,000,000.00.

Workers Compensation - the Team shall provide and keep in full force and effect during the term of this Franchise, workers compensation insurance in full compliance with the laws of the Commonwealth of Virginia.

Section 12.05. NAMED INSUREDS AND CERTIFICATES OF INSURANCE. Where permitted by Virginia law and policy, all of the insurance policies described in Article XII, Section 12.04 herein shall show the Team and the City, its officials, officers, and employees, as named insured parties as their interests may appear. The insurance required of the Team herein shall be primary and any insurance or self-insurance maintained by the City is secondary and applies only in excess of and shall not contribute with the insurance obtained by the Team. Any deductibles or self-insurance retention applicable to the required coverage shall be paid by the Team and the City shall not be required to participate therewith. The Team shall deliver to the City a copy of said insurance policy or certificate of insurance with the necessary endorsements to the City's Risk Manager showing the same to be in full force and effect before occupying the Stadium; upon renewal of this Franchise; and, at other times throughout the term of the Franchise when the City requests confirmation of insurance coverage. The Team must give the City ten (10) calendar days advance written notice of any cancellation, nonrenewal, or modification of coverage, and a binder or certificate verifying new coverage in accordance with the requirements herein prior to any change, cancellation or nonrenewal date. In the event of such cancellation or nonrenewal notice, the Team shall obtain and pay all premiums for the renewal or replacement of the insurance required hereunder. The Team shall, at least sixty (60) days prior to the expiration of the policies, furnish the City with renewals or "binders" for the policies, or the City may order the required insurance and charge the cost to the Team, which such costs shall be paid to the City within thirty (30) days of a written request.

The failure of the Team to maintain such insurance coverage throughout the term of this Franchise shall be grounds for the immediate termination hereof. The Team's responsibility to the City hereunder is not limited to the amount of such insurance coverage. All insurance will be obtained by the Team from insurance companies authorized by Virginia's State Corporation Commission to do business in Virginia.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES

Section 13.01. EVENTS OF DEFAULT. The occurrence of any one or more of the following events constitutes a default under this Franchise:

Section 13.01.1. Failure by the Team to pay to the City any fees or other payments due hereunder when due and payable, and such failure shall continue for ten (10) days following written notice (which notice shall not be required for a default in any payment required pursuant to Article VII);

Section 13.01.2. Failure by the City or the Team to make the capital improvements required by Article VIII, Section 8.02;

Section 13.01.3. Failure by the Team to observe or perform in any material respect any other covenant, agreement, condition or provision of this Franchise (other than as specified in Section 13.01.1), and such failure shall continue for thirty (30) days after notice thereof from the City to the Team; provided, however, the Team shall not be in default with respect to matters which cannot reasonably be cured within thirty (30) days so long as within thirty (30) days after such notice the Team gives written notice to the City of its inability to cure within such thirty (30) day period and immediately commences such cure and diligently proceeds with best efforts to complete the same at all times thereafter and the Team provides the City with detailed status reports of its current and future efforts to cure such default; further provided that all such defaults shall be cured no later than one hundred eighty (180) days after notice of default from the City;

Section 13.01.4. Failure by the City to observe or perform in any material respect any other covenant, agreement, condition or provision of this Franchise (other than as specified in Section 13.01.2), and such failure shall continue for thirty (30) days after notice thereof from the Team to the City; provided, however, the City shall not be in default with respect to matters which cannot reasonably be cured within thirty (30) days so long as within thirty (30) days after such notice the City gives written notice to the Team of its inability to cure within such thirty (30) day period and immediately commences such cure and diligently proceeds with best efforts to complete the same at all times thereafter and the City provides the Team with detailed status reports of its current and future efforts to cure such default; further provided that all such defaults shall be cured no later than one hundred eighty (180) days after notice of default from the Team;

Section 13.01.5. The levy upon or under writ of execution or the attachment by legal process of the interest of the Team under this Franchise, or the filing or creation of a lien in respect of such interest, which levy, attachment, or lien shall not be released, discharged, or bonded against within sixty (60) days from the date of such filing;

Section 13.01.6. The Team makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for the Team or for the major part of its property or admits in writing its inability to pay or is unable to pay its obligations as they come due;

Section 13.01.7. A trustee or receiver is appointed for the Team or for the major part of its property and is not discharged within sixty (60) days after such appointment;

Section 13.01.8. Bankruptcy, reorganization, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law, or similar law for the relief of debtors, are instituted by or against the Team, and, if instituted against the Team, are allowed against it or are consented to by it or are not dismissed within one hundred eighty (180) days after such appointment;

Section 13.01.9. The Stadium shall be abandoned, deserted, or vacated by the Team, even though at such time the Stadium may not be then used (because of the time of the year) for Baseball Season games; or

Section 13.01.10. Failure by the Carolina League to sustain the operation of a professional baseball league by scheduling a minimum number of home games in excess of sixty (60) per Baseball Season. Provided, however, such failure may be cured by the Team if it is able to consummate an affiliation with another professional baseball league whose financial condition, quality of baseball, number of teams and games, all as determined by the City in its sole and absolute discretion, is satisfactory, by November 15th of the year in which the Carolina League failure occurs. Such change of leagues may result in the Team requesting the City change the terms of this Franchise. Any agreed upon changes would begin with the first year of a Franchise extension.

Section 13.02. REMEDIES IN THE EVENT OF DEFAULT. If a default occurs under Section 13.01 of this Franchise, and the applicable period of time, if any, for curing such default has passed, the City and Team (the "Parties") shall have the rights and remedies hereinafter set forth, which shall be distinct, separate and to the extent not mutually exclusive, cumulative and shall not operate to exclude or deprive the Parties of any other right or remedy allowed by this Franchise or applicable law, including without limitation, the City's right to advance any sums to be paid to third parties by the Team or otherwise remedy the Team's default and to be reimbursed by the Team for the City's costs and expenses on account thereof. No delay or omission to exercise any right or power accruing under any default shall impair any such right or power or be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 13.02.1. If one of the Parties is in default, and the applicable period of time, if any, for curing such default has passed, the non-defaulting party may terminate this Franchise effective as of the date of its notice or as of the end of the then current Carolina League Baseball Season by giving to the defaulting party notice of the non-defaulting party's election to do so, and all rights, title and interest of the Parties hereunder shall expire at the end of the then current Carolina League Baseball Season.

Section 13.02.2. If the City exercises the remedy of termination, the Team shall vacate the Stadium no later than thirty (30) days following the date of the Team's receipt of the City's notice of termination and deliver exclusive possession thereof to the City, and the City may then or at any time thereafter, re-enter and take complete and peaceful possession of the Stadium, with or without process of law, and the City may remove all occupants and property therefrom, using such force as may be necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry and

detainer and without relinquishing the City's right to any fees due to the City or any other right given to the City by this Franchise or by operation of law.

Section 13.02.3. All property removed from the Stadium by the City pursuant to a default by Team under any provisions of this Article XIII or by law may be handled, removed or stored by the City at the cost and expense of the Team, and the City shall in no event be responsible for the value, preservation or safekeeping thereof. The Team shall reimburse the City for all costs and expenses incurred by the City in such removal and storage charges against such property so long as the same shall be in the City's possession or under the City's control. All property not removed from the Stadium or retaken from storage by the Team within sixty (60) days after the end of the term, however terminated, shall be deemed conclusively to have been conveyed by the Team to the City as by bill of sale without further payment or credit by the City to the Team.

Section 13.02.4. The City may enforce the provisions of this Franchise and may enforce and protect the rights of the City hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, including recovery of all moneys due or to become due from the Team under any of the provisions of this Franchise.

Section 13.02.5. Upon the occurrence of any event with which the giving of notice or the passage of time would constitute a default by the Team, and until such event has been cured by the Team, the City shall be excused from the payment of any amounts which are or may become due to the Team by the City. If such event is subsequently cured, any such amounts not paid by reason of this subsection 13.02.5 shall be paid without interest.

Section 13.02.6. The Team may enforce the provisions of this Franchise and may enforce and protect the rights of the Team hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, including recovery of all moneys due or to become due from the City under any of the provisions of this Franchise.

Section 13.03. LIQUIDATED DAMAGES PAYABLE TO THE CITY UPON TERMINATION OF STADIUM FRANCHISE PURSUANT TO SECTION 13.02. The Team shall pay the City liquidated damages, in the amount of \$100,000 a year for the remaining years of the lease term, plus the payment of any outstanding debt and the payment of any unamortized amount of the City funded initial \$5.25M capital improvements, in the event the Team terminates this Franchise prior to the end of its term.

