

**Highlights of the DRAFT Gift
From
Black Kettle, LLC
To
Rappahannock County Public Library
Board of Trustees
as of
September 29 2026**

The transaction contemplates the parties entering into a **Gift Lease**, pursuant to which Black Kettle gifts to the Library a long-term leasehold in a to-be-constructed building at Rush River II. The transaction also contemplates the parties entering into an **Operating Agreement** that addresses matters related to the Library's operation at Rush River II.

This Highlights document is a summary of the critical terms and conditions of these agreements, which could change prior to signature, and is not intended as a replacement for the draft or final agreements. If there is a conflict between this summary and the draft or final, signed agreements, the final, signed agreements will prevail. You can find a copy of the draft agreements at the Library's website: <https://rappahannocklibrary.org/expansion-renovation/>.

With the release of the draft documents on September 29, 2026, the public has thirty (30) days to review and comment. Library Board members welcome your comments. Please reach out to any or all of the Trustees with your written comments. Our email addresses are posted on the Library's website, see above.

A vote on whether or not to move forward with this transaction is expected at the Library Board's regular board meeting on October 29, 2026.

Gift Lease

Black Kettle has agreed to build a new 8,000 square foot library and 1,000 square foot meeting room at Rush River II based on a Site Plan, Elevation Plan and Interior Plan, developed with both parties' architects and based on the Library's 2020 facility study. **The building will be built to meet the Library's stated requirements and goals and will be fully ADA compliant.**

Black Kettle has agreed to pay **100%** of the construction, permitting, and project management costs and will assume all the investment and construction

risk for the project. **This saves the Library all capital expansion costs and substantially diminishes other financial risks.**

Black Kettle **does have the right to revoke** the Gift Lease before lease commencement if the project is not economically feasible or if required governmental approvals and permits are not obtainable. The Gift Lease also can be terminated if the parties have not agreed on a design of the premises within nine (9) months of the effective date of the Gift Lease.

Black Kettle will **gift** the lease to the Library, meaning **NO RENT** will be due or paid by the Library for the duration of the Library's lease. The initial lease term is for ten (10) years, with seven (7) additional 10-year terms, a total of eighty (80) years, renewing automatically every ten (10) years, unless the Library provides notice that it does not want to renew the lease. **Black Kettle does not have a right to prevent the Library from electing to renew the term for the full eighty (80) years.**

The Library will need to furnish the new facility with its own furniture, equipment and security system. The building will be delivered move-in ready, i.e., the Library will be able to move in its furnishings, books, materials and equipment without closing, curtailing services or programs, or relocating during the construction period.

If a renovation and expansion project were undertaken at its current location, the Library **likely** would have to close, curtail services and programs, and move all of its materials and furnishings to another location during some part of the construction, requiring rent payments for space and/or storage.

The Library will be guaranteed twenty (20) designated parking spaces, the right to secure twenty (20) additional spaces for special events, and access to roughly one hundred and fifty (150) additional spaces for Library patrons on a first come, first served basis.

A Memorandum of the Gift Lease will be recorded in the County's land records, memorializing the Library's leasehold under the Gift Lease. This ensures that the Gift Lease will be binding upon all successor owners of Rush River II.

The location is less than one mile from the current library, and will be easily accessible from Route 211, and will be accessible on foot from the Town of Washington via foot paths and trails.

How could we lose the new Library Building before the expiration of the eighty-year lease?

1. If the Building is condemned or completely destroyed, such that we could not operate the library at that Building, see section 6.1 of the Gift Lease; or
2. A major fire or other casualty for which insurance proceeds are insufficient to restore the damage, see section 7.2 of the Operating Agreement (discussed below).

Examples of condemnation are when a governmental body seizes a property to build a highway or for another public purpose. A major fire or other casualty or complete destruction of the building would be an unforeseeable catastrophic event. None of these events would be in the control of the Library or Black Kettle.

Can Black Kettle evict the Library or terminate the Gift Lease?

No, as long as the Library Board operates a library at the new building. If the Library violates any terms of the Gift Lease, Black Kettle has agreed not to evict the Library or to seek termination of the Gift Lease; but rather to seek legal damages or specific performance of the lease terms. However, the Gift Lease could be terminated before the end of the 80-year term if there was a condemnation or a major fire or casualty; see the question above.

Operating Agreement

The Operating Agreement establishes various agreements between the Library and Black Kettle regarding the operation, maintenance, and repair of the Library's premises and the Rush River II project.

The Library will pay to Black Kettle \$500 per month (\$6,000 annually) to reimburse Black Kettle for costs it incurs in the management, maintenance, and repair of the Library's premises and the Rush River II project. This amount increases every twelve months by the lesser of the percentage increase in the U.S. Dept. of Labor Consumer Price Index for the Washington Metropolitan Area, or three percent (3%). Interest earned on the Library's current endowment is projected to cover this cost indefinitely.

Black Kettle will be responsible for maintaining and repairing the building, the conference room, and the premises. **This means that as maintenance of the building and building systems are required over the 80-year period, those costs will be the responsibility of Black Kettle, not the County's taxpayers.**

Maintenance likely will be performed by a property management firm who will be paid by Black Kettle. If maintenance is not performed or is not timely, the Library has a right to demand performance.

As at the current facility, the Library will pay for cleaning, utilities and insurance. Costs may be higher due to the larger space, and because the Library currently is not connected to Town water and sewer. The Library also will pay for an HVAC service contract at the new building, for repair and replacement of our equipment and fixtures, and for any damage to common areas caused by library patrons.

When would the Library move if the agreements are accepted?

Assuming construction begins in 2027 and no significant delays occur, the Library anticipates a move some time later in 2028.

What would happen to the current building if the Library moves out?

This is a very important question, as Library Board members recognize that the current building is well-loved by the Rappahannock community. However, no decision has yet been made.

If the Library Board determines to move forward with the Gift Lease at the new location, then the Library Board will work with the Board of Supervisors on the best options for the re-use of the current building. Library Board members believe it is important to use the property for civic and/or community purposes and that the Library should be the beneficiary of any proceeds generated by the future use of the property.

Why is the Library Board considering a new location?

Black Kettle's Gift Lease was an unsolicited offer. The Library Board comprises voluntary trustees whose duty is to make decisions which the Trustees believe are in the best interests of the Library. Consideration of this transaction for a new, completely funded library building with maintenance and repairs for the next 80 years by a charitable foundation is well within the scope of the Trustee's duties.

A major renovation at the current location, while possible, will require expensive site work. The Library has only \$1.5 million in undesignated reserves, and expanding on the current site entails expensive construction costs and

disruption to the site. The estimate of a comparable project at the current site exceeds \$6 million and no person or entity has proposed a grant or charitable contribution close to that amount.