



INDUSTRIAL DEVELOPMENT AUTHORITY AGENDA

*****REVISED AGENDA*****

4TH FLOOR CONFERENCE ROOM

September 10, 2024

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. MEETING MINUTES

1. 08-13-2024 IDA Meeting Minutes
2. September 10, 2024 IDA Mtg Minutes
1. Minutes for the September 10, 2024
Council Letter Number CL - 2083.

D. FINANCIAL REPORT

1. IDA Statement of Accounts as of 08-31-2024

E. STAFF UPDATES

F. ACTION ITEMS

1. Install a new HVAC system at 816 Monument Street Danville, Virginia
2. HVAC Maintenance Agreement
3. Lease Agreement between the IDA and Danville Redevelopment and Housing Authority at 816 Monument Street

4. A lease agreement between the Danville Industrial Development Authority and Morrisette Paper Company, Inc.
5. Lease Agreement between Danville Honey Bee LLC & Old Bee LLC and the Industrial Development Authority for parking spaces in The City parking lot located at 427 Patton St.
6. A resolution of the Industrial Development Authority of Danville, Virginia approving amended program language for the Special Projects Loan Fund.
7. Approval of architectural and design services for 231 Main Street between Beechgrove Designs and The Industrial Development Authority
8. Approval of Updated Lease Terms for The Alexander Company, Inc. at 206 N Union Suite 100
9. A resolution to approve and authorize a Special Projects Loan to Masonic Towers Redevelopment, LLC.
10. Approving a temporary storage agreement between the Industrial Development Authority and the City of Danville for the W. Main Street sanitary sewer extension project - the request is to Utilize 1206 W. Main Street Parcel # 54629.
11. A resolution of the Industrial Development Authority of Danville, Virginia (IDA) to approve a request from the City Department of Engineering to perform soil borings at 1119 W. Main Street, further identified as Parcel # 54629 owned by the Industrial Development Authority of Danville, Virginia
12. Approval from the Industrial Development Authority of Danville, Virginia (IDA) granting the City an additional 20' utility easement across IDA owned parcels 51588 and 54629; and an additional 10" utility easement across 60539, and 60585.

G. CLOSED MEETING

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property; and

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

- A. Motion to Convene in Closed Meeting*
- B. Motion to Reconvene in Open Meeting*
- C. Motion to Certify Closed Meeting*

H. NEW BUSINESS

I. ADJOURN

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
AUGUST 13, 2024

PURSUANT TO A WRITTEN NOTICE, A COPY OF WHICH IS ATTACHED HERETO, A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA WAS HELD IN THE FOURTH FLOOR CONFERENCE ROOM OF THE MUNICIPAL BUILDING ON TUESDAY, JULY 13, 2024, AT 10:30 A.M.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT: T. NEAL MORRIS, CHAIRMAN
RUSSELL REYNOLDS, VICE CHAIRMAN
JOHN LARAMORE, SECRETARY
KRISTEN BARKER
PHILIP HALL
ROBERT WOODALL

ABSENT: DAVE CUMBO

ALSO PRESENT: W. CLARKE WHITFIELD, JR., CITY ATTORNEY
RYAN DODSON, CITY ATTORNEY
KIMBERLY GIBSON, LEGAL ASSISTANT
MICHAEL ADKINS, CHIEF FINANCIAL OFFICER,
CORRIE BOBE, ECONOMIC DEVELOPMENT
KELVIN PERRY, ECONOMIC DEVELOPMENT
SAMANTHA BAGBY, ECONOMIC DEVELOPMENT
KEN LARKING, CITY MANAGER
BRIAN DUNEVANT, PUBLIC WORKS – ENGINEERING

T. NEAL MORRIS, CHAIRMAN, CALLED THE MEETING TO ORDER AT 10:30 A.M.

ROLL CALL

MINUTES

COPIES OF THE MINUTES OF THE AUGUST 13, 2024, REGULAR CALLED MEETING OF THE IDA WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AGENDA PACKETS. A MOTION WAS MADE BY MR. REYNOLDS TO APPROVE THE MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY MRS. BARKER AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

FINANCES

MICHAEL ADKINS, THE CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE, PROVIDED THE MEMBERS OF THE IDA BOARD AT THE MEETING WITH A PACKET OF THE CURRENT FINANCIAL STATEMENTS OF THE IDA.

A MOTION WAS MADE BY MRS. BARKER TO APPROVE THE FINANCIAL REPORT. THE MOTION WAS SECONDED BY MR. HALL AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

RESOLUTIONS

APPROVAL TO MOVE FORWARD WITH SOLEX ARCHITECTURE AS THE ARCHITECT FOR THE REDEVELOPMENT OF THE BUILDING AT 624-626 NORTH MAIN STREET.

MOTION WAS MADE BY MR. WOODALL; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

APPROVAL TO MOVE FORWARD WITH MORRIS ARCHITECTURE AS THE ARCHITECT AND ENGINEER FOR THE REDEVELOPMENT PROJECT AT 121-123 NORTH UNION STREET.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

APPROVAL OF LEASE FOR THE ALEXANDER COMPANY, INC. AT 206 N UNION SUITE 100.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AGREEMENT WITH 1033 CONSULTING IN AN AMOUNT NOT TO EXCEED \$24,000 FOR CONSULTING SERVICES FOR A HOSPITALITY AND CULINARY CENTER.

MOTION WAS MADE BY MR. LARAMORE; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CHAIRMAN OR VICE-CHAIRMAN IN HIS ABSENCE TO ACCEPT A DEED CONVEYING PROPERTY IDENTIFIED AS PARCEL ID# 26471 LOCATED ON PATTON STREET AND PARCEL ID# 24670 LOCATED ON LYNN STREET FROM THE CITY OF DANVILLE.

MOTION WAS MADE BY MR. HALL; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE

MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CHAIRMAN OR VICE-CHAIRMAN IN HIS ABSENCE TO SIGN A DEED CONVEYING PROPERTY IDENTIFIED AS PARCEL # 25114 LOCATED ON PATTON STREET AND PARCEL # 60451 LOCATED ON PARK AVENUE TO THE CITY OF DANVILLE.

MOTION WAS MADE BY MR. LARAMORE; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AUTHORIZING THE CHAIRMAN OR VICE-CHAIRMAN IN HIS ABSENCE TO SIGN A DEED CONVEYING PROPERTIES IDENTIFIED AS PARCELS # 05105, 22970, 54603, 78267, AND 2420-40-0666 TO THE DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY, IN TRUST FOR THE CITY OF DANVILLE.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT, AS WELL AS THE ACTUAL PURCHASE OF PARCEL # 22329, PARCEL # 21745, AND PARCEL #21746 BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND SHELTON STREET, LLC IN AN AMOUNT NOT TO EXCEED \$50,000.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE

MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO MAKE APPLICATION TO THE VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION'S SOUTHERN VIRGINIA PROGRAM AND MATCHING SAID GRANT REQUEST.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. WOODALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION APPROVING AND AUTHORIZING THE UNDERWRITING FOR A LOAN NOT TO EXCEED A PRINCIPAL AMOUNT OF \$3,000,000 TO SOUTHSIDE STORAGE PROSPECTS, LLC AND ITS MEMBERS IN THEIR PERSONAL CAPACITY.

MOTION WAS MADE BY MR. HALL; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A TEMPORARY MATERIALS STORAGE AREA AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE CITY OF DANVILLE.

MOTION WAS MADE BY MR. WOODALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENED IN EXECUTIVE CLOSED MEETING FOR THE PURPOSES:

1. *DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*
2. *DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (A)(3) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. HALL AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

UPON RECONVENING, MR. REYNOLDS MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT:

1. *ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711; AND*
2. *ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

ADJOURN

JOHN LARAMORE
SECRETARY

T. NEAL MORRIS
CHAIRMAN

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
SEPTEMBER 10, 2024

PURSUANT TO A WRITTEN NOTICE, A COPY OF WHICH IS ATTACHED HERETO, A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA WAS HELD IN THE FOURTH FLOOR CONFERENCE ROOM OF THE MUNICIPAL BUILDING ON TUESDAY, SEPTEMBER 10, 2024, AT 10:30 A.M.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT: T. NEAL MORRIS, CHAIRMAN
RUSSELL REYNOLDS, VICE CHAIRMAN
JOHN LARAMORE, SECRETARY
KRISTEN BARKER
PHILIP HALL

ABSENT: DAVE CUMBO
ROBERT WOODALL

ALSO PRESENT: W. CLARKE WHITFIELD, JR., CITY ATTORNEY
KIMBERLY GIBSON, LEGAL ASSISTANT
MICHAEL ADKINS, CHIEF FINANCIAL OFFICER,
CORRIE BOBE, ECONOMIC DEVELOPMENT
SAMANTHA BAGBY, ECONOMIC DEVELOPMENT
KEN LARKING, CITY MANAGER
CHRIS FRANKS, PUBLIC WORKS – ENGINEERING
STEPHEN

T. NEAL MORRIS, CHAIRMAN, CALLED THE MEETING TO ORDER AT 10:30 A.M.

ROLL CALL

MINUTES

COPIES OF THE MINUTES OF THE AUGUST 13, 2024, REGULAR CALLED MEETING OF THE IDA WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AGENDA PACKETS. A MOTION WAS MADE BY MR. REYNOLDS TO APPROVE THE MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY MRS. BARKER AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

FINANCES

MICHAEL ADKINS, THE CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE, PROVIDED THE MEMBERS OF THE IDA BOARD AT THE MEETING WITH A PACKET OF THE CURRENT FINANCIAL STATEMENTS OF THE IDA.

A MOTION WAS MADE BY MR. REYNOLDS TO APPROVE THE FINANCIAL REPORT. THE MOTION WAS SECONDED BY MR. HALL AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

RESOLUTIONS

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY A OF DANVILLE, VIRGINIA TO APPROVE THE INSTALLATION OF A NEW HVAC SYSTEM BY CENTECH SERVICE CORPORATION AT 816 MONUMENT STREET, DANVILLE, VIRGINIA IN AN AMOUNT NOT TO EXCEED \$20,000.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO APPROVE AN ANNUAL MAINTENANCE AGREEMENT FOR 527 BRIDGE STREET, DANVILLE, VIRGINIA IN AN AMOUNT NOT TO EXCEED \$15,000.00.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY FOR THE PROPERTY IDENTIFIED AS 816 MONUMENT STREET.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE LEASE RENEWAL BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND MORRISETTE PAPER COMPANY, INC. FOR THE PROPERTY IDENTIFIED AS 979 LOCKETT DRIVE, DANVILLE, VIRGINIA.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND DANVILLE HONEY BEE, LLC & OLD BEE, LLC FOR THE PROPERTY IDENTIFIED AS A CITY PARKING LOT BEARING PARCEL #26471 LOCATED AT 427 PATTON STREET, DANVILLE, VIRGINIA.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE

MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AMENDED PROGRAM LANGUAGE FOR THE SPECIAL PROJECTS LOAN FUND POLICY.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MRS. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING ENTERING INTO A CONTRACT WITH BEECHGROVE DESIGN - LANDSCAPE ARCHITECTURE IN AN AMOUNT NOT TO EXCEED \$22,500 FOR THE ARCHITECTURAL AND DESIGN SERVICES OF THE PROPERTY IDENTIFIED AS 231 MAIN STREET.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE ALEXANDER COMPANY, INC. FOR THE PROPERTY IDENTIFIED AS 206 NORTH UNION SUITE 100.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A TEMPORARY MATERIALS STORAGE AREA AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE CITY OF DANVILLE AT 1206 W. MAIN STREET FURTHER IDENTIFIED AS PARCEL #54629.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A REQUEST TO PERFORM SOIL BORINGS AT 1119 W. MAIN STREET, FURTHER IDENTIFIED AS PARCEL 51588.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CONVEYANCE TO THE CITY OF DANVILLE A 20' WIDE UTILITY EASEMENT FROM THE CITY'S EXISTING PUBLIC RIGHT-OF-WAY ON WEST MAIN STREET AND A 10' WIDE UTILITY EASEMENT FROM THE CITY'S EXISTING PUBLIC RIGHT-OF-WAY ON BISHOP ROAD FOR THE PURPOSE OF INSTALLING UNDERGROUND UTILITY INFRASTRUCTURE.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

MR. REYNOLDS MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENED IN EXECUTIVE CLOSED MEETING FOR THE PURPOSES:

1. *DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*
2. *DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (A)(3) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. HALL AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

UPON RECONVENING, MR. REYNOLDS MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT:

1. *ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711; AND*
2. *ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MRS. BARKER	- AYE

MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION AUTHORIZING AND APPROVING A LOAN NOT TO EXCEED A PRINCIPAL AMOUNT OF \$1,650,000 TO MASONIC TOWERS REDEVELOPMENT, LLC AND ITS MEMBERS IN THEIR PERSONAL CAPACITY.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

ADJOURN

JOHN LARAMORE
SECRETARY

T. NEAL MORRIS
CHAIRMAN

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
SEPTEMBER 10, 2024

PURSUANT TO A WRITTEN NOTICE, A COPY OF WHICH IS ATTACHED HERETO, A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA WAS HELD IN THE FOURTH FLOOR CONFERENCE ROOM OF THE MUNICIPAL BUILDING ON TUESDAY, SEPTEMBER 10, 2024, AT 10:30 A.M.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT: T. NEAL MORRIS, CHAIRMAN
RUSSELL REYNOLDS, VICE CHAIRMAN
JOHN LARAMORE, SECRETARY
KRISTEN BARKER
PHILIP HALL

ABSENT: DAVE CUMBO
ROBERT WOODALL

ALSO PRESENT: W. CLARKE WHITFIELD, JR., CITY ATTORNEY
KIMBERLY GIBSON, LEGAL ASSISTANT
MICHAEL ADKINS, CHIEF FINANCIAL OFFICER,
CORRIE BOBE, ECONOMIC DEVELOPMENT
SAMANTHA BAGBY, ECONOMIC DEVELOPMENT
KEN LARKING, CITY MANAGER
CHRIS FRANKS, PUBLIC WORKS – ENGINEERING
STEPHEN

T. NEAL MORRIS, CHAIRMAN, CALLED THE MEETING TO ORDER AT 10:30 A.M.

ROLL CALL

MINUTES

COPIES OF THE MINUTES OF THE AUGUST 13, 2024, REGULAR CALLED MEETING OF THE IDA WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AGENDA PACKETS. A MOTION WAS MADE BY MR. REYNOLDS TO APPROVE THE MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY MRS. BARKER AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

FINANCES

MICHAEL ADKINS, THE CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE, PROVIDED THE MEMBERS OF THE IDA BOARD AT THE MEETING WITH A PACKET OF THE CURRENT FINANCIAL STATEMENTS OF THE IDA.