City funded improvements will be depreciated on a straight-line basis over the term of this Franchise. Further, such liquidated damages are deemed by the parties not to be a penalty of any kind whatsoever.

ARTICLE XIV

PARKING

Section 14.01. USE OF CITY PROPERTY SURROUNDING THE STADIUM. In the event parking fees are instituted, any fees charged by the Team for access to parking shall be reasonable and consistent with such fees charged for comparable parking within the Carolina League and at other minor league ballparks in the Carolina League. All revenue from such fees shall be the sole property of the Team. The City acknowledges that the Team has the sole right to enact a parking fee and to engage the services of a professional parking management company to operate all parking areas. If the Team enacts a parking fee it will pay the City a \$25,000 Parking Rights Fee on an annual basis on or before April 1st for each year there is a parking charge. In the event parking fees are subject to taxation of any kind, the Team, not the City, shall be solely responsible for such taxation.

Section 14.02. SNOW REMOVAL FOR ON-SITE PARKING. The City shall remove snow from the on-site parking areas connected to the Team's administrative office and shall assure that the Team has access to the same on a year-round basis.

Section 14.03. PARKING AREA RESPONSIBILITIES. In the event that the Team charges fees for parking, the Team shall have the responsibility through its professional parking management company, or otherwise, to provide parking lot attendants and clean-up services.

Section 14.04. TEAM PARKING SPACES. Ten (10) parking spaces shall be made available to the Team on a year-round basis for the employees of the Team. The location of those ten (10) parking spaces shall be decided upon by the Team and the City. The assignment of such parking spaces to particular individuals shall be the sole responsibility of the Team.

Section 14.05. PARKING MANAGEMENT PLAN. The City and the Team shall jointly develop a Parking Management Plan to address the situation when an athletic event, such as a football or soccer game, is occurring at the same time as a Team Event so that parking for spectators of the City athletic event is accommodated without charge. The plan shall be communicated to the athletic departments of both City high schools.

ARTICLE XV

TRAFFIC CONTROL AND POLICE PATROL

Section 15.01. TRAFFIC CONTROL. Traffic control on all public streets around the Stadium shall be the responsibility of the City. The City, exercising its discretionary police powers, shall provide police officers of the Lynchburg Police Department when necessary to assure traffic control before and after Team Events and Team Special Events in the Stadium and will additionally be available to respond to parking lot security problems as required.

ARTICLE XVI

ASSIGNABILITY OF LICENSE SUBJECT TO PRIOR CITY APPROVAL

Section 16.01. ASSIGNABILITY. This Franchise is personal to the Team, and the Team shall not at any time assign, sell, or transfer this Franchise, or any part thereof, while this Franchise is in effect without the City's prior written approval. Further, in the event the Team is sold, consolidated, merges or is acquired by another entity, the City shall have the right to terminate this Franchise. The consideration of the City of any requested assignment or transfer may include, but shall not be limited to, the approval or disapproval of the Carolina League of such assignment or transfer. No proposed assignment shall be considered by the City unless the request for consent thereto shall be in writing and accompanied by the assignees proposed assumption of the Team's past unperformed and future obligations, resumes of its principals, reasonable financial information, and proposed financial security. Under no circumstances shall the Team be relieved of any of its obligations hereunder by any such transfer. No assignment shall, in any way, affect or diminish the Team's obligations to perform all of the terms, conditions and provisions contained in this Agreement.

ARTICLE XVII

TEAM BASEBALL GAME TICKETS

Section 17.01. COMPLIMENTARY TICKETS. The Team shall provide the City with twenty (20) complimentary tickets for each Team Event. Tickets will be in the highest non-VIP ticket price category and are to be used in conjunction with City-sponsored youth and senior programs, or as the City otherwise deems appropriate. The Team, at no cost to the City, shall also provide the City a mutually agreeable number of premium seat tickets and Sky Box usage for economic development purposes and to promote the City's Stadium. The Team will hold such complimentary tickets until one hour before the start of each Team Event for which tickets have been requested by the City.

ARTICLE XVIII

DESTRUCTION OF STADIUM

Section 18.01. PARTIAL DESTRUCTION. If the Stadium is partially destroyed by any cause and can be repaired or restored to its prior condition and the destruction does not render the Stadium unusable, as determined by the City, this Franchise shall continue in full force and effect. The City shall, at its expense, promptly commence and diligently complete the restoration of the Stadium to the same condition as of the commencement date of this Franchise, reasonable wear and tear excepted. All repair activities shall be timed and organized in such a manner as to facilitate the Team's ability to hold Team Events at the Stadium to the degree feasible. However, the Team shall be responsible for repairing or replacing any damages to the Stadium caused by the acts or omissions of the Team, its employees, umpires, concessionaires, contractors, agents, Stadium attendees, or its opponents.

Section 18.02. TOTAL DESTRUCTION. In the event the Stadium is completely and totally destroyed by fire or other casualty, and after consultation with the Team, the City in its sole discretion may elect whether to repair or restore the Stadium or to terminate this Franchise. Such election shall be exercised by the City by giving written notice to the Team within ninety (90) days after such destruction. If the City so elects, this Franchise shall terminate as of the date of such casualty and the Team's obligation to pay annual minimum compensation payments and other payments shall terminate and be prorated as of such date. If the City elects not to terminate this Franchise, the City shall proceed as promptly as practical to repair and restore the Stadium to its condition existing immediately prior to such destruction.

Section 18.03. ASSISTANCE BY THE CITY IN LOCATING A TEMPORARY FACILITY. If the Stadium becomes unavailable on a temporary basis by reason of either the partial destruction of the Stadium or the repair or restoration of the Stadium after total destruction, or for any other reason attributable to the actions of the City, the City shall utilize all reasonable efforts to assist the Team in locating an adequate temporary facility in the surrounding area.

ARTICLE XIX

CONDEMNATION

Section 19.01. CONDEMNATION. In the event that any portion of the Stadium is taken from the City pursuant to any right of eminent domain exercised by any governmental entity or pursuant to any governmental order and such taking renders the Stadium unfit for its intended purpose, then this Franchise may be terminated by the City by notifying the Team. The Team shall have no right to any portion of any award granted with respect to such taking except that the Team shall have the independent right to make a claim against the condemner for and retain any award based thereon for the reasonable value of costs by the Team for the expenses incidental to relocating from the Stadium and for the lost value of this Franchise.

ARTICLE XX

SIGNAGE

Section 20.01. SIGNAGE. The Team shall post signs in the parking areas indicating that vehicle owners assume the risk of damage from fly balls and other hazards. The Team shall also post signs within the Stadium warning spectators of the dangers of flying balls and broken or flying bats. The Team shall also be responsible for all claims arising out of personal injuries or property damage caused by flying balls and broken or flying bats, and it shall indemnify, defend, and hold harmless the City, its respective officers, agents, employees and volunteers, as provided in Article XII hereof, for any liabilities which arise in connection with the same.

ARTICLE XXI

FORCE MAJEURE

Section 21.01. The parties hereto, respectively, shall not be in default of this Franchise if either is unable to fulfill, or is delayed in fulfilling, any of its obligations hereunder, or is prevented or delayed from fulfilling its obligations, in spite of its employment of best efforts and due diligence, as a result of natural disasters, catastrophic events, casualties to persons or properties, war, governmental preemption in a national emergency, enactment of a law, rule or regulation or a change in existing laws, rules or regulations which prevents any party's ability to perform its respective obligations under this Franchise, or actions by other persons beyond the exclusive control of the party claiming hindrance or delay. If a party believes that a hindrance or delay has occurred, it shall give prompt written notice to the other party of the nature of such hindrance or delay, its effect upon such party's performance under this Franchise, the action needed to avoid the continuation of such hindrance or delay, and the adverse effects that such hindrance or delay then has or may have in the future on such party's performance. Notwithstanding notification of a claim of hindrance or delay by one party, such request shall not affect, impair or excuse the other party hereto from the performance of its obligations hereunder unless its performance is impossible, impractical or unduly burdensome or expensive, or cannot effectively be accomplished without the cooperation of the party claiming delay or hindrance. The occurrence of such a hindrance or delay may constitute a change in the obligations of the parties or compensation, for example, and may result in the need to modify this Franchise accordingly.

