

RESOLUTION

RESOLUTION REGARDING SUBORDINATION OF RENT LIEN PRIORITY TO CITIZENS

AND FARMERS BANK FOR A LEASE WITH BILLSBURG BREWERY, INC.

WHEREAS, the Economic Development Authority of James City County, Virginia, (the "EDA") subleases a portion of the James City County Marina located at 2054 Jamestown Road, Williamsburg, Virginia, (the "Property") to Billsburg Brewery, Inc. ("Billsburg") by lease dated December 9, 2016 (the "Lease"); and

WHEREAS, the Lease states that, upon request of Billsburg, the EDA shall subordinate its lien priority for rent to a Purchase Money Security Interest, but contains no other provision for automatic lien waiver or subordination; and

WHEREAS, Billsburg desires to obtain a revolving line of credit from Citizens and Farmers Bank, a Virginia corporation (the "Bank") in order to fund brewery operations on the Property; and

WHEREAS, Billsburg and the Bank have requested that the EDA subordinate its lien priority for rent to the Bank in the amount of Two Hundred Thousand Dollars (\$200,000) in order for the Bank to secure its interest with equipment and other personal property owned by Billsburg located on the Property; and

WHEREAS, the EDA finds that subordinating its lien priority under the Lease as requested will not adversely impact its ability to collect future rent owed to the EDA.

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Authority of James City County, Virginia, hereby authorizes its Chairman or Vice Chairman to execute those documents necessary to subordinate its lien priority for rent to the interest held by Citizen and Farmers Bank, up to a maximum of Two Hundred Thousand Dollars (\$200,000).

The undersigned hereby certifies that the above Resolution was duly adopted by the directors of the Economic Development Authority of James City County, Virginia, at a meeting duly called and held on December 14, 2017 and that such resolution is in full force and effect on the date hereof.

[Handwritten Signature]

Chairman, Economic Development Authority
James City County, Virginia

ATTEST:

[Handwritten Signature]
Amy Jordan
Secretary to the EDA

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
SHIPPEY			✓
CARSON	✓		
ODLE	✓		
GERHARDT			✓
BLEDSON	✓		
WARNER	✓		
TINGLE	✓		

Adopted by the Economic Development Authority of James City County, Virginia, this 14th day of December, 2017.

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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made on this the 14th day of December, 2017 by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, (the "Landlord"), party of the first part, and **CITIZENS AND FARMERS BANK**, a Virginia corporation (the "Bank"), party of the second part.

WHEREAS, by lease from the County of James City, Virginia (the "County") dated August 2, 2016, the Landlord has possessory interest in a portion of property located at 2054 Jamestown Road, Williamsburg, Virginia, and further identified as a portion of JCC Tax Map Parcel ID No. 4640100012 (the "Property"); and

WHEREAS, the Landlord has entered into a certain lease agreement with Billsburg Brewery, Inc. (the "Tenant") dated December 9, 2016 (the "Lease Agreement"), to lease a portion of the Property for purposes of constructing and operating a brewery and taproom (the "Premises"). The Premises is more fully described in the Lease Agreement, which is incorporated herein by reference; and

WHEREAS, the Lease Agreement states that, upon request of the Tenant, the Landlord shall subordinate its lien priority for rent to a Purchase Money Security Interest, but contains no other provision for automatic lien waiver or subordination; and

WHEREAS, the Tenant is obtaining financing from the Bank for a revolving line of credit and the Bank desires that the Landlord subordinate its lien priority on the trade fixtures, personal property, equipment, inventory, and merchandise that shall be secured by the UCC-1 Blanket Lien.

NOW, THEREFORE, in consideration of the terms of the Lease Agreement and the sum of ONE

CITIZEN AND FARMERS BANK, a Virginia Corporation

By: BN BN

Its ASSISTANT VICE PRESIDENT and duly authorized agent

STATE OF VIRGINIA
CITY/COUNTY OF James City to-wit:

The foregoing instrument was duly subscribed, sworn to and acknowledged before me by Bradford Bonney, in his/her capacity as Assistant Vice President and duly authorized representative of **Citizen and Farmers Bank**, a Virginia Corporation, on this the 15th day of December, 2017.

Teresa J. Fellows
Notary Public
My commission expires: 28 February 2019

TERESA J. FELLOWS
NOTARY PUBLIC
REG. #7651910
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES FEB. 28, 2019