A MOTION WAS MADE BY MR. REYNOLDS TO APPROVE THE FINANCIAL REPORT. THE MOTION WAS SECONDED BY MR. HALL AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

RESOLUTIONS

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY A OF DANVILLE, VIRGINIA TO APPROVE THE INSTALLATION OF A NEW HVAC SYSTEM BY CENTECH SERVICE CORPORATION AT 816 MONUMENT STREET, DANVILLE, VIRGINIA IN AN AMOUNT NOT TO EXCEED \$20,000.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO APPROVE AN ANNUAL MAINTENANCE AGREEMENT FOR 527 BRIDGE STREET, DANVILLE, VIRGINIA IN AN AMOUNT NOT TO EXCEED \$15,000.00.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY FOR THE PROPERTY IDENTIFIED AS 816 MONUMENT STREET.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE LEASE RENEWAL BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND MORRISETTE PAPER COMPANY, INC. FOR THE PROPERTY IDENTIFIED AS 979 LOCKETT DRIVE, DANVILLE, VIRGINIA.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND DANVILLE HONEY BEE, LLC & OLD BEE, LLC FOR THE PROPERTY IDENTIFIED AS A CITY PARKING LOT BEARING PARCEL #26471 LOCATED AT 427 PATTON STREET, DANVILLE, VIRGINIA.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE

MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AMENDED PROGRAM LANGUAGE FOR THE SPECIAL PROJECTS LOAN FUND POLICY.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MRS. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING ENTERING INTO A CONTRACT WITH BEECHGROVE DESIGN - LANDSCAPE ARCHITECTURE IN AN AMOUNT NOT TO EXCEED \$22,500 FOR THE ARCHITECTURAL AND DESIGN SERVICES OF THE PROPERTY IDENTIFIED AS 231 MAIN STREET.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE ALEXANDER COMPANY, INC. FOR THE PROPERTY IDENTIFIED AS 206 NORTH UNION SUITE 100.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A TEMPORARY MATERIALS STORAGE AREA AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE CITY OF DANVILLE AT 1206 W. MAIN STREET FURTHER IDENTIFIED AS PARCEL #54629.

MOTION WAS MADE BY MRS. BARKER; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A REQUEST TO PERFORM SOIL BORINGS AT 1119 W. MAIN STREET, FURTHER IDENTIFIED AS PARCEL 51588.

MOTION WAS MADE BY MR. HALL; SECONDED BY MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CONVEYANCE TO THE CITY OF DANVILLE A 20' WIDE UTILITY EASEMENT FROM THE CITY'S EXISTING PUBLIC RIGHT-OF-WAY ON WEST MAIN STREET AND A 10' WIDE UTILITY EASEMENT FROM THE CITY'S EXISTING PUBLIC RIGHT-OF-WAY ON BISHOP ROAD FOR THE PURPOSE OF INSTALLING UNDERGROUND UTILITY INFRASTRUCTURE.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE

MR. REYNOLDS MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENED IN EXECUTIVE CLOSED MEETING FOR THE PURPOSES:

1. *DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*
2. *DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (A)(3) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. HALL AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

UPON RECONVENING, MR. REYNOLDS MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT:

1. *ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711; AND*
2. *ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MRS. BARKER	- AYE

MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION AUTHORIZING AND APPROVING A LOAN NOT TO EXCEED A PRINCIPAL AMOUNT OF \$1,650,000 TO MASONIC TOWERS REDEVELOPMENT, LLC AND ITS MEMBERS IN THEIR PERSONAL CAPACITY.

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MRS. BARKER

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

ADJOURN

JOHN LARAMORE
SECRETARY

T. NEAL MORRIS
CHAIRMAN

**Industrial Development Authority
Statement of Accounts
As of August 31, 2024**

Regular Checking	\$ 739,944.80
USDA Loan Account	\$ 79,470.52
City Funded Loan Account	\$ 2,060,413.23
North Union Properties/Master Tenant	\$ 16,645.79
Reserve Account	\$ 6,372,127.86

Reserve Account Details

<i>Hold for FY23 Debt Svc</i>	232,332.21
<i>Hold for Imperial Warehouse</i>	650,000.00
<i>Hold for Enterprise Zone</i>	430,905.00
<i>Hold for Dan River Falls</i>	1,693,458.33
<i>Hold for FY22 Edev Incentives</i>	1,962,612.00
<i>Hold for FY23 Edev Incentives</i>	367,925.58
<i>Hold for 217 N Union</i>	37,000.00
<i>Hold for 121/123 N Union</i>	500,000.00
<i>Available</i>	497,894.74
	6,372,127.86

City Funded Loans:

Beginning Balance August 1, 2024	\$ 2,041,533.73
The Bee - Monthly Payment (paid 6/28)	18,179.41
Southside Ice - Pmt from Bankruptcy Trustee	46.83
Uncle Al's Diner	566.14
Interest /Bank Fees	87.12
Ending Balance August 31, 2024	\$ 2,060,413.23

**Industrial Development Authority
Statement of Account - Regular Checking
For the month ended August 31, 2024**

Beginning Balance at August 1, 2024 \$572,973.15

RECEIPTS:

Rent: 131,402.87

Utility/Insurance Reimbursement:

DR Foundation	1,403.06	
Averett	4,209.17	5,612.23

Real Estate Tax Reimbursements		2,512.73
City of Danville Support		209,292.80
Pittsylvania County IDA - Shell Bldg		13,984.91
Interest Income/Wire Fees/Checks		(225.09)

DISBURSEMENTS:

AUB Loan - Lockett Drive	(11,566.62)	
AUB - 500 Stinson Drive #1	(4,887.77)	
AUB - 500 Stinson Drive #2	(5,717.03)	
AUB - 512 Bridge Street	(16,467.81)	
AUB - Barker Road	(7,306.55)	
AUB Loan - Old Belt One	(6,721.18)	
Locus Bank - 500 Cane Creek	(9,251.38)	
Locus Bank - MEP Equip Loan	(298.92)	
Locus Bank - Shell Building	(12,315.20)	
First National - Gaither Rd Prop	(3,136.84)	
Movement Bank - Monument	(2,651.24)	
Public Works - Bldg Main Q3-Q4	(27,265.79)	
Kent Shelton - Dan River Falls	(3,486.00)	
Christian & Barton - Legal Svs	(3,967.50)	
Locus Bank - Loan Fee	(1,000.00)	
Architectural Partners - DR Falls	(37,819.82)	
Site Collaborative - DR Falls	(9,111.70)	
Utility Bills/Elevator Maint	(20,048.86)	
Insurance	(12,588.59)	(195,608.80)

PASS THROUGH:

From City for Incentives		475,000.00
Incentive - 501 Craghead LLC		(475,000.00)

Ending Balance at August 31, 2024 \$ 739,944.80

125 N Union	250.00
600 Craghead	4,704.00
Alexander Company	3,800.00
Averett	22,780.00
Barry Smith	260.00
Belk	14,205.00
City - Gang Prev.	1,500.00
City - IT Dept.	11,360.00
DR Foundation	5,610.00
Earnhardt Plumbing	2,556.55
Launch Place	-
Link's Café	3,660.00
Lynn Street LLC	18,720.00
MEP	923.20
Mind Body Wellness	900.00
Morrisette Paper	6,762.61
Overfinch	12,587.80
River District Assoc	-
Riverside Running	2,812.48
Robert Stephens	250.00
Sth VA Legal	1,575.00
Vintages	1,347.00
Walraven	14,839.23
	<u>131,402.87</u>

7/31

**Industrial Development Authority
Statement of Account
USDA Loan Funds**

For the month ended August 31, 2024

Beginning Balance at August 1, 2024 **\$ 79,201.09**

RECEIPTS:

Dry Fork Fruit Dist.	266.07	
River City Escapes	-	
Interest	3.36	
		269.43

DISBURSEMENTS:

-

Ending Balance at August 31, 2024

\$ 79,470.52

Reconciliation to original USDA grant of \$99,000

ORIGINAL USDA FUNDS **\$ 99,000.00**

LESS OUTSTANDING LOANS:

River City Escapes	12,043.59	
Dry Fork Fruit Dist.	8,956.46	(21,000.05)

INTEREST EARNED **20,878.27**

DEFAULTED LOANS **(19,457.70)**

PENALTIES EARNED **50.00**

BALANCE IN ACCOUNT **\$ 79,470.52**

Industrial Development Authority of Danville A/R Aging Summary As of August 31, 2024

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
127 North Union	0.00	315.00	0.00	315.00	9,765.00	10,395.00
A La Carte	0.00	0.00	0.00	0.00	533.00	533.00
Beik United Electronic Services	0.00	-7,102.50	0.00	0.00	0.00	-7,102.50
J&W Associated LLC dba Links Cafe	0.00	3,000.00	0.00	1,980.00	0.00	4,980.00
Lou's Antiques Co	0.00	0.00	0.00	0.00	22,000.00	22,000.00
Making Everything Possible, LLC	0.00	398.92	0.00	0.00	0.00	398.92
Mind Body Wellness Pilates LLC	0.00	-900.00	0.00	0.00	0.00	-900.00
Robert Stephens	0.00	250.00	0.00	42.00	0.00	292.00
Southern Virginia Legal PLLC	0.00	-1,575.00	0.00	0.00	0.00	-1,575.00
The Launch Place	0.00	3,000.00	0.00	0.00	0.00	3,000.00
Unison Tube, LLC	0.00	0.00	0.00	0.00	54,865.83	54,865.83
Walraven	0.00	14,839.23	0.00	14,839.23	0.00	29,678.46
TOTAL	0.00	12,225.65	0.00	17,176.23	87,163.83	116,565.71

Industrial Development Authority of Danville

Balance Sheet

As of August 31, 2024

	Aug 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Loans (City Funded)	2,060,413.23
North Union Master Tenant LLC	7,166.18
North Union Properties, LLC	9,479.61
Regular Checking	739,944.80
Reserve Account	6,372,127.86
US Bank - 2021A Project Fund	1,548,789.74
USDA Checking	79,470.52
Total Checking/Savings	10,817,391.94
Accounts Receivable	
Rent Receivable	116,565.71
Total Accounts Receivable	116,565.71
Other Current Assets	
Accounts Receivable	295,919.17
Allowance for Rent	-87,163.83
Due from City/County	12,408,000.00
Lease Interest Rec. - GASB 87	27,285.55
ST Lease Rec. - GASB 87	693,360.53
Total Other Current Assets	13,337,401.42
Total Current Assets	24,271,359.07
Fixed Assets	
Accumulated Depreciation	-6,143,851.44
Buildings	26,562,275.51
Construction In Progress	20,928,444.23
Equipment	75,000.00
Land	5,592,822.43
Land Improvements	2,580,260.66
Total Fixed Assets	49,594,951.39
Other Assets	
Allowance for Doubtful Accounts	-26,393.33
LT Lease Rec. - GASB 87	6,679,091.81
Notes Receivable	
123 South Union LLC Note Receiv	2,733,341.98
Dry Fork Distillery N/R	9,715.22
Eng Biopharmaceut Inc.	150,000.00
Note Rec - Uncle Al's Diner LLC	26,873.15
River City Escapes Note Receiva	12,043.59
Southside Ice	14,193.51
Total Notes Receivable	2,946,167.45
Total Other Assets	9,598,865.93
TOTAL ASSETS	83,465,176.39