ARTICLE XXII

NO RELOCATION OF TEAM

Section 22.01. The Team agrees not to relocate from the Stadium without City approval. The Team acknowledges that the City will be irreparably harmed by the transfer of the Team's Baseball franchise to a location other than the Stadium during the term (or renewal term) of this Franchise.

A breach of this section shall constitute an event of default under this Franchise, and shall entitle:

- (i) The City to terminate this Franchise immediately and without notice; and
- (ii) The City to receive liquidated damages as stipulated in Article XIII, Section 13.03 hereof.

ARTICLE XXIII

ACKNOWLEDGMENT OF BOND STATUS

Section 23.01. As a material and substantial inducement for the City to enter into this Franchise, the Team agrees that it will not undertake any action or fail to take any action or permit any of its officials, agents or employees to act or fail to act (including, without limitation, entering into one or more management contracts with respect to the Stadium), if any such act or omission shall cause the City to be in default of any of its obligations under or in connection with the bonds issued to finance renovation of the Stadium or shall cause interest paid or hereafter paid on such bonds from time to time to be liable for, or otherwise subject to, taxation by the Commonwealth of Virginia or the United States of America.

ARTICLE XXIV

MISCELLANEOUS

Section 24.01. NONDISCRIMINATION. The Team shall not discriminate, nor permit discrimination, against any person in its employment practices, in any of its contractual arrangements, in all services and accommodations it offers the public, and in any of its other business operations on the grounds of race, color, sex, or national origin, nor exclude any person from participation in, nor deny the benefits of or be otherwise subject to discrimination in the use of the Stadium or providing services on the grounds of race, color, sex, or national origin. Additionally, the Team shall not discriminate against and will make all reasonable efforts to accommodate persons with disabilities as required by the Americans with Disabilities Act.

Section 24.02. GOVERNING LAW. This Franchise shall be construed under and in accordance with the laws of the Commonwealth of Virginia and all litigation shall have venue in the courts located in the City of Lynchburg, Virginia.

Section 24.03. ENTIRE AGREEMENT. This Franchise, with its Exhibit, constitutes the final, complete, and exclusive written expression of the intent of the parties with respect to the subject matter hereof which will supersede all previous verbal and written communications, representations, agreements, promises or statements concerning this Franchise.

Section 24.04. TAXES AND ENCUMBRANCES. The Team shall pay promptly when due, any and all personal property and other taxes imposed. The Team shall not permit any mechanics liens or other encumbrances or liens to exist against the Stadium and shall within thirty (30) days of any such lien or encumbrance being asserted against the Stadium as a result of action or inaction by the Team either cause the same to be released of record, bond or obtain title insurance coverage satisfactory to the City over such lien and proceed diligently to contest the same in good faith.

Section 24.05. SEVERABILITY. If any one or more of the provisions contained in this Franchise shall for any reason be held to be invalid, illegal, or unenforceable in any respect, and if such holding does not affect the ability of the Team to perform and have access to the Stadium as provided for herein, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Franchise shall be construed as if such invalid, illegal or unenforceable

provision was not contained herein.

Section 24.06. NOTICES AND ADDRESSES. All notices required to be given under this Franchise shall be given by date-and-time stamped facsimile, hand delivery with signed receipt, overnight or other courier with signed receipt, or by return receipt certified or registered mail, addressed to the proper party at the following addresses, or at such other address as may be subsequently given pursuant to this Section, and shall be deemed given within seven (7) days of being sent or provided:

If to the City:

City of Lynchburg, VA
Attn: City Manager
900 Church Street
Lynchburg, VA 24504

If to the Team:

Hillcats Baseball LLC
Attn: Dylan Narang
1545 35th St. NW
Washington, DC 20007-2753

Section 24.07. AMENDMENT/MODIFICATION. The City and the Team may agree to modify this Franchise from time to time, however, no amendment, modification, or alteration of the terms of this Franchise shall be binding unless in writing, dated subsequent to the date hereon, and approved in accordance with Section 15.2-2105 of the Code of Virginia, 1950, as amended. However, as determined on a case-by-case basis by the City Manager, minor modifications that do not invoke the requirements of the aforesaid code section and the correction of Scriveners' Errors may be accomplished by the parties without approval of the Lynchburg City Council.

Section 24.08. RIGHTS AND REMEDIES CUMULATIVE. The rights and remedies provided by this Franchise are cumulative and the use of any right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Section 24.09. HEADINGS ONLY FOR REFERENCE. The titles of articles and sections of this Franchise are for reference purposes only and shall be of no binding effect.

Section 24.10. STATUS OF PARTIES. Parties hereto shall be deemed and construed as independent contractors with respect to one another for all purposes and nothing contained in this Franchise shall be determined to create a partnership or joint venture between the Team and the City with respect to the parties' activities conducted at the Stadium pursuant to the terms of this Franchise.

Section 24.11. WAIVER. The waiver by either the Team or the City of any default or breach by the other party of any of the provisions of this Franchise shall not be deemed a continuing waiver or waiver of any other breach by the other party of the same or another provision of this Franchise.

Section 24.12. BINDING EFFECT. This Franchise shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 24.13. REFERENCES TO THE CITY AND THE TEAM. All references to the City and the Team in this Franchise shall be deemed to also be references to such officers, employees, or other designees of the City or the Team as may be appropriate to implement the terms of this Franchise, including officers or employees of any sports authority or similar entity.

Section 24.14. EXHIBITS. All exhibits attached to this Franchise are expressly incorporated into the same and are a part of this Franchise as if fully set out herein.

Section 24.15. SURRENDER. Upon the expiration of this Franchise, or on the sooner termination hereof, the Team shall peaceably and quietly leave, surrender and yield up to the City, the Stadium, free of all occupants and free of all claims by the Team or any other person or entity against the City for any repairs, replacements, or improvements made to the Stadium.

The Stadium shall be returned to the City, including all operational and mechanical systems, in good working order and repair. Any removable property of the Team, which shall remain in the Stadium after the expiration of this Franchise or sooner termination thereof and after the removal of the Team from the Stadium, may, at the option of the City, and after written notice to the Team, be deemed to have been abandoned, and either may be retained by the City as its property or may be disposed of in such manner as the City may see fit.

Upon the expiration or sooner termination of this Franchise, the Team shall also assign to the City such of its licenses, entertainment contracts, and contracts for goods and services which the City, at its option, requires in writing to have the Team assign to it, providing that the City shall be responsible to fulfill only such of those obligations of the Team which arise after such assignment and are attributable to periods after such assignment and be entitled to only those rights which fairly may be apportioned to such obligations. To facilitate such assignments, the Team further agrees to incorporate a provision in each of such contracts, sub-franchises, and licenses by which the other party to that agreement agrees to any future assignment of the Team's rights and obligations thereunder to the City in accordance with the terms of this paragraph.

Upon the expiration or sooner termination of this Franchise, the City shall have the benefit of any and all guarantees or warranties which the Team may possess or be entitled from any person or entity who performed any work or made or supplied any improvements, installations and/or equipment for or to the Stadium which provide for repairs or replacements by the guarantors or warrantors. As to all such guarantees and warranties which are freely assignable, the Team shall, promptly upon request by the City, assign the same to the City.

If the Team elects not to seek renewal of this Franchise, the Team agrees that it will use its best efforts to ensure a smooth transition of the Stadium and business conducted therein back to the City.

Section 24.16. TIME OF THE ESSENCE. Time is of the essence regarding any date in this Franchise and the Exhibits attached hereto.

Section 24.17. CONTRACT REVIEW. In advance of entering into any agreement concerning the Stadium, the Team shall provide a copy of such agreement to the City for its approval.

Section 24.18. MEDIATION. Upon the agreement of the City and the Team, a dispute, except for any claimed default or termination of this Franchise under Article XIII, which cannot be otherwise resolved within thirty (30) days, may be referred to a mediation panel consisting of the City Manager, a Team representative, and a neutral party selected by the Team and the City and expeditiously resolved in accordance, if necessary, with a vote of the majority of the panel. The panel's decision shall be final and conclusive.

Section 24.19. TEAM SIGNS. The City hereby grants the Team the right, subject to the written prior approval of the City, to place a sign or signs, at the Team's sole cost and expense, upon the exterior facade of the Stadium indicating that the Stadium is the home of the Team.

Section 24.20. CAROLINA LEAGUE CHANGES. The Team shall reasonably and promptly provide the City with notice of any proposed modification in the Carolina League Standards, the Carolina League By-Laws, any of the Team's agreements with the Carolina League, and the composition of the member teams in the Carolina League. Such notice shall include the complete text of any modification.

A copy of the Carolina League Standards, the Carolina League By-Laws, any of the Team's agreements with the Carolina League, and the composition of the member teams in the Carolina League shall be provided to the City Manager within thirty (30) days of this Franchise being fully executed.

Section 24.21. LOSS OF REVENUE. The City shall not be liable for any loss of revenue the Team may experience as a result of the repair, maintenance, improvement, or operation of the Stadium property, rights of way, and other publicly owned facilities that are adjacent to the Stadium.

Section 24.22. THIRD-PARTY BENEFICIARIES. No third-party beneficiaries are intended by this Franchise.

Section 24.23. EXECUTION OF FRANCHISE. This Franchise may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one enforceable document. Further, this Franchise may be executed and/or sealed electronically. An electronic signature and/or seal shall be equally as enforceable as an original signature or seal.

Section 24.24. BOND / GOOD AND SUFFICIENT SECURITY. Where requested by the City, pursuant to Section 15.2-2104 of the Code of Virginia, 1950, as amended, the Team shall execute a surety or other bond for the benefit of the City, in an amount not to exceed \$1,000,000, to provide the City with good and sufficient security that the Team will adhere to its obligations and duties under this Franchise.

Section 24.25. NOVATION. This Franchise shall operate as a novation and replace that certain franchise adopted by the Lynchburg City Council on February 23, 2016, accepted by the Lynchburg Baseball Corp., and assigned to the Team as of October 25, 2024.

IN WITNESS WHEREOF, the Team and the City, or duly authorized agents on their behalf, hereby execute and seal this Franchise as of the date first written above.

(Remainder of Page Intentionally Left Blank)
(Signature Pages Follow)

Hillcats Baseball, LLC

By: [Signature]

Its: Principal

Printed Name: SANJU "Dubi" NAANG

State/Commonwealth/ ^{wp} ~~Virginia~~ ^{State} of ~~VA~~ ^{wp} Virginia }

City/County of Amherston , to-wit: }

The foregoing instrument was acknowledged before me on behalf of Hillcats Baseball, LLC, by Sanjiv Kumar, its Principal, on this 8th day of May, 2025.

[Signature]
Notary Public

My Commission Expires: 12/31/2028
My Registration No. 7826725

Affix Notary Seal:



City of Lynchburg

By: [Signature]

Its: City Manager

Printed Name: Wynter C. Benda

(SEAL)

Attest: [Signature]

Its: Clerk of Council

Printed Name: Alicia L. Finney

Approved as to Form:

[Signature]
City Attorney/Designee

State/Commonwealth/ _____ of Virginia }
City/County of Lynchburg , to - wit: }

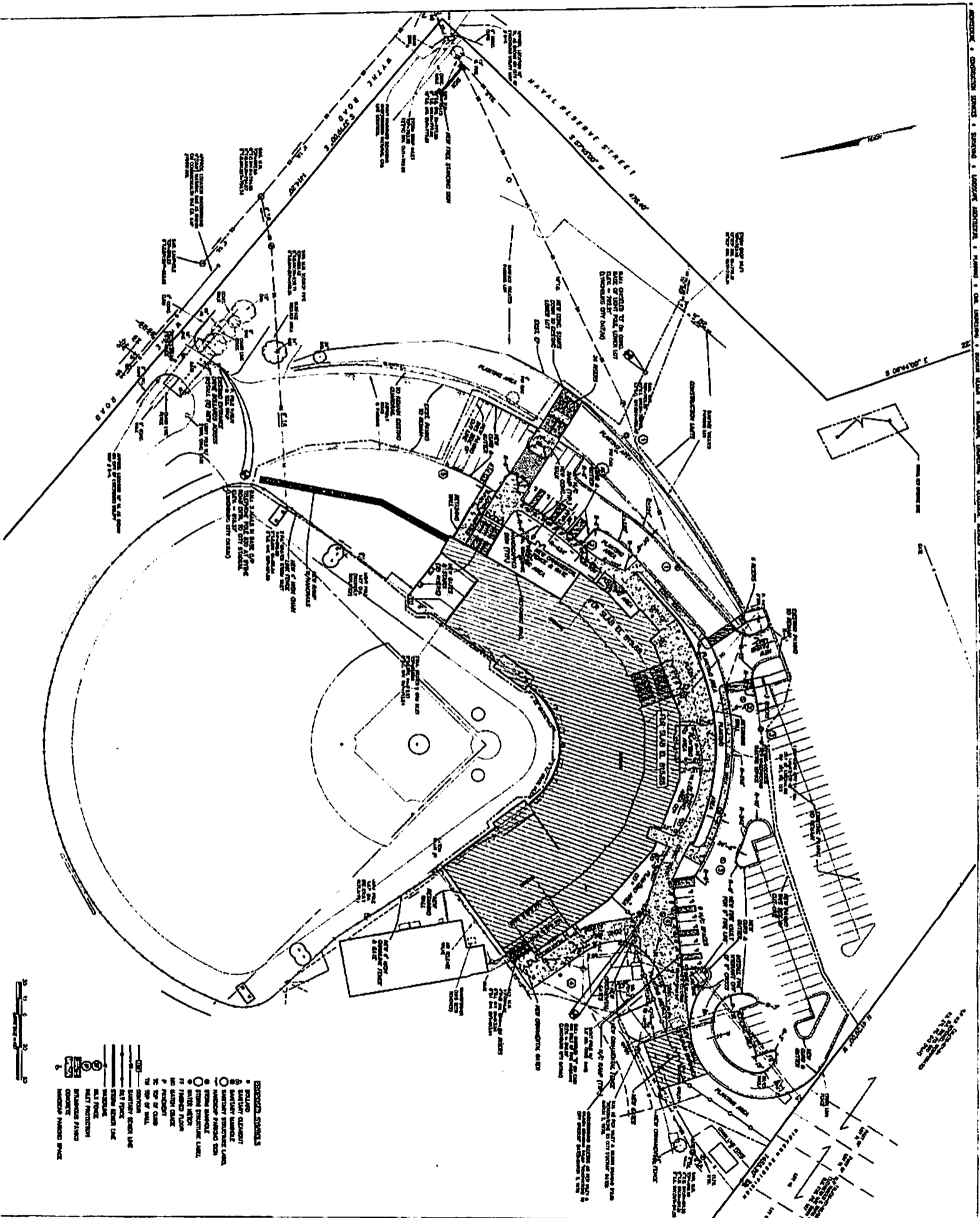
The foregoing instrument was acknowledged before me on behalf of the City of Lynchburg, by Wynter C. Benda, its City Manager, on this 29 day of May, 2025.