Industrial Development Authority of Danville

09/06/24

Balance Sheet

Accrual Basis

As of August 31, 2024

	Aug 31, 24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accounts Payable Other	1,588,609.50
Accrued Interest	48,715.68
Retainage Payable	1,076,855.14
Security Deposits	99,855.78
Total Other Current Liabilities	2,814,036.10
Total Current Liabilities	2,814,036.10
Long Term Liabilities	
Bonds Payable	2,408,000.00
Deferred Lease Rev - GASB 87	7,221,497.42
Lease Revenue Note - 2021A	10,000,000.00
Notes Payable	
AUB - 1350 Barker Road	838,702.63
AUB - 206/208 N Union Loan	679,489.40
AUB - 500 Stinson Drive	701,168.42
AUB - 512 Bridge Loan	1,407,006.57
AUB - Dan River Falls	12,834,697.52
AUB Loan - 500 Stinson #2	120,733.52
AUB Loan - Locket Drive	921,247.36
AUB Loan - Old Belt 1 Upfit	534,222.05
FNB - Gaither Rd Parcels	475,523.33
Locus - Cyber Prk Shell Bldg	965,408.45
Locus Bank - 1 Ecomnets Way	1,424,761.97
Movement Bank - 816 Monument	473,120.20
VSBFA - 500 Cane Creek	1,313,272.12
VSBFA - MEP Loan	68,278.50
Total Notes Payable	22,757,632.04
Revolving Loan Fund - USDA	99,000.00
Total Long Term Liabilities	42,486,129.46
Total Liabilities	45,300,165.56
Equity	
Contributed Capital	150,000.00
Opening Bal Equity	4,856,400.56
Retained Earnings	32,837,557.79
Net Income	321,052.48
Total Equity	38,165,010.83
TOTAL LIABILITIES & EQUITY	83,465,176.39

Industrial Development Authority of Danville

Profit & Loss

July through August 2024

	Jul - Aug 24
Ordinary Income/Expense	
Income	
Grants	
Grants - City of Danville	624,246.40
Grants - Commonwealth of VA	500,000.00
Total Grants	1,124,246.40
Parking Space Rental Income	23,424.00
Reimbursed Expenses	12,315.20
Rental Income	183,626.19
Total Income	1,343,611.79
Gross Profit	1,343,611.79
Expense	
Bank Service Charges	62.00
Incentive Payments	503,786.50
Insurance	29,792.03
Interest Expense	222,624.93
Loan Fees	4,047.49
Office Supplies	262.06
Professional Fees	
Consulting	34,879.82
Legal Fees	350.00
Professional Fees - Other	7,326.00
Total Professional Fees	42,555.82
Repairs	
Building Repairs	9,682.75
Total Repairs	9,682.75
Telephone	440.16
Utilities	14,184.95
Total Expense	827,438.69
Net Ordinary Income	516,173.10
Other Income/Expense	
Other Income	
Interest Income	44,039.71
Total Other Income	44,039.71
Other Expense	
Loss on Sale of Property	239,160.33
Total Other Expense	239,160.33
Net Other Income	-195,120.62
Net Income	321,052.48



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: Install a new HVAC system at 816 Monument Street Danville, Virginia

Request approval to install a new HVAC system at 816 Monument Street, Danville, Virginia 24541

ATTACHMENTS

1. 1562_Porposal_816MonumentStreet_Centech-final
2. 816 Monument Street Repairs

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO APPROVE THE INSTALLATION OF A NEW HVAC SYSTEM BY CENTECH SERVICE CORPORATION AT 816 MONUMENT STREET, DANVILLE, VIRGINIA IN AN AMOUNT NOT TO EXCEED \$20,000.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the proposal submitted by Centech Service Corporation for Quote for new HVAC System at 816 Monument Street, substantially in the form attached hereto in an amount not to exceed Twenty Thousand Dollars (\$20,000) to install a new HVAC system.; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for the above referenced transaction and any other documents as needed to complete the above referenced transaction.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

PROPOSAL SUBMITTED TO:

City of Danville
PO Box 3300
Danville, VA 24543
Attn: Mike Kendrick

DATE: July 16, 2024

Re: UES/HVAC/Replacement

THANK YOU FOR THE OPPORTUNITY TO QUOTE ON THIS PROJECT!

We propose:

- Remove existing package unit.
- Provide and install a new Carrier model: 48FCEM08 package unit with Economizer model: CRECOM.
- Reconnect to existing electrical power.
- Start-up
- Verify proper operation.

Material:	\$17,938.15
Equipment	
Crane	
Misc.Electrical	
Labor:	\$1,280.00
Start-up	\$ 420.00
Total:	\$19,638.15

Note: Crane pricing is subject to change due to safety concerns with electrical power lines.

Nineteen Thousand Six Hundred Thirty-Eight Dollars and 15/100---(\$19,638.15)

Terms: As job progresses

Note: This proposal may be withdrawn by us if not accepted in 30 days.

Authorized Signature:

Danny Williams
Danny Williams
[Signature]
[Signature]

Acceptance Signature:

quote #381
cod.ues.q 07162024dwp



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: HVAC Maintenance Agreement

Resolution to approve a HVAC Maintenance Agreement for IDA owned property located at 527 Bridge Street, Danville Virginia

ATTACHMENTS

1. 1563_RES_527 Bridge Street Trane Service Agreement
2. 527 Bridge Street Maintenance Agreement

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO APPROVE A ANNUAL MAINTENANCE AGREEMENT FOR 527 BRIDGE STREET, DANVILLE VIRGINIA IN AN AMOUNT NOT TO EXCEED \$15,000.00

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the scope of work from Trane in an amount not to exceed Fifteen Thousand Dollars (\$15,000) for an annual HVAC maintenance agreement at 527 Bridge Street, Danville, Virginia; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for this Moral Obligation Agreement and such other documents as needed to complete this transaction.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



SELECT SERVICE AGREEMENT

Trane Office

Trane U.S. Inc.
2303 Trane Drive
Roanoke, VA 24017

Trane Representative

Heather Wheeler
Cell: (276) 340-0578
Office: (540) 563-2828

Proposal ID

7657793

Service Contract Number**Company Name**

Danville City Of
PO Box 3300
Danville, VA 24541-2454
Mike Kendrick

Site Address

527 Bridge Street Project Imagine
527 Bridge Street
Danville, VA 24541

July 29, 2024



EXECUTIVE SUMMARY

This **Select Service Agreement** features parts and labor coverage for HVAC equipment repairs included in the annual planned maintenance contract. It is the easiest and most reassuring way to ensure your HVAC equipment is continuously operating at peak performance levels.

Under this service agreement, Trane will schedule and manage preventative maintenance and provide repair coverage to help you minimize unplanned downtime and avoid unexpected expenses.

As an HVAC service provider, Trane offers many advantages:

- Confidence that your HVAC equipment is being serviced according to OEM best practices
- Priority service available 24-hours a day
- Advanced diagnostic technologies allow our technicians to analyze system performance

Protect your bottom line. Proper maintenance can save an estimated 12 to 18 percent of your budget compared to a run-to-fail approach. This service agreement will help you capture those savings. (*FEMP O&M Guide 2010*)

ADDITIONAL SUPPORT

Environmental Practices	Consistent Processes	Safety	Assigned Team
Trane procedures for handling refrigerant are compliant with federal and state regulations.	All Trane technicians follow documented processes ensuring uniform service delivery.	Trane incident rates (OSHA) are consistently 50 to 70 percent below industry averages.	You will have a consistent group of Trane employees dedicated to your account.



WHY TRANE? WE FOCUS ON BETTER BUILDINGS.

When it comes to service effectiveness, experience matters. No other provider has more experience than Trane.

- 100+ years of system and equipment experience
- 35+ years in building automation systems (BAS)
- 20+ years in energy services



SCOPE OF SERVICES — STANDARD INCLUSIONS

ANY HVAC SYSTEM IS ONLY AS STRONG AS ITS INDIVIDUAL MECHANICAL COMPONENTS

This service agreement with Trane protects and enhances full system functionality by ensuring that components are well maintained and functioning to OEM standards, and that the system is tailored to your needs. The following are the standard inclusions of your service agreement:

ON-SITE SCHEDULED MAINTENANCE

Factory authorized Trane service technicians perform all periodic maintenance, following OEM standards, to keep HVAC and BAS equipment running optimally and prevent unplanned downtime. Trane assumes all responsibilities for planning, scheduling and managing routine maintenance on Trane HVAC equipment and other brands.

Implementation:

- Technician visits are scheduled in advance through one assigned maintenance team for all HVAC equipment brands
- On-site service is completed during normal business hours
- Receive consistent service outcomes through proprietary maintenance procedures



REPAIR COVERAGE FOR SELECTED COMPONENTS

Repair Coverage pre-authorizes Trane to repair selected system components. Costs for parts and labor (performed during normal Trane business hours) are included within the coverage of the annual maintenance contract. The scope of this coverage is specified later in this agreement.

Implementation:

- Minimize unplanned downtime by giving Trane the authority to take care of repairs proactively
- Minimize unbudgeted repairs and expenses with repair coverage included
- Collaborative selection of covered systems and components
- Repair or replacement of failed components



REFRIGERANT MANAGEMENT

The US Environmental Protection Agency (EPA) has placed in effect more stringent regulations on refrigerant management and reporting in 2020 in addition to mandated leak inspections on certain appliances that exceed the leak rate threshold. Section 608 of the Clean Air Act prohibits the knowing release/venting of refrigerant during the maintenance, service, repair, or disposal of air-conditioning and refrigeration equipment. The EPA requires proper refrigerant management practices and documentation by owners and operators of refrigeration and air-conditioning systems, all servicing technicians, and others. ***The Clean Air Act requires owners to maintain records of refrigerant usage and leak rates for each air-conditioning or refrigeration appliance with refrigerant charge greater than 50 lbs. With recent definition changes from the EPA, each independent circuit is considered a separate appliance. These records must be maintained for 3 years and be directly accessible if audited by the EPA. This brief summary of Section 608 of the Clean Air Act is provided for informational purposes only and is not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to the application of Section 608 of the Clean Air Act to your business.***



All Trane Technicians are Universally certified (the highest level possible) to service, manage, and document your refrigerant and are knowledgeable of applicable law and time constraints to repair leaks. Trane Technicians track all refrigerant in all equipment serviced regardless of appliance size (supports accurate fugitive emissions reporting where applicable).

When a customer has all their refrigerant work performed by a Trane technician - Trane Refrigerant Management software maintains complete record of refrigerant transactions and appliance leak rates. Refrigerant reports provided by Trane will contain the information to satisfy EPA record keeping requirements.

Advantages:

- Real time reporting of refrigerant leak rate informs proactive decisions
- Stay in compliance with state and federal regulations
- Provide acceptable and comprehensive documentation to authorities during audits
- Maintain company environmental standards and provides data for managing any reporting needs
- Detect potential refrigerant leaks before equipment damage occurs
- Technicians are trained to report all refrigerant handling which can aid in fugitive emissions reporting, not just for 50 lbs.+ appliances

Implementation:

- Technicians collect refrigerant information for covered equipment during onsite visits
- Refrigerant data and technician activity are entered into the Trane Refrigerant Management System
- Refrigerant Usage Reports are generated according to your needs

Tiered Service Offerings to better support your needs:

1. Trane's Standard EP Compliant S/A
 - a. Trane Technicians will provide applicable EPA documentation when required by the service activity performed
2. Trane's EPA Compliant Reporting S/A
 - a. In addition to the Standard Offering, the local Trane office will run quarterly reports that will be extended to the customer to help inform them of EPA mandated leak inspections that may be required on their equipment and the corresponding anniversary date(s) that those inspection(s) need to be completed.
3. Trane's Premium EPA Compliance S/A
 - a. In addition to the Standard and Reporting Offerings, labor to perform those leak inspections is also included.
 - b. Customer will have access to form letters and information assistance for reporting situations encountered during coverage.



TRANE LABORATORY ANALYSIS

Trane Laboratory Analysis tests system fluids for contaminants and other physical characteristics and trends. Conditions indicating sub-optimal HVAC system performance are identified before issues become critical.