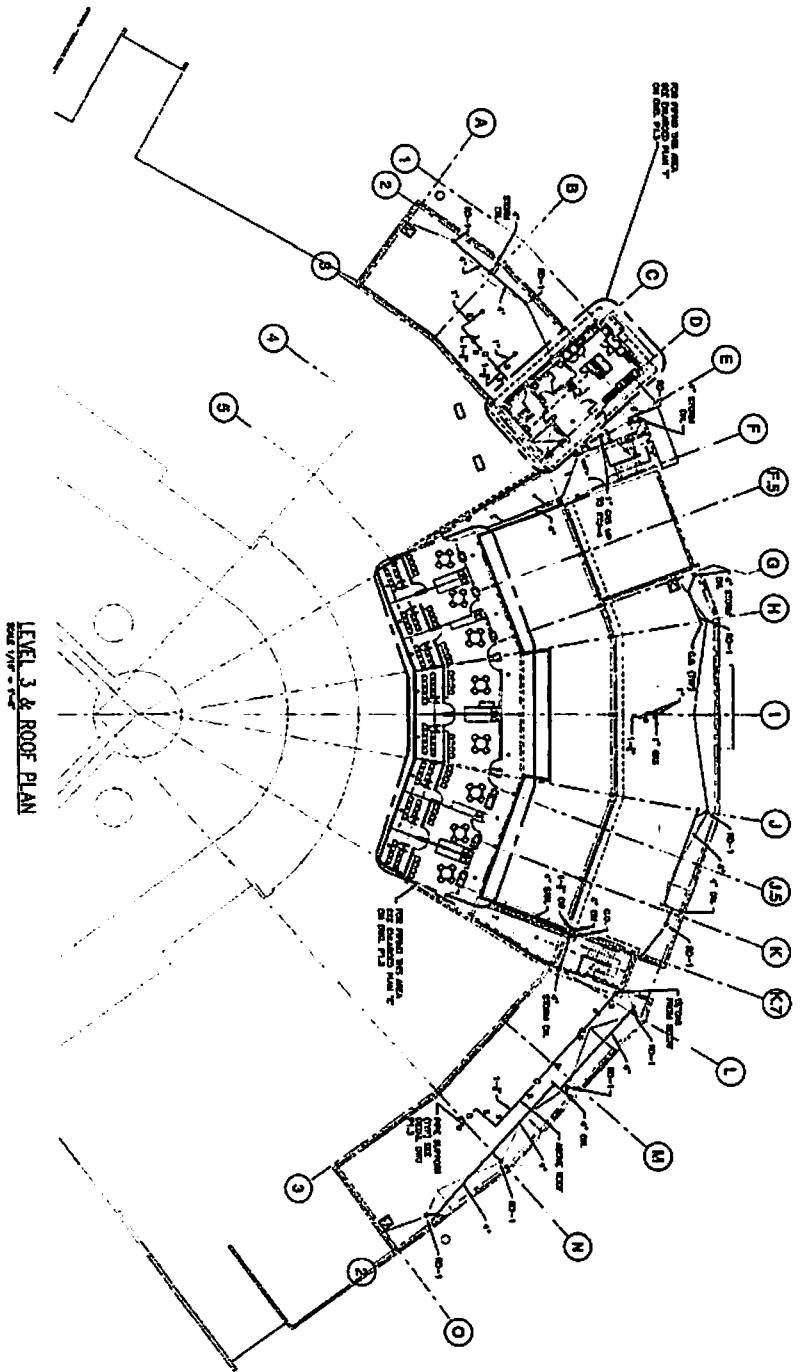
[Signature]
Notary Public

My Commission Expires: 5/31/28
My Registration No. 00281949

Affix Notary Seal:

SAMANTHA STEELE
NOTARY PUBLIC
REGISTRATION # 00281949
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES
MAY 31, 2028





GENERAL NOTES:

1. ALL LEVELS 1 & LEVEL 2 SHALL BE REFERRED TO AS LEVEL 1 UNLESS OTHERWISE NOTED ON THIS PLAN.
2. FINISH FLOOR FINISH FOR ALL CORRIDORS, STAIRS, LOBBIES AND ALL ROOMS SHALL BE AS SHOWN ON THIS PLAN.

ARCHITECTURAL • CONSTRUCTION • ELECTRICAL • MECHANICAL • PLUMBING • SANITARY • STRUCTURAL • INTERIOR • EXTERIOR • FINISHES • MATERIALS • SCHEDULES • SPECIFICATIONS • CONTRACT ADMINISTRATION • PROJECT MANAGEMENT • DESIGN SERVICES • ARCHITECTURAL CONSULTING • INTERIOR DESIGN • EXTERIOR DESIGN • LANDSCAPE ARCHITECTURE • HISTORIC PRESERVATION • ENVIRONMENTAL DESIGN • LEED CERTIFICATION • ARCHITECTURAL RENDERING • PHOTOGRAPHY • VIDEO PRODUCTION • ARCHITECTURAL MODELING • ARCHITECTURAL VISUALIZATION • ARCHITECTURAL REVISIONS • ARCHITECTURAL COORDINATION • ARCHITECTURAL COLLABORATION • ARCHITECTURAL CONSULTING • ARCHITECTURAL SERVICES • ARCHITECTURAL SUPPORT • ARCHITECTURAL ASSISTANCE • ARCHITECTURAL CONSULTANTS • ARCHITECTURAL CONSULTING FIRM • ARCHITECTURAL CONSULTING SERVICES • ARCHITECTURAL CONSULTING COMPANY • ARCHITECTURAL CONSULTING GROUP • ARCHITECTURAL CONSULTING ORGANIZATION • ARCHITECTURAL CONSULTING ENTERPRISE • ARCHITECTURAL CONSULTING CORPORATION • ARCHITECTURAL CONSULTING LIMITED LIABILITY COMPANY • ARCHITECTURAL CONSULTING PARTNERSHIP • ARCHITECTURAL CONSULTING JOINT VENTURE • ARCHITECTURAL CONSULTING ASSOCIATION • ARCHITECTURAL CONSULTING SOCIETY • ARCHITECTURAL CONSULTING INSTITUTE • ARCHITECTURAL CONSULTING BOARD • ARCHITECTURAL CONSULTING COUNCIL • ARCHITECTURAL CONSULTING CONFERENCE • ARCHITECTURAL CONSULTING SYMPOSIUM • ARCHITECTURAL CONSULTING SEMINAR • ARCHITECTURAL CONSULTING WORKSHOP • ARCHITECTURAL CONSULTING FORUM • ARCHITECTURAL CONSULTING MEETING • ARCHITECTURAL CONSULTING LUNCHEON • ARCHITECTURAL CONSULTING DINNER • ARCHITECTURAL CONSULTING BANQUET • ARCHITECTURAL CONSULTING GALA • ARCHITECTURAL CONSULTING AWARDS • ARCHITECTURAL CONSULTING HONORS • ARCHITECTURAL CONSULTING ACHIEVEMENTS • ARCHITECTURAL CONSULTING DISTINCTIONS • ARCHITECTURAL CONSULTING RECOGNITIONS • ARCHITECTURAL CONSULTING APPRECIATIONS • ARCHITECTURAL CONSULTING GRATITUDES • ARCHITECTURAL CONSULTING THANKS • ARCHITECTURAL CONSULTING RESPECTS • ARCHITECTURAL CONSULTING ADMIRATIONS • ARCHITECTURAL CONSULTING ESTEEMS • ARCHITECTURAL CONSULTING VALUATIONS • ARCHITECTURAL CONSULTING APPRECIATIONS • ARCHITECTURAL CONSULTING GRATITUDES • ARCHITECTURAL CONSULTING THANKS • ARCHITECTURAL CONSULTING RESPECTS • ARCHITECTURAL CONSULTING ADMIRATIONS • ARCHITECTURAL CONSULTING ESTEEMS • ARCHITECTURAL CONSULTING VALUATIONS

INSTRUMENT 250003419
RECORDED IN THE CLERK'S OFFICE OF
LYNCHBURG CIRCUIT COURT ON
JUNE 3, 2025 AT 11:10 AM
TODD SWISHER, CLERK
RECORDED BY: TKL



OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE : 06/03/2025 TIME : 11:10:55

RECEIPT # : 25000009265 TRANSACTION # : 25060300034

CASHIER : TKL REGISTER # : C699

INSTRUMENT : 250003419 BOOK : PAGE :

GRANTOR : LYNCHBURG CITY OF

GRANTEE : HILLCATS BASEBALL L L C

RECEIVED OF : LYNCHBURG CITY OF

ADDRESS :

CASH : \$0.00

DESCRIPTION 1 : SEE AGREEMENT

NAMES : 0

CONSIDERATION : \$0.00 AVVAL : \$0.00

CASE # : 680CLR250003419

FILING TYPE : AG

RECORDED : 06/03/2025

EX : N

EX : N

PAYMENT : FULL PAYMENT

AT : 11:10

LOC : CI

PCT : 100%

PAGES : 031

OP : 0

PIN OR MAP : 01202001

ACCOUNT CODE	DESCRIPTION	PAID	ACCOUNT CODE	DESCRIPTION	PAID
035	VIRGINIA OUTDOOR FOUNDATION	\$0.00	145	VSLF	\$0.00
106	TECHNOLOGY TRST FND	\$0.00	301	CLERK RECORDING/INDEXING FEE	\$0.00

TENDERED : \$ 0.00
AMOUNT PAID : \$ 0.00

AN ORDINANCE AUTHORIZING AMENDMENTS TO THE FRANCHISE AGREEMENT ENTITLED "A BASEBALL STADIUM FRANCHISE AGREEMENT BY AND BETWEEN THE CITY OF LYNCHBURG AND HILLCATS BASEBALL, LLC", DATED APRIL 1, 2025; MORE SPECIFICALLY AUTHORIZING AMENDMENTS TO SECTION 7.02 OF ARTICLE VII AND SECTION 24.24 OF ARTICLE XXIV OF SUCH FRANCHISE AGREEMENT

ORDINANCE:

#O-26-___

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Section 7.02 of Article VII and Section 24.24 of Article XXIV of the Franchise Agreement between the City of Lynchburg and Hillcats Baseball, LLC d/b/a Hill City Howlers entitled "A Baseball Stadium Franchise Agreement by and between the City of Lynchburg and Hillcats Baseball, LLC", dated April 1, 2025, may be amended to reflect as follows:

Section 7.02. ANNUAL RENT. The Team, without notice or demand, shall pay to the City \$132,500 as annual rent ("Annual Rent") each year that this Franchise is in effect. The Annual Rent will be paid to the City in two (2) parts: half on April 1 and half on September 1. The Annual Rent will increase each year by the actual CPI for the City of Lynchburg, Virginia area.

Section 24.24. BOND / GOOD AND SUFFICIENT SECURITY. Where requested by the City, pursuant to Section 15.2-2104 of the Code of Virginia, 1950, as amended, the Team, or another person or entity for the benefit of the Team, shall execute a guaranty, bond, letter of credit, or other security for the benefit of the City, in an amount determined appropriate by the City, in order to provide the City with good and sufficient security that the Team will adhere to its obligations and duties under this Franchise.

2. That all other sections, parts, provisions, terms, and conditions of the said Franchise Agreement between the City of Lynchburg and Hillcats Baseball, LLC d/b/a Hill City Howlers not addressed herein remain and continue in full force and effect.

3. That this Council is of the opinion that this Ordinance and the amendments to the said Franchise Agreement authorized hereby do not trigger the requirements described in Section 15.2-2105 of the Code of Virginia, 1950, as amended.

4. That the City Manager is authorized to execute any and all documents and to take any and all actions necessary to ensure the amendments to the said Franchise Agreement permitted hereby are executed on behalf of the City of Lynchburg. Further, any previous actions taken in connection with the same are hereby ratified and approved.

5. That this Ordinance shall be effective upon its adoption.

Adopted: _____

Certified: _____
Clerk of Council

AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Kenneth Turner

AGENDA ITEM # II.2

Department of Homeland Security Federal Emergency Management Agency (DHS/FEMA) FY 2025 Fire Prevention and Safety Grant (FP&S)

RECOMMENDATION

Approve the submittal of a grant application to the Department of Homeland Security Federal Emergency Management Agency (DHS/FEMA) FY 2025 Fire Prevention and Safety Grant (FP&S) for \$103,000 with resources of \$98,095 from DHS/FEMA grant and \$4,905 from the FY 2027 General Fund Fire Department for projects related to fire prevention education and training, fire code enforcement, fire/arson investigation, firefighter safety and health programming, strategic national projects, prevention efforts, and research and development.

SUMMARY

DHS/FEMA awards grant funding to provide critically needed resources that equip and train emergency personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience.

The Fire Department would like to submit a grant application for \$103,000 to DHS/FEMA for three projects related to Community Risk Reduction-Juvenile Fire Setter Project, Code Enforcement-Support for Conducting Inspections or Preplanning, and Origin and Cause Investigation Equipment. The Community Risk Reduction Juvenile Fire Setters project totaling \$25,000 and will include purchases and training needed to re-implement the program. The Code Enforcement project totaling \$5,500 will include purchases needed for support in conducting fire inspections. The Origin and Cause Investigation Equipment totaling \$72,000 will include a new staff vehicle that would provide cancer risk reduction protection, better respiratory protection equipment, and new cameras for scene documentation.

This is a 95/5 matching grant with DHS/FEMA providing \$98,095 and the local match of \$4,905. Award notification will be made by September 30, 2026.

PRIOR ACTION(S)

None

FISCAL IMPACT

\$4,905 in matching funds will be provided from the FY 2027 General Fund Fire Department budget. Future funds will be needed for periodic maintenance of the equipment.

CONTACT(S)

Kenneth Turner

ATTACHMENT(S)

None

REVIEWED BY

Mercedes Braun, Assistant to the City Manager

Date:

Wynter Benda, City Manager

Date:

Alicia Finney-Andrews, Clerk of Council

Date:

AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Donna Witt, Chief Financial Officer

AGENDA ITEM # II.3

FY 2027 Budget Amendment - Fire Assessment

RECOMMENDATION

Adopt Ordinance #O-26-___ to amend the FY 2027 General Fund budget and appropriate \$310,800 with resources from the FY 2027 General Fund Reserve for Contingencies to fund the Lynchburg Fire Department (LFD) for the following purposes:

1. Conduct a detailed staffing assessment of the department
2. Create a full-time civilian human resources leadership position in LFD
3. Create a full-time sworn position to coordinate department-wide training in LFD

SUMMARY

The City of Lynchburg engaged Raftelis, a nationally recognized public-sector advisory firm, to conduct an independent assessment of the Lynchburg Fire Department's organizational climate, culture, and hiring processes. As a result of the assessment, the following recommendations were made:

1. Recommendation 3: Elevate the role of Emergency Management Services (EMS) within the Department's organizational structure and culture. A detailed staffing assessment is required to support this recommendation. The assessment would consider EMS workload and current staffing levels and shift schedules to meet service demand. From there alternative staffing structures could be analyzed based on industry practice with associated City staffing costs for potential changes to overall staffing levels. Given the existing service demand and workload requirements, it is likely any changes to the staffing structure may increase the number of sworn paramedics and associated personnel costs. Analysis should also consider the evaluation of 24/72 hour shifts. Cost not given by the consultant; estimated cost up to \$100,000.
2. Recommendation 4: Create a dedicated Human Resources leadership position that is embedded within the Department. The estimated cost of this full-time civilian position is \$75,000 for the salary and \$27,000 for benefits, for a total cost of \$102,000.
3. Recommendation 11: Establish a formal training program for current line staff. Adding a Lieutenant or Captain to coordinate department-wide training would establish a more sustainable training structure for the Department. The estimated cost of this sworn position is \$80,000 for the salary and \$28,800 for benefits, for a total cost of \$108,800.

PRIOR ACTION(S)

FISCAL IMPACT

Use of \$310,800 from the FY 2027 General Fund Reserve for Contingencies

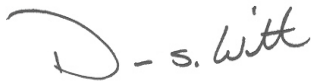
CONTACT(S)

Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. Ordinance - LFD 06-23-26

REVIEWED BY



Donna Witt, Chief Financial Officer

Date: June 16, 2026



Gregory Patrick, Deputy City Manager

Date: June 18, 2026



Alicia Finney-Andrews, Clerk of Council

Date: June 18, 2026

ORDINANCE:

#O-26-___

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG that the FY 2027 General Fund budget is amended and \$310,800 is appropriated with resources from the FY 2027 General Fund Reserve for Contingencies to fund a detailed staffing assessment, a full-time civilian human resources leadership position, and a full-time sworn position to coordinate department-wide training in the Fire Department.

Introduced:

Adopted:

Certified:

Clerk of Council

AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Timothy Mitchell, Director of Water Resources

AGENDA ITEM # II.4

FY 2027 Budget Amendments - Water and Stormwater Capital Projects Fund

RECOMMENDATION

Following a public hearing adopt Ordinance #O-26-___ to amend and appropriate \$36,383,600 to the Water Capital Projects Fund and \$1,300,000 to the Stormwater Capital Projects Fund to address capital needs in said funds. The Water Capital Projects Fund appropriation includes \$31,383,600 in supplemental general obligation public improvement bonds and \$5,000,000 from the Virginia Resources Authority. The Stormwater Capital Projects Fund includes \$1,300,000 in supplemental general obligation public improvement bonds.

SUMMARY

On May 12, 2026, City Council voted not to approve proposed Water and Stormwater rate increases, resulting in unbalanced FY 2027 Budgets for the Water Operating Fund and Stormwater Operating Fund. Budget balancing efforts were presented during the May 26, 2026 work session meeting listing twenty-three (23) Water capital projects and fifteen (15) Stormwater capital projects that would be deferred one year. Also presented was the Virginia Department of Health (VDH) (Virginia Resources Authority - Drinking Water State Revolving Fund) loan funding package of \$15,000,000 for Lead Service Line Investigation and Replacement, \$5,000,000 more than the loan application, thus not included in the proposed FY 2027 Water Capital Improvement Program. The \$15,000,000 VDH funding package includes \$7,500,000 loan and \$7,500,000 principal forgiveness.