Implementation:

- Samples collected by Trane technicians during maintenance as stated in this agreement
- Laboratory analysis of oil, absorption solutions and refrigerants
- Identify long-term equipment performance trends and avoid equipment failures



SCOPE OF SERVICES SUMMARY

SERVICES INCLUDED	LABOR AND MATERIALS FOR COVERED EQUIPMENT
x	Scheduled Maintenance Labor
x	Scheduled Maintenance Parts and Materials
x	Repair Labor: Repairs will be performed on covered equipment during Trane regular business hours
	Repair Parts and Materials
	Overtime Repair Labor for Emergency Failures (outside Trane regular business hours)
	Refrigerant Replacement ____% of Charge per unit per year
	Refrigerant Usage Reporting
	Other
STANDARD INCLUSIONS	
x	On-site Scheduled Maintenance
	Repair Coverage for Selected Components
x	Refrigerant Management
	Laboratory Analysis
x	Proposed Schedule of Services



HVAC EQUIPMENT COVERAGE

527 Bridge Street Project Imagine

The following "Covered Equipment" will be serviced at 527 Bridge Street Project Imagine:

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Minisplit	1	Other	CH1271	0182813	
Minisplit	1	Other	CH1872	0074412	

Service Description

Annual Inspection of Mini Splits (Service 1)

Quantity Per Term

1

Operating Inspection of Mini Splits (Service 2)

3

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Split System Air Conditioners - Generic	1	Trane	4TTA3060A4	11183XA45F	
Split System Air Conditioners - Generic	1	Trane	4TTA3060A4	112853S22F	
Split System Air Conditioners - Generic	1	Trane	TTA180E400	11261NAUTA	
Split System Air Conditioners - Generic	1	Trane	TWE06044AA	20291650BA	
Split System Air Conditioners - Generic	1	Liebert Corporation	DS070ADA0E	C11H8E0190	
Split System Air Conditioners - Generic	1	Liebert Corporation	DS070ADA0E	C11H8E0191	Unit 2

Service Description

Split System- Annual (Service 3)

Quantity Per Term

1

Split System Operational (Service 6)

3

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Split System Heat Pumps - Generic	1	York International	25HBC360A5	2610E22342	
Split System Heat Pumps - Generic	1	York International	25HBC360A5	2710E07090	
Split System Heat Pumps - Generic	1	York International	YHJD48S43S	W1G2057518	
Split System Heat Pumps - Generic	1	York International	YHJD60S43S	W1C3586599	
Split System Heat Pumps - Generic	1	York International	YHJR42S41S	W1G3878828	
Split System Heat Pumps - Generic	1	York International	YHJR42S41S	W1H1456093	

Service Description

Split Heat Pump Annual (Service 4)

Quantity Per Term

1

Split Heat Pump Operational (Service 5)

3



PRICING AND ACCEPTANCE

Mike Kendrick
Danville City Of
PO Box 3300
Danville, VA 24541-2454

Site Address:
527 Bridge Street Project Imagine
527 Bridge Street
Danville, VA 24541

Trane Service Agreement

This Service Agreement consists of the pages beginning with the title page entitled "Select Service Agreement," the consecutively numbered pages immediately following such title page, and includes and ends with the Trane Terms and Conditions (Service) (collectively, the "Service Agreement" or "Agreement"). Trane agrees to inspect and maintain the Covered Equipment according to the terms of this Service Agreement, including the "Terms and Conditions," and "Scope of Services" sections. Trane agrees to give preferential service to Service Agreement Customer over non-contract customers.

Service Fee

As the fee(s) (the "Service Fee(s)") for the inspection and maintenance services described in the Scope of Services section with respect to the Covered Equipment, Customer agrees to pay to Trane the following amounts, plus applicable tax, as and when due.

Contract Year	Annual Amount USD	Payment USD	Payment Term
Year 1	14,642.00	1,220.16	Monthly

In addition to any other amounts then due hereunder, if this Agreement is terminated or cancelled prior to its scheduled expiration, Customer shall pay to Company the balance of any amounts billed to but unpaid by Customer and, if a "Service Project" is included in the Agreement, the Cancellation Fee set forth in "Exhibit A" Cancellation Schedule attached hereto and incorporated herein, which Cancellation Fee represents unbilled labor, non-labor expenses and parts materials and components. Subject only to a prior written agreement signed by Trane, payment is due upon receipt of invoice in accordance with Section 4 of the attached Terms and Conditions.

Term

The Initial Term of this Service Agreement is 1 year, beginning July 1, 2024. However, Trane's obligation under this Agreement will not begin until authorized representatives of Trane and Customer have both signed this Agreement in the spaces provided below.

Following expiration of the initial term on June 30, 2025, this Agreement shall renew automatically for successive periods of 1 year (the "Renewal Term") until terminated as provided herein. If you do not want to renew this Agreement for the Renewal Term, please notify Trane by telephone or by U.S. mail prior to the expiration date set forth in the preceding sentence. If any questions arise regarding this Service Agreement or how to cancel this Agreement, Trane can be reached either by telephone at or by direct mail addressed to: 2303 Trane Drive, Roanoke, VA 24017.

Renewal Pricing Adjustment

The Service Fees for an impending Renewal Term shall be the current Service Fees (defined as the Service Fees for the initial Term or Renewal Term immediately preceding the impending Renewal Term) annually adjusted based on changes to the cost of service. The Service Fees for an impending Renewal Term shall be set forth in the service renewal letter furnished to Customer.

Cancellation by Customer Prior to Services; Refund

If Customer cancels this Agreement within (a) thirty (30) days of the date this Agreement was mailed to Customer or (b) twenty (20) days of the date this Agreement was delivered to Customer, if it was delivered at the time of sale, and if no Services have been provided by Company under this Agreement, the Agreement will be void and Company will refund to Customer, or credit Customer's account, the full Service Fee of this Agreement that Customer paid to Company, if any. A ten percent (10%) penalty per month will be added to a refund that is due but is not paid or credited within forty-five (45) days after return of this Agreement to Company. Customer's right to cancel this Agreement only applies to the original owner of this Agreement and only if no Services have been provided by Company under this Agreement prior to its return to Company.

Cancellation by Company



This Agreement may be cancelled during the Initial Term or, if applicable, a Renewal Term for any reason or no reason, upon written notice from Company to Customer no later than 30 days prior to the scheduled expiration date and Company will refund to Customer, or credit Customer's account, that part of the Service Fee attributable to Services not performed by Company. Customer shall remain liable for and shall pay to Company all amounts due for Services provided by Company and not yet paid.

This agreement is subject to Customer's acceptance of the attached Trane Terms and Conditions (Service).

CUSTOMER ACCEPTANCE	TRANE ACCEPTANCE Trane U.S. Inc.
_____ Authorized Representative	_____ Submitted By: Heather Wheeler
_____ Printed Name	_____ Proposal Date: July 29, 2024
_____ Title	_____ Cell:
_____ Purchase Order	_____ Office: (540) 563-2828
_____ Acceptance Date	_____ License Number: VA 2705047272A
	_____ Authorized Representative
	_____ Title
	_____ Signature Date

The Initial Term of this Service Agreement is 1 year, beginning July 1, 2024.
Total Contract Amount: \$14,642.00 USD.



TERMS AND CONDITIONS

"Company" shall mean Trane U.S. Inc. dba Trane for Company performance in the United States and Trane Canada ULC for Company performance in Canada.

1. Agreement. These terms and conditions ("Terms") are an integral part of Company's offer and form the basis of any agreement (the "Agreement") resulting from Company's proposal (the "Proposal") for the following commercial services as stated in the Proposal (collectively, the "Services"): inspection, maintenance and repair (the "Maintenance Services") on equipment (the "Covered Equipment"), specified Additional Work (if any), and, if included in the Proposal, Intelligent Services, Energy Assessment, and any other services using remote connectivity (collectively and individually referred to in these Terms as "Intelligent Services").

COMPANY'S TERMS ARE SUBJECT TO PERIODIC CHANGE OR AMENDMENT.

2. Connected Services. In addition to these terms and conditions, the Connected Services Terms of Service ("Connected Services Terms"), available at <https://www.trane.com/TraneConnectedServicesTerms>, as updated from time to time, are incorporated herein by reference and shall apply to the extent that Company provides Customer with Connected Services, as defined in the Connected Services Terms.

3. Acceptance. The Proposal is subject to acceptance in writing by the party to whom this offer is made or an authorized agent ("Customer") delivered to Company within 30 days from the date of the Proposal. If Customer accepts the Proposal by placing an order, without the addition of any other terms and conditions of sale or any other modification, Customer's order shall be deemed acceptance of the Proposal subject to these Terms and Conditions. If Customer's order is expressly conditioned upon Company's acceptance or assent to terms and/or conditions other than those expressed herein, return of such order by Company with Company's Terms and Conditions attached or referenced serves as Company's notice of objection to Customer's terms and as Company's counteroffer to perform in accordance with the Proposal and Company Terms and Conditions. If Customer does not reject or object in writing to Company within 10 days, Company's counteroffer will be deemed accepted. Customer's acceptance of performance by Company will in any event constitute an acceptance by Customer of Company's Terms and Conditions. This Agreement is subject to credit approval by Company. Upon disapproval of credit, Company may delay or suspend performance or, at its option, renegotiate prices and/or Terms and Conditions with Customer. If Company and Customer are unable to agree on such revisions, this Agreement shall be cancelled without any liability, other than Customer's obligation to pay for Services provided by Company to the date of cancellation.

4. Fees and Taxes. Fees for the Services (the "Service Fees") are as set forth in the Proposal. Except as otherwise stated in the Proposal, Service Fees are based on performance during regular business hours. Charges for performance outside Company's normal business hours shall be billed separately according to the then prevailing overtime or emergency labor/labour rates. In addition to the stated Service Fees, Customer shall pay all taxes not legally required to be paid by Company or, alternatively, shall provide Company with an acceptable tax exemption certificate.

5. Payment. Payment is due upon receipt of Company's invoice. Service Fees shall be paid no less frequently than quarterly and in advance of performance of the Services. Company reserves the right to add to any account outstanding for more than 30 days a service charge equal to the lesser of the maximum allowable legal interest rate or 1.5% of the principal amount due at the end of each month. Without liability to Customer, Company may discontinue performance whenever payment is overdue. Customer shall pay all costs (including attorneys' fees) incurred by Company in attempting to collect amounts due or otherwise enforcing this Agreement.

6. Customer Breach. Each of the following constitutes a breach by Customer and shall give Company the right, without an election of remedies, to suspend performance or terminate this Agreement by delivery of written notice declaring termination. Upon termination, Customer shall be liable to the Company for all Services furnished to date and all damages sustained by Company (including lost profit and overhead): (a) Any failure by Customer to pay amounts when due; (b) any general assignment by Customer for the benefit of its creditors, Customer's bankruptcy, insolvency, or receivership; (c) Any representation or warranty furnished by Customer in connection with this Agreement is false or misleading in any material respect when made; or (d) Any failure by Customer to perform or comply with any material provision of this Agreement.

7. Performance. Company shall perform the Services in accordance with industry standards generally applicable in the state or province where the Services are performed under similar circumstances when Company performs the Services. Company may refuse to perform where working conditions could endanger property or put people at risk. Unless otherwise agreed by Customer and Company, at Customer's expense and before the Services begin, Customer will provide any necessary access platforms, catwalks to safely perform the Services in compliance with OSHA, state, or provincial industrial safety regulations or any other applicable industrial safety standards or guidelines. This Agreement presupposes that all major pieces of Covered Equipment are in proper operating condition as of the date hereof. Services furnished are premised on the Covered Equipment being in a maintainable condition. In no event shall Company have any obligation to replace Covered Equipment that is no longer maintainable. During the first 30 days of this Agreement, or upon initial inspection, and/or upon seasonal start-up (if included in the Services), if an inspection by Company of Covered Equipment indicates repairs or replacement is required, Company will provide a written quotation for such repairs or replacement. If Customer does not authorize such repairs or replacement, Company may remove the unacceptable equipment from the Covered Equipment and adjust the Service Fees accordingly. Customer authorizes Company to utilize Customer's telephone line or network infrastructure to connect to controls, systems and/or equipment provided or serviced by Company and to provide Services contracted for or otherwise requested by Customer, including remote diagnostic and repair service. Customer acknowledges that Company is not responsible for any adverse impact to Customer's communications and network infrastructure. Company may elect to install/attach to Customer equipment or provide portable devices (hardware and/or software) for execution of control or diagnostic procedures. Such devices shall remain the personal proprietary property of Company and in no event shall become a fixture of Customer locations. Customer shall not acquire any interest, title or equity in any hardware, software, processes, and other intellectual or proprietary rights to devices used in connection with the Services on Customer equipment. Company may remove such devices at its discretion. Parts used for any repairs made will be those selected by Company as suitable for the repair and may be parts not manufactured by Company.

8. Customer Obligations. Customer shall: (a) Provide Company reasonable and safe access to the Covered Equipment and areas where Company is to work; (b) Follow manufacturer recommendations concerning teardown and internal inspection, major overhaul, restoration or refurbishing of the Covered Equipment; unless expressly stated in the Scope of Services statement, Company is not performing any manufacturer recommended teardown and internal inspection, major overhaul, restoration or refurbishing of the Covered Equipment; and (c) Where applicable, unless water treatment is expressly included in the Services, provide professional cooling tower water treatment in accordance with any reasonable recommendations provided by Company.

9. Exclusions. Unless expressly included in the Covered Equipment or the Services, the Services do not include, and Company shall not be responsible for or liable to the Customer for any claims, losses, damages or expenses suffered by the Customer in any way connected with, relating to or arising from, any of the following: (a) Any guarantee of room conditions or system performance; (b) Inspection, maintenance, repair, replacement of or services for: chilled water and condenser water pumps and piping; electrical disconnect switches or circuit breakers; motor starting equipment that is not factory mounted and interconnecting power wiring; recording or portable instruments, gauges or thermometers; non-moving parts or non-maintainable parts of the system, including, but not limited to, storage tanks; pressure vessels, shells, coils, tubes, housings, castings, drain pans, panels, duct work; piping: hydraulic, hydronic, pneumatic, gas, or refrigerant; insulation; pipe covering; refractory material; fuses, unit cabinets; electrical wiring; ductwork or conduit; electrical distribution system; hydronic structural supports and similar items; the appearance of decorative casing or cabinets; damage sustained by other equipment or systems; and/or any failure, misadjustment or design deficiencies in other equipment or systems; (c) Damage, repairs or replacement of parts made necessary as a result of electrical power failure, low voltage, burned out main or branch fuses, low water pressure, vandalism, misuse or abuse, wear and tear, end of life failure, water damage, improper operation, unauthorized alteration of equipment, accident, acts or omissions of Customer or others, damage due to freezing weather, calamity, malicious act, or any Event of Force Majeure; (d) Any damage or malfunction resulting from vibration, electrolytic action, freezing, contamination, corrosion, erosion, or caused by scale or sludge on internal tubes except where water treatment protection services are provided by Company as part of this Agreement; (e) Furnishing any items of equipment, material, or labor/labour, or performing special tests recommended or required by insurance companies or federal, state, or local governments; (f) Failure or inadequacy of any structure or foundation supporting or surrounding the equipment to be worked on or any portion thereof; (g) Building access or alterations that might be necessary to repair or replace Customer's existing equipment; (h) The normal function of starting and stopping equipment or the opening



and closing of valves, dampers or regulators normally installed to protect equipment against damage; (i) Valves that are not factory mounted: balance, stop, control, and other valves external to the device unless specifically included in the Agreement; (j) Any responsibility for design or redesign of the system or the Covered Equipment, obsolescence, safety tests, or removal or reinstallation of valve bodies and dampers; (k) Any services, claims, or damages arising out of Customer's failure to comply with its obligations under this Agreement; (l) Failure of Customer to follow manufacturer recommendations concerning teardown and internal inspection, overhaul and refurbishing of equipment; (m) Any claims, damages, losses, or expenses, arising from or related to conditions that existed in, on, or upon the premises before the effective date of this Agreement ("Pre-Existing Conditions"), including, without limitation, damages, losses, or expenses involving pre-existing building envelope issues, mechanical issues, plumbing issues, and/or indoor air quality issues involving mold/mould and/or fungi; (n) Replacement of refrigerant is excluded, unless replacement of refrigerant is expressly stated as included within the Services, in which case replacement shall in no event exceed the stated percentage of rated system charge per year expressly stated in the Services; (o) crane or rigging costs; (p) Any Services, claims, or damages arising out of refrigerant not supplied by Company. Customer shall be responsible for: (i) The cost of any additional replacement refrigerant; (ii) Operation of any equipment; and (iii) Any claims, damages, losses, or expenses, arising from or related to work done by or services provided by individuals or entities that are not employed by or hired by Company.

10. Limited Warranty. Company warrants that: (a) the material manufactured by Company and provided to Customer in performance of the Services is free from defects in material and manufacture for a period of 12 months from the earlier of the date of equipment start-up or replacement; and (b) the labor/labour portion of the Maintenance Services and Additional Work has been properly performed for a period of 90 days from date of completion (the "Limited Warranty"). Company obligations of equipment start-up, if any are stated in the Proposal, are coterminous with the Limited Warranty period. Defects must be reported to Company within the Limited Warranty period. Company's obligation under the Limited Warranty is limited to repairing or replacing the defective part at its option and to correcting any labor/labour improperly performed by Company. No liability whatsoever shall attach to Company until the Maintenance Services and Additional Work have been paid for in full. Exclusions from this Warranty include claims, losses, damages and expenses in any way connected with, related to or arising from failure or malfunction of equipment due to the following: wear and tear; end of life failure; corrosion; erosion; deterioration; Customer's failure to follow the Company-provided maintenance plan; unauthorized or improper maintenance; unauthorized or improper parts or material; refrigerant not supplied by Company; and modifications made by others to equipment. Company shall not be obligated to pay for the cost of lost refrigerant or lost product. Some components of equipment manufactured by Company may be warranted directly from the component supplier, in which case this Limited Warranty shall not apply to those components and any warranty of such components shall be the warranty given by such component supplier. Notwithstanding the foregoing, all warranties provided herein terminate upon termination or cancellation of this Agreement. Equipment, material and/or parts that are not manufactured by Company ("Third-Party Products(s)") are not warranted by Company and have such warranties as may be extended by the respective manufacturer. **CUSTOMER UNDERSTANDS THAT COMPANY IS NOT THE MANUFACTURER OF ANY THIRD-PARTY PRODUCT(S) AND ANY WARRANTIES, CLAIMS, STATEMENTS, REPRESENTATIONS, OR SPECIFICATIONS ARE THOSE OF THE THIRD-PARTY MANUFACTURER, NOT COMPANY AND CUSTOMER IS NOT RELYING ON ANY WARRANTIES, CLAIMS, STATEMENTS, REPRESENTATIONS, OR SPECIFICATIONS REGARDING THE THIRD-PARTY PRODUCT THAT MAY BE PROVIDED BY COMPANY OR ITS AFFILIATES, WHETHER ORAL OR WRITTEN. THE REMEDIES SET FORTH IN THIS LIMITED WARRANTY ARE THE SOLE AND EXCLUSIVE REMEDIES FOR WARRANTY CLAIMS PROVIDED BY COMPANY TO CUSTOMER UNDER THIS AGREEMENT AND ARE IN LIEU OF ALL OTHER WARRANTIES AND LIABILITIES, LIABILITIES, CONDITIONS AND REMEDIES, WHETHER IN CONTRACT, WARRANTY, STATUTE OR TORT (INCLUDING NEGLIGENCE), EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND/OR OTHERS ARISING FROM COURSE OF DEALING OR TRADE. COMPANY EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, ENDORSEMENTS OR CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF QUALITY, FITNESS, MERCHANTABILITY, DURABILITY AND/OR OTHERS ARISING FROM COURSE OF DEALING OR TRADE OR REGARDING PREVENTION BY THE SCOPE OF SERVICES, OR ANY COMPONENT THEREOF. NO REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, REGARDING PREVENTING, ELIMINATING, REDUCING OR INHIBITING ANY MOLD, FUNGUS, BACTERIA, VIRUS, MICROBIAL GROWTH, OR ANY OTHER CONTAMINANTS (INCLUDING COVID-19 OR ANY SIMILAR VIRUS) (COLLECTIVELY, "CONTAMINANTS"), WHETHER INVOLVING OR IN CONNECTION WITH EQUIPMENT, ANY COMPONENT THEREOF, SERVICES OR OTHERWISE. IN NO EVENT SHALL COMPANY HAVE ANY LIABILITY FOR THE PREVENTION, ELIMINATION, REDUCTION OR INHIBITION OF THE GROWTH OR SPREAD OF SUCH CONTAMINANTS INVOLVING OR IN CONNECTION WITH ANY EQUIPMENT, THIRD-PARTY PRODUCT, OR ANY COMPONENT THEREOF, SERVICES OR OTHERWISE AND CUSTOMER HEREBY SPECIFICALLY ACKNOWLEDGES AND AGREES THERETO.**

11. Indemnity. To the maximum extent permitted by law, Company and Customer shall indemnify and hold harmless each other from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, resulting from death or bodily injury or damage to real or personal property, to the extent caused by the negligence or misconduct of the indemnifying party, and/or its respective employees or other authorized agents in connection with their activities within the scope of this Agreement. Neither party shall indemnify the other against claims, damages, expenses, or liabilities to the extent attributable to the acts or omissions of the other party or third parties. If the parties are both at fault, the obligation to indemnify shall be proportional to their relative fault. The duty to indemnify and hold harmless will continue in full force and effect, notwithstanding the expiration or early termination of this Agreement, with respect to any claims based on facts or conditions that occurred prior to expiration or termination of this Agreement.

12. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION REFRIGERANT LOSS, PRODUCT LOSS, LOST REVENUE OR PROFITS, OR LIABILITY TO THIRD PARTIES), OR CONTAMINANTS LIABILITIES, OR PUNITIVE DAMAGES WHETHER BASED IN CONTRACT, WARRANTY, STATUTE, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL THEORY OR FACTS. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE TOTAL AND AGGREGATE LIABILITY OF THE COMPANY TO THE CUSTOMER WITH RESPECT TO ANY AND ALL CLAIMS CONNECTED WITH, RELATED TO OR ARISING FROM THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, WHETHER BASED IN CONTRACT, WARRANTY, STATUTE, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL THEORY OR FACTS, SHALL NOT EXCEED THE COMPENSATION RECEIVED BY COMPANY OVER THE 12 MONTH PERIOD PRECEDING THE DATE OF OCCURRENCE FOR THE SERVICES AND ADDITIONAL WORK FOR THE LOCATION WHERE THE LOSS OCCURRED. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY DAMAGES (WHETHER DIRECT OR INDIRECT) RESULTING FROM MOLD/MOULD, FUNGUS, BACTERIA, MICROBIAL GROWTH, OR OTHER CONTAMINATES OR AIRBORNE BIOLOGICAL AGENTS. TO THE MAXIMUM EXTENT ALLOWED BY LAW, COMPANY SHALL NOT BE LIABLE FOR ANY OF THE FOLLOWING IN CONNECTION WITH PROVIDING THE INTELLIGENT SERVICES: INTERRUPTION, DELETION, DEFECT, DELAY IN OPERATION OR TRANSMISSION; CUSTOMER'S NETWORK SECURITY; COMPUTER VIRUS; COMMUNICATION FAILURE; THEFT OR DESTRUCTION OF DATA; GAPS IN DATA COLLECTED; AND UNAUTHORIZED ACCESS TO CUSTOMER'S DATA OR COMMUNICATIONS NETWORK.

13. CONTAMINANTS LIABILITY. The transmission of COVID-19 may occur in a variety of ways and circumstances, many of the aspects of which are currently not known. HVAC systems, products, services and other offerings have not been tested for their effectiveness in reducing the spread of COVID-19, including through the air in closed environments. **IN NO EVENT WILL COMPANY BE LIABLE UNDER THIS AGREEMENT OR OTHERWISE FOR ANY INDEMNIFICATION, ACTION OR CLAIM, WHETHER BASED ON WARRANTY, CONTRACT, TORT OR OTHERWISE, FOR ANY BODILY INJURY (INCLUDING DEATH) DAMAGE TO PROPERTY, OR ANY OTHER LIABILITIES, DAMAGES OR COSTS RELATED TO CONTAMINANTS (INCLUDING THE SPREAD, TRANSMISSION OR CONTAMINATION THEREOF) (COLLECTIVELY, "CONTAMINANTS LIABILITIES") AND CUSTOMER HEREBY EXPRESSLY RELEASES COMPANY FROM ANY SUCH CONTAMINANTS LIABILITIES.**

14. Asbestos and Hazardous Materials. The Services expressly exclude any identification, abatement, cleanup, control, disposal, removal or other work connected with asbestos polychlorinated biphenyl ("PCB"), or other hazardous materials (collectively, "Hazardous Materials"). Customer warrants and represents that there are no Hazardous Materials on the premises that will in any way affect Company's performance, except as set forth in a writing signed by Company disclosing the existence and location of any Hazardous Materials in all areas within which Company will be performing. Should Company become aware of or suspect the presence of Hazardous Materials, Company may immediately stop work in the affected area and notify Customer. Customer will be responsible for correcting the condition in accordance with all applicable laws and regulations. Customer shall be exclusively responsible for and shall indemnify and hold



harmless Company (including its employees, agents and subcontractors) from and against any loss, claim, liability, fees, penalties, injury (including death) or liability of any nature, and the payment thereof, arising out of or relating to any Hazardous Materials on or about the premises, not brought onto the premises by Company. Company shall be required to resume performance only in the absence of Hazardous Materials or when the affected area has been rendered harmless. In no event shall Company be obligated to transport or handle Hazardous Materials, provide any notices to any governmental agency, or examine the premises site for the presence of Hazardous Materials.

15. Insurance. Company agrees to maintain the following insurance during the term of this Agreement with limits not less than shown below and will, upon request from Customer, provide a Certificate of evidencing the following coverage:

Commercial General Liability	\$2,000,000 per occurrence
Automobile Liability	\$2,000,000 CSL
Workers Compensation	Statutory Limits

If Customer has requested to be named as an additional insured under Company's insurance policy, Company will do so but only subject to Company's manuscript additional insured endorsement under its primary Commercial General Liability policies. In no event does Company or its insurer waive rights of subrogation.