On May 26, 2026, the ordinance to adopt the FY 2027 Capital Improvement Program Budget with deferred Water and Stormwater projects was approved by City Council. Also on May 26, 2026, City Council requested a public hearing to revisit the FY 2027 proposed Water and Stormwater rates.

On June 9, 2026, the ordinances to adopt the original proposed FY 2027 Water and Stormwater rate increases and FY 2027 Water and Stormwater Operating Budgets were approved by City Council. This adoption allows funding for the deferred Water Capital and Stormwater Capital Projects that were not included in the adopted FY 2027 Capital Improvement Program Budget.

PRIOR ACTION(S)

May 12, 2026: City Council Meeting, FY 2027 Budget - First Reading

May 26, 2026: City Council Work Session, Business Item Briefing
City Council Meeting, Adoption of FY 2027 Water and Stormwater CIP

June 9, 2026: City Council Meeting, Adoption of the Water and Stormwater Rate Increases

FISCAL IMPACT

As described in the attached Ordinance.

CONTACT(S)

Timothy Mitchell, Director of Water Resources

ATTACHMENT(S)

1. Ordinance to Amend FY 2027 Water and Stormwater CIP Amendments

REVIEWED BY



Timothy Mitchell, Director of Water Resources

Date: June 15, 2026



Gregory Patrick, Deputy City Manager

Date: June 18, 2026



Alicia Finney-Andrews, Clerk of Council

Date: June 18, 2026

ORDINANCE:

#O-26-_____

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG that the FY 2027 Adopted Budget is hereby amended and \$36,383,600 is appropriated to the Water Capital Projects Fund and \$1,300,000 to the Stormwater Capital Projects Fund to address capital needs in said funds. The Water Capital Projects Fund appropriation includes \$31,383,600 in supplemental general obligation public improvement bonds and \$5,000,000 from the Virginia Resources Authority. The Stormwater Capital Projects Fund includes \$1,300,000 in supplemental general obligation public improvement bonds.

Introduced:

Adopted:

Certified: _____
Clerk of Council

AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Donna Witt, Chief Financial Officer

AGENDA ITEM # III.5

FY 2026 General Fund Reserve for Contingencies Update

RECOMMENDATION

Receive an update on the FY 2026 General Fund Reserve for Contingencies.

SUMMARY

The General Fund Reserve for Contingencies is a reserve in the General Fund Operating Budget designed to provide a source of funding for items not included in the current budget. Requests for use of this reserve are recommended by the Finance Committee with final approval by City Council.

The FY 2026 Reserve for Contingencies was adopted at \$1,200,000, including \$50,000 for City Manager's Discretionary expenditures. Updates are presented at the Finance Committee meeting.

PRIOR ACTION(S)

June 30, 2025: City Council, Adoption of the FY 2026 Operating Budget

FISCAL IMPACT

As noted in Attachment A.

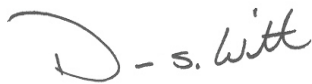
CONTACT(S)

Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. General Fund Reserve for Contingencies FY 2026 - Finance Committee - June 2026

REVIEWED BY



Donna Witt, Chief Financial Officer

Date: June 18, 2026

FY 2026 GENERAL FUND RESERVE FOR CONTINGENCIES

	<u>Reserve for Contingencies</u>	<u>City Manager's Discretionary Funding</u>
BEGINNING BALANCE, JULY 1, 2025	\$116,160	\$50,000
Carryforward to FY 2026 Reserve for Contingencies - FY 2026 Adopted Budget	1,033,840	0
BALANCE	<u>\$1,150,000</u>	<u>\$50,000</u>
APPROPRIATIONS (Second Reading)		
Discretionary External Service Providers - Funding for Central Virginia Alliance for Community Living (CVACL) (10/28/2025)	(\$25,000)	
Third Quarter Adjustments - Finance Committee 04/28/2026; 1st Reading 05/12/2026; 2nd Reading 05/26/2026	(\$628,050)	
TOTAL APPROPRIATIONS	<u>(\$653,050)</u>	<u>\$0</u>
REMAINING BALANCE	<u>\$496,950</u>	<u>\$50,000</u>
ITEMS INTRODUCED		
Unassigned General Fund Balance - Restore funding to Reserve for Contingencies appropriated for CVACL (01/27/2026- Not Adopted)	\$0	
TOTAL INTRODUCED ITEMS	<u>\$0</u>	<u>\$0</u>
REMAINING BALANCE	<u>\$496,950</u>	<u>\$50,000</u>
PENDING ITEMS		
TOTAL PENDING ITEMS	<u>\$0</u>	<u>\$0</u>
ENDING BALANCE, JUNE 30, 2026	<u>\$496,950</u>	<u>\$50,000</u>



AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Donna Witt, Chief Financial Officer

AGENDA ITEM # III.6

Monthly Revenue Collections Update

RECOMMENDATION

Review collections received from five of the City's revenue sources during Fiscal Year 2026. This report reflects revenues collected through April 2026.

SUMMARY

A comparison of collections received by month is provided for the following revenues:

1. Sales and Use Tax
2. Consumer Utility Tax - Electric
3. Meals Tax
4. Lodging Tax
5. Amusement Tax

PRIOR ACTION(S)

June 30, 2025: City Council, Adoption of the FY 2026 Operating Budget

FISCAL IMPACT

As noted on report.

CONTACT(S)

Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. Monthly Tax Revenues Comparison FY 2026- Finance Committee - June 2026

REVIEWED BY

Donna Witt, Chief Financial Officer

Date: June 18, 2026

**Comparison of Collections
Budget to Actual
Fiscal Year 2026**

	Actual FY 2023	Actual FY 2024	Actual FY 2025	Adopted FY 2026	Actual FY 2026	Actual FY 2026 to Adopted FY 2026	Actual FY 2026 to Actual FY 2025
SALES & USE TAX							
ADOPTED FY 2026 BUDGET - \$22,750,000							
JULY	\$1,752,856	\$1,756,307	\$1,858,086	\$1,870,016	\$1,931,527	\$61,511	\$73,441
AUGUST	1,734,950	1,735,715	1,925,891	1,938,257	1,942,239	3,982	16,348
SEPTEMBER	1,910,727	1,873,719	1,782,891	1,794,339	1,961,177	166,838	178,286
OCTOBER	1,826,541	1,779,505	1,873,631	1,885,661	2,011,670	126,009	138,039
NOVEMBER	1,755,273	1,849,100	1,909,776	1,922,038	1,968,726	46,688	58,950
DECEMBER	2,339,927	2,244,272	2,339,069	2,354,088	2,337,717	(16,371)	(1,352)
JANUARY	1,470,075	1,626,161	1,608,074	1,618,399	1,708,812	90,413	100,738
FEBRUARY	1,697,755	1,834,554	1,548,164	1,558,105	1,787,299	229,194	239,135
MARCH	1,887,157	1,874,286	1,964,468	1,977,081	2,027,297	50,216	62,829
APRIL	1,785,557	1,806,533	1,938,010	1,950,453	1,972,808	22,355	34,798
TOTAL	\$18,160,818	\$18,380,152	\$18,748,061	\$18,868,437	\$19,649,272	\$780,835	\$901,211

CONSUMER UTILITY TAX - ELECTRIC
ADOPTED FY 2026 BUDGET - \$3,500,000

JULY	\$323,534	\$305,391	\$328,167	\$317,402	\$339,553	\$22,151	\$11,386
AUGUST	326,175	315,489	326,991	316,265	325,884	9,619	(1,107)
SEPTEMBER	316,174	313,758	302,612	292,686	289,382	(3,304)	(13,230)
OCTOBER	264,598	259,987	258,383	249,908	257,677	7,769	(706)
NOVEMBER	248,183	240,492	247,468	239,351	253,022	13,671	5,554
DECEMBER	339,268	336,512	319,405	308,928	314,587	5,659	(4,818)
JANUARY	359,207	350,274	372,667	360,443	323,242	(37,201)	(49,425)
FEBRUARY	311,595	317,994	356,718	345,017	332,049	(12,968)	(24,669)
MARCH	287,499	278,122	290,243	280,723	362,389	81,666	72,146
APRIL	266,517	261,471	245,048	237,010	294,799	57,789	49,751
TOTAL	\$3,042,750	\$2,979,490	\$3,047,702	\$2,947,733	\$3,092,584	\$144,851	\$44,882