16. Force Majeure. Company's duty to perform under this Agreement is contingent upon the non-occurrence of an Event of Force Majeure. If Company is unable to carry out any material obligation under this Agreement due to an Event of Force Majeure, this Agreement shall at Company's election (i) remain in effect but Company's obligations shall be suspended until the uncontrollable event terminates or (ii) be terminated upon 10 days' notice to Customer, in which event Customer shall pay Company for all parts of the Services furnished to the date of termination. An "Event of Force Majeure" shall mean any cause or event beyond the control of Company. Without limiting the foregoing, "Event of Force Majeure" includes: acts of God; acts of terrorism, war or the public enemy; flood; earthquake; lightning; tornado; storm; fire; civil disobedience; pandemic; insurrections; riots; labor/labour disputes; labor/labour or material shortages from the usual sources of supply; sabotage; restraint by court order or public authority (whether valid or invalid), and action or non-action by or inability to obtain or keep in force the necessary governmental authorizations, permits, licenses, certificates or approvals if not caused by Company; and the requirements of any applicable government in any manner that diverts either the material or the finished product to the direct or indirect benefit of the government.

17. Maintenance Services Other Than Solely Scheduled Service. If Company's Maintenance Services hereunder are not limited solely to Scheduled Service, the following provisions shall also apply: (a) Required restoration shall be performed by Customer at its cost prior to Company being obligated to perform hereunder; (b) any changes, adjustments, service or repairs made to the Equipment by any party other than Company, unless approved by Company in writing, may, at Company's option, terminate Company's obligation to render further service to the Equipment so affected; in such case no refund of any portion of the Service Fees shall be made; and (c) Customer shall (i) promptly notify Company of any unusual performance of Equipment; (ii) permit only Company personnel to repair or adjust Equipment and/or controls during the Term or a Renewal Term; and (iii) utilize qualified personnel to properly operate the Equipment in accordance with the applicable operating manuals and recommended procedures.

18. General. Except as provided below, to the maximum extent provided by law, this Agreement is made and shall be interpreted and enforced in accordance with the laws of the state or province in which Company performs the Services. Any dispute arising under or relating to this Agreement shall be decided by litigation in a court of competent jurisdiction located in the state or province in which the Services are performed. To the extent the premises are owned and/or operated by any agency of the United States Federal Government, determination of any substantive issue of law shall be according to the United States Federal common law of Government contracts as enunciated and applied by United States Federal judicial bodies and boards of contract appeals of the United States Federal Government. This Agreement contains all of the agreements, representations and understandings of the parties and supersedes all previous understandings, commitments or agreements, oral or written, related to the Services. If any term or condition of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, all other Terms of this Agreement will nevertheless remain in full force and effect as long as the economic or legal substance of the transaction contemplated hereby is not affected in a manner adverse to any party hereto. Customer may not assign, transfer, or convey this Agreement, or any part hereof, without the written consent of Company. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties hereto and their permitted successors and assigns. This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original, but all together shall constitute but one and the same Agreement. A fully executed facsimile copy hereof or the several counterparts shall suffice as an original. Customer may not assign, transfer, or convey this Agreement, or any part hereof, or its right, title or interest herein, without the written consent of Company. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties' respective successors and assigns. No failure or delay by the Company in enforcing any right or exercising any remedy under this Agreement shall be deemed to be a waiver by the Company of any right or remedy.

19. Equal Employment Opportunity/Affirmative Action Clause. Company is a federal contractor that complies fully with Executive Order 11246, as amended, and the applicable regulations contained in 41 C.F.R. Parts 60-1 through 60-60, 29 U.S.C. Section 793 and the applicable regulations contained in 41 C.F.R. Part 60-741; and 38 U.S.C. Section 4212 and the applicable regulations contained in 41 C.F.R. Part 60-250 Executive Order 13496 and Section 29 CFR 471, appendix A to support A, regarding the notice of employee rights in the United States and with Canadian Charter of Rights and Freedoms Schedule B to the Canada Act 1982 (U.K.) 1982, c. 11 and applicable Provincial Human Rights Codes and employment law in Canada.

20. U.S. Government Services. The following provision applies only to direct sales by Company to the US Government. The Parties acknowledge that all items or services ordered and delivered under this Agreement are Commercial Items as defined under Part 12 of the Federal Acquisition Regulation (FAR). In particular, Company agrees to be bound only by those Federal contracting clauses that apply to "commercial" suppliers and that are contained in FAR 52.212-5(e)(1). Company complies with 52.219-8 or 52.219-9 in its service and installation contracting business. **The following provision applies only to indirect sales by Company to the US Government.** As a Commercial Item Subcontractor, Company accepts only the following mandatory flow down provisions: 52.219-8; 52.222-26; 52.222-35; 52.222-36; 52.222-39; 52.247-64. If the Services are in connection with a U.S. Government contract, Customer certifies that it has provided and will provide current, accurate, and complete information, representations and certifications to all government officials, including but not limited to the contracting officer and officials of the Small Business Administration, on all matters related to the prime contract, including but not limited to all aspects of its ownership, eligibility, and performance. Anything herein notwithstanding, Company will have no obligations to Customer unless and until Customer provides Company with a true, correct and complete executed copy of the prime contract. Upon request, Customer will provide copies to Company of all requested written communications with any government official related to the prime contract prior to or concurrent with the execution thereof, including but not limited to any communications related to Customer's ownership, eligibility or performance of the prime contract. Customer will obtain written authorization and approval from Company prior to providing any government official any information about Company's performance of the Services that are the subject of the Proposal or this Agreement, other than the Proposal or this Agreement.

21. Limited Waiver of Sovereign Immunity. If Customer is an Indian tribe (in the U.S.) or a First Nation or Band Council (in Canada), Customer, whether acting in its capacity as a government, governmental entity, a duly organized corporate entity or otherwise, for itself and for its agents, successors, and assigns: (1) hereby provides this limited waiver of its sovereign immunity as to any damages, claims, lawsuit, or cause of action (herein "Action") brought against Customer by Company and arising or alleged to arise out of the furnishing by Company of any product or service under this Agreement, whether such Action is based in contract, tort, strict liability, civil liability or any other legal theory; (2) agrees that jurisdiction and venue for any such Action shall be proper and valid (a) if Customer is in the U.S., in any state or United States court located in the state in which Company is performing this Agreement or (b) if Customer is in Canada, in the superior court of the province or territory in which the work was performed; (3) expressly consents to such Action, and waives any objection to jurisdiction or venue; (4) waives any requirement of exhaustion of tribal court or administrative remedies for any Action arising out of or related to this Agreement; and (5) expressly acknowledges and agrees that Company is not subject to the jurisdiction of Customer's tribal court or any similar tribal forum, that Customer will not bring any action against Company in tribal court, and that Customer will not avail itself of any ruling or direction of the tribal court permitting or directing it to suspend its payment or other obligations under this Agreement. The individual signing on behalf of Customer warrants and represents that such individual is duly authorized to provide this waiver and enter into this Agreement and that this Agreement constitutes the valid and legally binding obligation of Customer, enforceable in accordance with its terms.

1-26.130-7 (1122)
Supersedes 1-26.130-7 (0821)



SECURITY ADDENDUM

This Addendum shall be applicable to the sale, installation and use of Trane equipment and the sale and provision of Trane services. "Trane" shall mean Trane U.S. Inc. for sales and services in the United States, or Trane Canada ULC for sales and services in Canada.

1. **Definitions.** All terms used in this Addendum shall have the meaning specified in the Agreement unless otherwise defined herein. For the purposes of this Addendum, the following terms are defined as follows:

"Customer Data" means Customer account information as related to the Services only and does not include HVAC Machine Data or personal data. Trane does not require, nor shall Customer provide personal data to Trane under the Agreement. Such data is not required for Trane to provide its Equipment and/or Services to the Customer.

"Equipment" shall have the meaning set forth in the Agreement.

"HVAC Machine Data" means data generated and collected from the product or furnished service without manual entry. HVAC Machine Data is data relating to the physical measurements and operating conditions of a HVAC system, such as but not limited to, temperatures, humidity, pressure, HVAC equipment status. HVAC Machine Data does not include Personal Data and, for the purposes of this agreement, the names of users of Trane's controls products or hosted applications shall not be Personal Data, if any such user chooses to use his/her name(s) in the created accounts within the controls product (e.g., firstname.lastname@address.com). HVAC Machine Data may be used by Trane: (a) to provide better support services and/or products to users of its products and services; (b) to assess compliance with Trane terms and conditions; (c) for statistical or other analysis of the collective characteristics and behaviors of product and services users; (d) to backup user and other data or information and/or provide remote support and/or restoration; (e) to provide or undertake: engineering analysis; failure analysis; warranty analysis; energy analysis; predictive analysis; service analysis; product usage analysis; and/or other desirable analysis, including, but not limited to, histories or trends of any of the foregoing; and (f) to otherwise understand and respond to the needs of users of the product or furnished service. "Personal Data" means data and/or information that is owned or controlled by Customer, and that names or identifies, or is about a natural person, such as: (i) data that is explicitly defined as a regulated category of data under any data privacy laws applicable to Customer; (ii) non-public personal information ("NPI") or personal information ("PI"), such as national identification number, passport number, social security number, social insurance number, or driver's license number; (iii) health or medical information, such as insurance information, medical prognosis, diagnosis information, or genetic information; (iv) financial information, such as a policy number, credit card number, and/or bank account number; (v) personally identifying technical information (whether transmitted or stored in cookies, devices, or otherwise), such as IP address, MAC address, device identifier, International Mobile Equipment Identifier ("IMEI"), or advertising identifier; (vi) biometric information; and/or (vii) sensitive personal data, such as, race, religion, marital status, disability, gender, sexual orientation, geolocation, or mother's maiden name.

"Security Incident" shall refer to (i) a compromise of any network, system, application or data in which Customer Data has been accessed or acquired by an unauthorized third party; (ii) any situation where Trane reasonably suspects that such compromise may have occurred; or (iii) any actual or reasonably suspected unauthorized or illegal Processing, loss, use, disclosure or acquisition of or access to any Customer Data.

"Services" shall have the meaning set forth in the Agreement.

2. **HVAC Machine Data; Access to Customer Extranet and Third Party Systems.** If Customer grants Trane access to HVAC Machine Data via web portals or other non-public websites or extranet services on Customer's or a third party's website or system (each, an "Extranet"), Trane will comply with the following:
 - a. Accounts. Trane will ensure that Trane's personnel use only the Extranet account(s) designated by Customer and will require Trane personnel to keep their access credentials confidential.
 - b. Systems. Trane will access the Extranet only through computing or processing systems or applications running operating systems managed by Trane that include: (i) system network firewalls; (ii) centralized patch management; (iii) operating system appropriate anti-malware software; and (iv) for portable devices, full disk encryption.
 - c. Restrictions. Unless otherwise approved by Customer in writing, Trane will not download, mirror or permanently store any HVAC Machine Data from any Extranet on any medium, including any machines, devices or servers.
 - d. Account Termination. Trane will terminate the account of each of Trane's personnel in accordance with Trane's standard practices after any specific Trane personnel who has been authorized to access any Extranet (1) no



longer needs access to HVAC Machine Data or (2) no longer qualifies as Trane personnel (e.g., the individual leaves Trane's employment).

- e. Third Party Systems. Trane will provide Customer prior notice before it uses any third party system that stores or may otherwise have access to HVAC Machine Data, unless (1) the data is encrypted and (2) the third party system will not have access to the decryption key or unencrypted "plain text" versions of the HVAC Machine Data.
3. Customer Data; Confidentiality. Trane shall keep confidential, and shall not access or use any Customer Data and information that is marked confidential or by its nature is considered confidential ("Customer Confidential Information") other than for the purpose of providing the Equipment and Services, and will disclose Customer Confidential Information only: (i) to Trane's employees and agents who have a need to know to perform the Services, (ii) as expressly permitted or instructed by Customer, or (iii) to the minimum extent required to comply with applicable law, provided that Trane (1) provides Customer with prompt written notice prior to any such disclosure, and (2) reasonably cooperate with Customer to limit or prevent such disclosure.
4. Customer Data; Compliance with Laws. Trane agrees to comply with laws, regulations governmental requirements and industry standards and practices relating to Trane's processing of Customer Confidential Information (collectively, "**Laws**").
5. Customer Data; Information Security Management. Trane agrees to establish and maintain an information security and privacy program, consistent with applicable HVAC equipment industry practices that complies with this Addendum and applicable Laws ("**Information Security Program**"). The Information Security Program shall include appropriate physical, technical and administrative safeguards, including any safeguards and controls agreed by the Parties in writing, sufficient to protect Customer systems, and Customer's Confidential Information from unauthorized access, destruction, use, modification or disclosure. The Information Security Program shall include appropriate, ongoing training and awareness programs designed to ensure that Trane's employees and agents, and others acting on Trane's, behalf are aware of and comply with the Information Security Program's policies, procedures, and protocols.
6. Monitoring. Trane shall monitor and, at regular intervals consistent with HVAC equipment industry practices, test and evaluate the effectiveness of its Information Security Program. Trane shall evaluate and promptly adjust its Information Security Program in light of the results of the testing and monitoring, any material changes to its operations or business arrangements, or any other facts or circumstances that Trane knows or reasonably should know may have a material impact on the security of Customer Confidential Information, Customer systems and Customer property.
7. Audits. Customer acknowledges and agrees that the Trane SOC2 audit report will be used to satisfy any and all audit/inspection requests/requirements by or on behalf of Customer. Trane will make its SOC2 audit report available to Customer upon request and with a signed nondisclosure agreement.
8. Information Security Contact. Trane's information security contact is Local Sales Office.
9. Security Incident Management. Trane shall notify Customer after the confirmation of a Security Incident that affects Customer Confidential Information, Customer systems and Customer property. The written notice shall summarize the nature and scope of the Security Incident and the corrective action already taken or planned.
10. Threat and Vulnerability Management. Trane regularly performs vulnerability scans and addresses detected vulnerabilities on a risk basis. Periodically, Trane engages third-parties to perform network vulnerability assessments and penetration testing. Vulnerabilities will be reported in accordance with Trane's cybersecurity vulnerability reported process. Trane periodically provides security updates and software upgrades.
11. Security Training and Awareness. New employees are required to complete security training as part of the new hire process and receive annual and targeted training (as needed and appropriate to their role) thereafter to help maintain compliance with Security Policies, as well as other corporate policies, such as the Trane Code of Conduct. This includes requiring Trane employees to annually re-acknowledge the Code of Conduct and other Trane policies as appropriate. Trane conducts periodic security awareness campaigns to educate personnel about their responsibilities and provide guidance to create and maintain a secure workplace.
12. Secure Disposal Policies. Policies, processes, and procedures regarding the disposal of tangible and intangible property containing Customer Confidential Information so that wherever possible, Customer Confidential Information cannot be practicably read or reconstructed.



13. Logical Access Controls. Trane employs internal monitoring and logging technology to help detect and prevent unauthorized access attempts to Trane's corporate networks and production systems. Trane's monitoring includes a review of changes affecting systems' handling authentication, authorization, and auditing, and privileged access to Trane production systems. Trane uses the principle of "least privilege" (meaning access denied unless specifically granted) for access to customer data.
14. Contingency Planning/Disaster Recovery. Trane will implement policies and procedures required to respond to an emergency or other occurrence (i.e. fire, vandalism, system failure, natural disaster) that could damage Customer Data or any system that contains Customer Data. Procedures include the following
 - (i) data backups; and
 - (ii) formal disaster recovery plan. Such disaster recovery plan is tested at least annually.
15. Return of Customer Data. If Trane is responsible for storing or receiving Customer Data, Trane shall, at Customer's sole discretion, deliver Customer Data to Customer in its preferred format within a commercially reasonable period of time following the expiration or earlier termination of the Agreement or, such earlier time as Customer requests, securely destroy or render unreadable or undecipherable each and every original and copy in every media of all Customer's Data in Trane's possession, custody or control no later than [90 days] after receipt of Customer's written instructions directing Trane to delete the Customer Data.
16. Background checks Trane shall take reasonable steps to ensure the reliability of its employees or other personnel having access to the Customer Data, including the conducting of appropriate background and/or verification checks in accordance with Trane policies.
17. DISCLAIMER OF WARRANTIES. EXCEPT FOR ANY APPLICABLE WARRANTIES IN THE AGREEMENT, THE SERVICES ARE PROVIDED "AS IS", WITH ALL FAULTS, AND THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT AS TO SUCH SERVICES SHALL BE WITH CUSTOMER. TRANE DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SERVICES AND THE SERVICES PROVIDED HEREUNDER, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE SERVICES WILL OPERATE ERROR-FREE OR UNINTERRUPTED OR RETURN/RESPONSE TO INQUIRIES WITHIN ANY SPECIFIC PERIOD OF TIME.

November 2023



APPENDIX

SERVICE BEST PRACTICES

Trane is completely dedicated to making buildings better. The ongoing pursuit of better buildings, using our long-term domain expertise to push new technologies into everyday use, keeps us at the forefront of the industry.

In addition to the services details in the agreement above, we take practical steps every day to ensure our approach is safe and efficient.

SAFETY

Since 2003, U.S. Bureau of Labor Statistics records have consistently shown the Total Recordable Incident Rate (TRIR) and Days Away From Work (DAFW) for Trane have been significantly lower than those for HVAC repair and maintenance contractors and specialty trade contractors (construction). The company's safety culture in America is unparalleled in the building service industry, with proven results in the continuous reduction of injury rates. Trane incident rates (OSHA) are consistently 50 to 70 percent below the industry average.

A wide range of safety training and resources are available to Trane technicians, including:

- Safety training—20 hours per year
- Electrical safety—NFPA 70E compliant, electrical PPE
- Fall protection
- Ergonomics
- USDOT compliance
- Refrigerant management training

ENVIRONMENTAL PRACTICES

Trane policies and procedures are compliant with all federal and state regulations. Refrigerant (and substitutes) handling, storage and leak repair processes are compliant with Environmental Protection Agency regulation 40 CFR Part 82. Service technicians are Universal-certified and use only certified recovery equipment

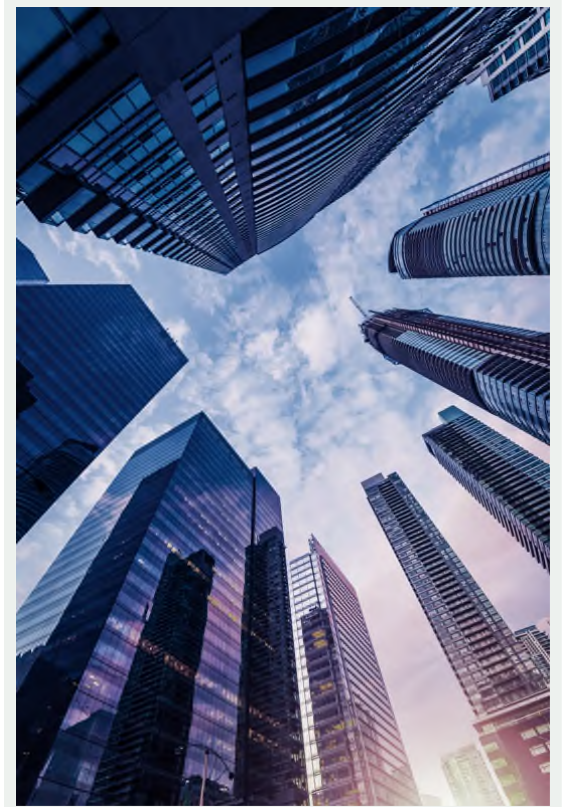
Refrigerant Management Software (RMS) captures, manages and reports all refrigerant activity at your site. Annually, Trane will send you a report documenting all refrigerant activity that we performed for each piece of equipment during the past 12 months

Trane adheres to all environmental regulations when removing used oil from refrigeration units.

CONSISTENCY

Nationwide, Trane technicians follow documented, formal processes that ensure uniform service delivery. As an OEM, Trane has developed exclusive service procedures which provide the most reliable outcomes, and extended equipment longevity, at the most cost-effective price.

- Exclusive service work flow processes provide detailed steps and information encompassing parts, materials, tools and sequence of execution
- Additional steps addressing safety, quality control, work validation and environmental compliance
- Technicians must consistently reference documented processes to ensure no critical steps are skipped or omitted
- Applicable service processes meet or exceed ASHRAE 180-2008 Standard Practice for Inspection and Maintenance of Commercial Building HVAC Systems





CUSTOMER SERVICE FLOWS

The following Customer Service Flows provide additional service description detail for Covered Equipment. Note: There may be differences per the agreement in the work being performed between sites and the equipment on those sites. This section clarifies differences in the work being performed between sites and the equipment on those sites:

Service 1: Annual Inspection of Mini Splits

Description

- Check supply air temperature
- Clean replaceable Filters
- Verify smooth operation of the fan.

Service 2: Operating Inspection of Mini Splits

Description

- Check supply air temperature
- Verify smooth operation of the fan.

Service 3: Split System- Annual

Description

- Initial Site Inspection
- isolate, inspect, and lock out starter panel
- Filter Inspection And Change
- Unitary Visual Equipment Inspection
- Verify smooth operation of the fan.
- Remove LOTO and restore power
- Remove Lock Out Tag Out and Restore Power
- Log Unit (Unitary)
- Complete Required Paper Work

Service 4: Split Heat Pump Annual

Description

- Unitary Visual Equipment Inspection
- Supply Fan Inspection Including LOTO
- Bearing Lubrication
- Filter Inspection And Change
- Condensate Drip Pan Treatment
- Electrical Inspection
- Start Up Seasonal Cooling

Service 5: Split Heat Pump Operational

Description

- Unitary Visual Equipment Inspection
- Supply Fan Inspection
- Filter Inspection And Change

Service 6: Split System Operational

Description

- Initial Site Inspection
- Filter Inspection And Change
- Unitary Visual Equipment Inspection
- Verify smooth operation of the fan.
- Remove Lock Out Tag Out and Restore Power
- Complete Required Paper Work



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Samantha Bagbey, Project Manager
RE: Lease Agreement between the IDA and Danville Redevelopment and Housing Authority at 816 Monument Street

ATTACHMENTS

1. 1565_RES_LeaseAgmt_IDA_DRHA_816 Monument St
2. 1565_AttachedLeaseIDA_DRHA-816 Monument St

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE-AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY FOR THE PROPERTY IDENTIFIED AS 816 MONUMENT STREET.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a Lease-Agreement between the Industrial Development Authority of Danville, Virginia and Danville Redevelopment and Housing Authority, substantially in the form attached hereto; and

BE IT FURTHER RESOLVED, by the IDA that it hereby approves and authorizes a lease term of Thirty-six (36) Months at a lease rate of One Thousand Five Hundred Dollars (\$1,500) per month; and

BE IT FINALLY RESOLVED, by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any Officer, to execute the new Lease Agreement and any other documents necessary to complete the transaction described in this resolution.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into and effective as of this 16th day of SEPTEMBER 2024, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("Landlord"), and **DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY** ("Tenant").

WITNESSETH

FOR and in consideration of the mutual promises and covenants of the parties to this Lease, the parties do covenant and agree as follows:

1. **Definitions:** The following words or phrases shall have the following meanings when used in this Lease, unless otherwise specifically provided:

"Agreement" shall mean this lease agreement including all terms, conditions, rights, and responsibilities between the above-named Landlord and Tenants.

"Building" shall mean all of the building or other structure located on, or hereafter placed upon, **816 MONUMENT STREET AND BEARING TAX PARCEL ID NUMBER 24160**.

"Commencement date" shall mean **SEPTEMBER 16, 2024**.

"Premises" shall mean the warehouse space (approximately 16,583 sq. ft total with DRHA occupying approximately 3,000sqft) known as **816 MONUMENT STREET AND BEARING TAX PARCEL ID NUMBER 24160**.

"Real Estate Taxes" shall mean all real estate taxes, assessments, or charges upon all or any portion of the Entire Property or any Buildings or improvements thereon or the Premises or improvements thereon.

2. **Recitals:** The parties to this Lease recite the following facts:

A. Landlord is the Industrial Development Authority of Danville, Virginia (IDA), a political subdivision of the Commonwealth of Virginia.

B. Tenants are **DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY**

C. The Landlord desires to lease the Premises to the Tenants and the Tenants

desires to lease the Premises from the Landlord for the primary purpose of storing fire department equipment in the **TWC Tobacco Warehouse Comm.**

3. Lease of Premises:

Landlord hereby leases to Tenants, and Tenants hereby leases from the Landlord the Premises, described above in Paragraph 1.

4. Term:

A. Initial Term:

The initial term of this Lease ("Term") shall begin upon the commencement date of this Lease by the parties hereto and shall extend for **THIRTY-SIX (36) MONTHS** after the Commencement Date to the Termination Date.

B. Renewal Lease Term:

If the Lease is still in full force and effect, Tenant, with written approval by Landlord, may renew the lease. Renewal may be for as many as two (2) new twelve (12) month renewals, provided written notice of the election to renew shall be delivered to Landlord not less than sixty (60) days prior to the expiration of the previous lease term. If said extension is duly exercised by Tenant and approved by Landlord, the Term of this Lease shall be automatically extended for an additional twenty-four-month period upon all of the same terms, provisions and conditions set forth in this Lease **except** the new amount of rent for each renewed term.

5. Rent:

A. Tenant shall pay as rent to Landlord during the Initial term **ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500)** per month for the first **THIRTY-SIX (36) MONTHS** of the lease beginning on **SEPTEMBER 16, 2024**. Rent is payable and due in advance on the first day of each calendar month during the Lease term to Landlord in-person or by mail at **427 Patton Street, Danville, Virginia, 24541, Suite 203 – The Office of Economic Development and Tourism**. The rental payment amount for any partial calendar months included in the Lease term shall be prorated on a daily basis.