	Actual Collected FY 2023 ²	Actual Collected FY 2024 ²	Actual Collected FY 2025 ²	Adopted FY 2026	Actual Assessed FY 2026	Actual Assessed FY 2026 to Adopted FY 2026	Actual Collected FY 2026 ²	Actual Collected FY 2026 to Adopted FY 2026	Actual Collected FY 2026 to Collected FY 2025
MEALS TAX									
ADOPTED FY 2026 BUDGET - \$21,300,000									
JULY ¹	\$1,450,812	\$1,445,285	\$1,463,383	\$1,590,630	\$1,700,163	\$109,533	\$1,616,323	\$25,693	\$152,940
AUGUST	1,608,171	1,701,730	1,754,060	1,765,606	1,848,535	82,929	1,892,045	126,439	137,985
SEPTEMBER	1,636,715	1,815,499	1,740,798	1,778,754	1,841,793	63,039	1,814,319	35,565	73,521
OCTOBER	1,677,356	1,759,675	1,731,117	1,832,512	1,912,162	79,650	1,857,389	24,877	126,272
NOVEMBER	1,531,231	1,672,125	1,734,682	1,778,352	1,804,744	26,392	1,802,992	24,640	68,310
DECEMBER	1,727,245	1,730,918	1,665,808	1,801,232	1,783,347	(17,885)	1,572,578	(228,654)	(93,230)
JANUARY	1,550,911	1,497,034	1,573,286	1,580,612	1,559,581	(21,031)	1,695,625	115,013	122,339
FEBRUARY	1,674,080	1,666,914	1,388,842	1,637,657	1,748,867	111,210	1,782,807	145,150	393,965
MARCH	1,765,436	1,629,726	2,069,101	1,978,744	1,945,172	(33,572)	1,937,810	(40,934)	(131,291)
APRIL	1,722,735	1,827,155	1,961,609	1,860,237	1,908,096	47,859	1,932,095	71,858	(29,514)
TOTAL	\$16,344,692	\$16,746,061	\$17,082,686	\$17,604,336	\$18,052,460	\$448,124	\$17,903,983	\$299,647	\$821,297
LODGING TAX									
ADOPTED FY 2026 BUDGET - \$4,100,000									
JULY ¹	\$268,473	\$287,424	\$323,561	\$324,960	\$366,190	\$41,230	\$339,338	\$14,378	\$15,777
AUGUST	335,707	367,347	400,907	428,669	368,628	(60,041)	356,778	(71,891)	(44,129)
SEPTEMBER	301,809	341,274	327,595	356,562	353,098	(3,464)	367,705	11,143	40,110
OCTOBER	384,448	411,122	376,203	402,390	429,179	26,789	419,922	17,532	43,719
NOVEMBER	241,126	297,618	273,200	285,969	299,561	13,592	362,529	76,560	89,329
DECEMBER	251,366	229,855	204,711	217,617	230,289	12,672	241,063	23,446	36,352
JANUARY	265,409	244,962	248,082	263,386	249,215	(14,171)	252,287	(11,099)	4,205
FEBRUARY	289,815	296,436	276,505	300,503	308,816	8,313	304,518	4,015	28,013
MARCH	316,835	298,825	338,553	358,350	339,323	(19,027)	336,846	(21,504)	(1,707)
APRIL	303,992	339,075	297,280	324,841	342,051	17,210	308,759	(16,082)	11,479
TOTAL	\$2,958,980	\$3,113,938	\$3,066,597	\$3,263,247	\$3,286,350	\$23,103	\$3,289,745	\$26,498	\$223,148
AMUSEMENT TAX									
ADOPTED FY 2026 BUDGET - \$950,000									
JULY ¹	\$46,938	\$88,097	\$83,599	\$82,666	\$90,209	\$7,543	\$81,876	(\$790)	(\$1,723)
AUGUST	97,916	62,359	79,458	75,976	85,830	9,854	87,713	11,737	8,255
SEPTEMBER	60,593	62,730	70,629	68,479	81,063	12,584	88,804	20,325	18,175
OCTOBER	70,383	93,525	81,550	79,223	87,315	8,092	86,351	7,128	4,801
NOVEMBER	64,081	57,177	91,894	90,359	89,411	(948)	89,901	(458)	(1,993)
DECEMBER	84,585	102,333	108,913	106,095	112,482	6,387	85,436	(20,659)	(23,477)
JANUARY	65,873	61,315	60,978	61,899	72,318	10,419	99,977	38,078	38,999
FEBRUARY	66,994	74,195	67,473	66,026	82,863	16,837	80,474	14,448	13,001
MARCH	81,059	81,332	84,347	83,491	81,753	(1,738)	73,963	(9,528)	(10,384)
APRIL	79,549	71,102	85,398	88,257	89,211	954	96,608	8,351	11,210
TOTAL	\$717,971	\$754,165	\$814,239	\$802,471	\$872,455	\$69,984	\$871,103	\$68,632	\$56,864

¹ Due to year end accounting activities, a portion of revenues associated with May and June were posted in June and July.

² "Actual Collected" includes all revenue received per month regardless of whether the payment is current or delinquent.



AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Donna Witt, Chief Financial Officer

AGENDA ITEM # III.7

State Budget Update

RECOMMENDATION

Receive an update on the State Budget.

SUMMARY

The Commonwealth of Virginia legislative bodies continue to negotiate items for the adoption of the 2026-28 Biennial Budget. The House and Senate revised proposals continue to differ on tax revenue and spending initiatives to maintain a structurally balanced budget.

PRIOR ACTION(S)

NA

FISCAL IMPACT

CONTACT(S)

Donna Witt, Chief Financial Officer

ATTACHMENT(S)

None

REVIEWED BY

Donna Witt, Chief Financial Officer

Date: June 22, 2026



AGENDA ITEM SUMMARY

MEETING DATE

June 23, 2026

PRESENTED BY

Donna Witt, Chief Financial Officer

AGENDA ITEM # III.8

Record of Votes - Finance Committee Meeting: May 26, 2026

RECOMMENDATION

Receive a record of votes from the April 28, 2026 Finance Committee meeting.

SUMMARY

A record of votes is provided for agenda items voted on by the Finance Committee at the specified meeting date.

PRIOR ACTION(S)

FISCAL IMPACT

CONTACT(S)

Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. Record of Votes - Finance Committee Meeting May 26, 2026

REVIEWED BY

Donna Witt, Chief Financial Officer

Date: June 18, 2026



FINANCE COMMITTEE City Council Committee

Tuesday, May 26, 2026 | 3:00 PM
2nd Floor Training Room- City Hall
900 Church Street
Lynchburg, VA 24504

ATTENDEES

Committee Members: *Attending:* Council Member Stephanie Reed, Chair; Council Member Sterling Wilder; Council Member Chris Faraldi; Mayor Larry Taylor, Ex-Officio.

Others: Greg Patrick, Deputy City Manager.

AGENDA

I. Welcome

Councilmember Stephanie Reed, Chair

Councilmember Stephanie Reed called the meeting to order at 3:00 p.m. in the 2nd Floor Training Room – City Hall.

II. General Business

- II.1.** Adjustment to the Income Limit for Tax Relief for the Elderly and Disabled
Mitchell Nuckles, Commissioner of the Revenue, presented this item to consider approval of an ordinance amending Section 36-175 or Article IV of Chapter 36 of the City Code to ensure continued real estate tax relief for qualifying elderly and disabled persons in the City.

The motion was made, seconded, and approved, by a 3-0 vote, to recommend approval of this item. This item will move forward for City Council consideration at the June 9, 2026 meeting.

III. Quarterly Reports

- III.2.** Quarterly Reports - Quarter Ending March 31, 2026

A) Greater Lynchburg Transit Company (GLTC) - (Joshua Moore was unable to attend meeting; no oral report was presented.)

B) Lynchburg Regional Airport Fund

C) Lynchburg Regional Juvenile Detention Center

D) Children's Services Act Fund

E) Water Operating Fund

F) Sewer Operating Fund

G) Stormwater Operating Fund

H) General Fund

IV. Other Information

- IV.3.** FY 2026 General Fund Reserve for Contingencies Update

- IV.4.** Monthly Revenue Collections Update

IV.5. Record of Votes - Finance Committee Meeting: April 28, 2026

V. Roll Call

VI. Next Regular Meeting

VI.6. The next Finance Committee meeting is Tuesday, June 23, 2026 at 3 p.m.

Councilmember Reed adjourned the meeting at 3:30 p.m.