B. The rental rate for any Renewal Lease term, if exercised by the Tenants as permitted under this Lease, shall be as follows. Tenant's rent will increase to **\$1,575** (5% increase from initial lease term) per month for first twelve (12) month renewal of the lease term. Tenant's rent will increase to **\$1,654** (5% increase from previous renewal) for the additional and final twelve (12) month renewal.

- C. If Rent is not paid by the fifth (5th) day of each calendar month (or if such day is a Non-Business Day, the immediately preceding day that is not a Non-Business Day), Tenant shall pay to Landlord, as Additional Rent, a late payment fee equal to five percent (5%) of the amount due plus interest accruing on the delinquent amount owed until paid, equal to the then applicable judgment rate of interest set forth in Virginia Code § 6.2-302 as amended, currently at six percent (6%) per annum.
- D. A security deposit of **\$1,500** equal to the first month's rent is required to be paid prior to the Commencement Date as defined in paragraph 1 above for the initial term.

6. Maintenance, Improvement and Repairs:

- A. Tenants shall make, at Tenant's expense, all necessary improvements to the Premises including floors, walls, ceilings, plumbing, and lighting.
- B. Routine on-going repairs of interior areas not defined as the Premises and the exterior of the building including the roof, walls, foundation, gutters, downspouts, drainage systems, (signage excepted) shall be responsibility of the Landlord.
- C. If Repairs relate to an insurable claim, the Party entitled to insurance recovery must pay for the repairs.
- D. Tenants are responsible for their own trash disposal, janitorial, any needed security services, and any routine maintenance and inspections of necessary items.

7. Alterations and Improvements:

- A. Landlord's written consent is required to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Premises as Tenants may deem desirable at Tenant's expense. Provided the same shall not adversely affect the structural integrity of the Building and are made in compliance with all applicable codes and are otherwise performed in a workmanlike manner and utilizing good quality materials.
- B. Tenants shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenants at the commencement of the Lease term or placed or installed on the Leased Premises by Tenants, thereafter, shall remain Tenant's property free and clear of any claim by

Landlord. Tenants shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenants at Tenants' expense.

8. Use.

- A. Tenants shall not use nor cause to be used all or a portion of the Premises for any of the following: 1) sexually oriented adult entertainment, 2) bookstore or magazine shop selling pornographic materials, 3) billiard parlor or pool hall, 4) any use which is not permitted by right under zoning classification applicable to the Premises, and 5) any other use which is illegal under any laws applicable to the Premises.
- B. Tenants shall use Premises for the operation of storing fire department related equipment. In the event that Tenants no longer uses Premises as described, this Lease shall end upon thirty (30) days' notice by Landlord.

9. Taxes.

- A. Personal Property Taxes: Tenants shall be responsible for paying all personal property taxes with respect to Tenants' personal property at the Premises.
- B. Real Estate Taxes: Tenants shall be responsible for paying all real estate taxes for the Premises (approximately **16,583 sq. ft total with DRHA occupying approximately 3,000sqft**) known as **816 MONUMENT STREET AND BEARING TAX PARCEL ID NUMBER 24160**.
- C. Tenant will receive separate invoice(s) for respective property tax from The City of Danville Finance Department.

10. Insurance.

- A. Landlord shall maintain fire and extended coverage insurance on the Building and the Entire Property in such amounts as Landlord shall deem appropriate.
 - (i) Tenant shall be responsible, at their expense, for fire and extended coverage insurance on all personal property, including removable trade fixtures, located in the Premises.
- B. Tenants and Landlord shall, each at their own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance

company approved by Landlord, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional interest on Tenants' policy or policies of comprehensive general liability insurance, and Tenants' compliance with this Paragraph. Tenants shall obtain the agreement of Tenants' insurers to notify Landlord that a policy is due to expire at least (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

11. Utilities.

Tenants shall pay all charges for water, sewer, gas, electricity, telephone, internet and all other services of and for leased premises.

12. Signs.

Tenants shall have the right to place on the Premises any sign which is permitted by applicable zoning ordinances and private restrictions. Tenants shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenants.

13. Entry.

Landlord shall have the right to enter upon the Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with business of the Tenants on the Premises. Landlord will attempt to contact Tenants twenty- four (24) hours prior to entry except in the case of an emergency in which case no notice would be required.

14. Damage and Destruction.

If the Premises or any part thereof or any appurtenance thereto is so damaged, not caused by Tenants, by fire, casualty, or structural defects that the same cannot be used for Tenants' purposes, then Tenants shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage, not caused by Tenants, to any part of the Premises, and if such damage does not render the Premises unusable for Tenants' purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, epidemics, swarms of boll weevils, plagues of locusts, inability to obtain necessary permits, materials, or labor or other matters, which are beyond the reasonable control of Landlord. Tenants shall be relieved from paying rent and other charges during any portion of the Lease term that the Premises are inoperable or unfit for occupancy, or use, in whole or in part, for

Tenants' purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenants. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence, which is beyond Tenants' reasonable control, and which renders the Premises, or any appurtenance thereto, inoperable, or unfit for occupancy or use, in whole or in part, for Tenants' purposes.

15. Default.

If default shall at any time be made by Tenants in the payment of rent when due to Landlord as herein provided, and if said default shall continue for five (5) days after written notice thereof shall have been given to Tenants by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenants, and such default shall continue for ten (10) days after notice thereof in writing to Tenants by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenants written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenants default, either in law or equity.

16. Quiet Possession.

Landlord covenants and warrants that upon performance by Tenants of its obligations hereunder, Landlord will keep and maintain Tenants in exclusive, quiet, peaceful, undisturbed, and uninterrupted possession of the Leased Premises during the term of this Lease.

17. Condemnation.

If any legally, constituted authority condemns the building or such part thereof which shall make the Premises unsuitable for leasing, this Lease shall cease when the public authority issues the condemnation order, and Landlord and Tenants shall account for rent as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

18. Subordination.

Tenants accept this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenants agree

that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust, or other lien now existing or hereafter placed upon the Leased Premises of the Building and Tenants agree upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request Tenants agree that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenants alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

19. Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord:

Industrial Development Authority of Danville, Virginia
C/O City Attorney's Office
P.O. Box 3300
Danville, VA 24543

With a copy to:

City Attorney's Office
P.O. Box 3300
Danville, VA 24541

If to Tenants:

Danville Redevelopment and Housing Authority
Attn: Beverly Moudy
135 Jones Crossing Road
Danville, VA 24541

20. Brokers.

Tenants represent that Tenants were not shown the Premises by any real estate broker

or agent and that Tenants have not otherwise engaged in any activity, which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. Waiver.

No waiver of any default of Landlord or Tenants hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenants shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

23. Successors.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenants and their respective legal representatives, successors and assigns.

24. Consent.

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

25. Performance.

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenants to Landlord specifying the default, Tenants may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenants shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the Landlord of five percent (5%) per annum. If this Lease terminates prior to Tenants' receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenants on demand.

26. Compliance with Law.

Tenants shall comply with all laws, orders, ordinances, and other public requirements

now or hereafter pertaining to Tenants' use of the Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

27. Applicable Law and Entire Agreement.

A. This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

B. This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

Landlord:

Industrial Development Authority
of Danville, Virginia

By: _____

Name: T. Neal Morris
Its: Chairman

Tenant:

Tenant:

Danville Redevelopment and Housing Authority

By _____

Name: **Donald Paredes**

Title: **Executive Director**



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: A lease agreement between the Danville Industrial Development Authority and Morrisette Paper Company, Inc.

A lease agreement between the Danville Industrial Development Authority and Morrisette Paper, Inc for 27 months

ATTACHMENTS

1. 1566_RES_LeaseAgmt_IDA_MorrisettePaper_816 Monument St
2. 1566_Attachment_Morrisette Paper -Lockett Dr Lease 2024

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE LEASE RENEWAL BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND MORRISETTE PAPER COMPANY, INC FOR THE PROPERTY IDENTIFIED AS 979 LOCKETT DRIVE, DANVILLE, VIRGINIA.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a lease renewal between the Industrial Development Authority of Danville, Virginia and Morrisette Paper Company, Inc. as outlined in the Lease Agreement dated the 1st of January 2024, substantially in the form attached hereto; and

BE IT FURTHER RESOLVED, by the IDA that it hereby approves and authorizes the renewal of the Thirty-Six (36) months at a lease rate of Six Thousand Seven Hundred Sixty-Two and 61/100 (\$6,762.61) per month with an option to renew; and

BE IT FINALLY RESOLVED, by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any Officer, to execute the renewal Lease Agreement and any other documents necessary to complete the transaction described in this resolution.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

LEASE

THIS LEASE ("Lease") is entered into and effective as of January 1, 2024 between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE**, a political subdivision of the Commonwealth of Virginia ("Landlord"), and **MORRISETTE PAPER COMPANY, INC.**, a state of North Carolina corporation ("Tenant").

RECITALS:

This Lease is made with reference to the following facts:

- A. Landlord is the owner of real property described as APPROX 10.67 AC PT NO 1 LOCKETT DR identified as Parcel ID number 75918, located at and commonly known as 979 Lockett Dr., Danville, Virginia, more particularly described in Exhibit "A" attached hereto and incorporated herein and shall hereinafter be referred to collectively as the ("Property") and
- B. Landlord has had up-fitting done to the building on the Property identified by sketch on the attached Exhibit "B", hereinafter referred to as the "Rental Building"
- C. "Premises" shall mean both the "Property" and the "Rental Building" collectively.

NOW THEREFORE, in consideration for the promises contained herein and other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1-TERM OF LEASE

- 1.1 **Agreement to Lease.** Landlord shall lease to Tenant, and Tenant shall rent, hire, and take from Landlord, for the Term and upon the terms, covenants, and conditions set forth in this Lease, the Rental Building.
- 1.2 **Commencement Date.** The "Commencement Date" shall be January 1, 2024.
- 1.3 **Delivery Date.** On the Commencement Date, the Landlord shall deliver possession of the Rental Building to Tenant in such condition as Tenant has maintained said building with the added requirement that openings in the lower walls of the Rental Building shall have been sealed to prevent easy access to rodents, snakes or other wildlife. All rents and fees described by this Lease shall commence on the "Commencement Date."
- 1.4 **Term.** The term of this Lease shall begin as of the Commencement Date and shall end twenty-seven (27) months after the Commencement Date. The tenant shall have an option to renew the lease for an additional thirty-six (36) months under the same terms and conditions with the exception that the rental rate may be increased no more than the percentage increase in the

Cost of Living Index as published by the United States Census Bureau between the dates of January 1, 2024 and December 31, 2023. All references to the Lease in this document shall be referred to as the "Term" for the purposes of this lease.

1.5 **Deposit.** No additional deposit shall be required for this lease term.

ARTICLE 2-RENT AND SPACE

2.1 **Rent.** The monthly rent for the Rental Building shall be Six Thousand Seven Hundred Sixty Two Dollars and Sixty One Cents (\$6,762.61). Throughout this lease, this monthly rental charge is referred to as "**Base Rent.**" Tenant shall be liable for all utilities for the rental building.

2.2 **Lease Year.** As used in this Lease, "Lease Year" means the period beginning on the Commencement Date and ending on the date twelve (12) month following the Commencement Date and each consecutive twelve (12) month period thereafter during the Term.

ARTICLE 3-USE

3.1 **Permitted Use.** Tenant may use the Rental Building for office, storage, and assembly as needed. Landlord hereby represents that such uses are permitted in the Rental Building under applicable law.

3.2 **Compliance with Laws.** Tenant is required to follow all zoning and building occupation codes as outlined by the City of Danville. In addition, Tenant shall obtain all business licenses, permits, and other approvals required for Tenant's operations not specifically related to the physical structure of the Rental Building. Tenant shall throughout the term of this Lease promptly comply with all Applicable Laws with respect to the condition, use, or occupancy of the Rental Building

3.3 **Prohibition Against Nuisance.** Tenant shall not cause, maintain, or permit its agents, employees, invitees, or contractors to do anything in or about the Building and the grounds on which it site which would constitute a nuisance.

ARTICLE 4-HAZARDOUS MATERIALS

4.1 **Acts of Tenant.** Tenant shall not store or maintain hazardous materials in the Rental Building or on the surrounding grounds.

4.2 **Hazardous Material Defined.** As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by the local of state

governmental authority, or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance which is defined as a hazardous waste or hazardous substance or similar term denoting a hazard to the environment under any applicable state or federal laws, rules or regulations ("Environmental Laws") governing the use, storage or disposal of such Hazardous Materials, including any substance (a) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1317j), (b) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6903 et seq. (42 U.S.C. 6903); or (c) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. (42 U.S.C. 9601).

4.3 **Definitions.** As used in this article 4, the following terms have the following definitions:

"Agencies" means any federal, state, or local governmental authorities, agencies, or other administrative bodies with jurisdiction over Tenant or the Premises.

"Environmental Laws" means any federal, state, or local environmental, health, or safety related laws, regulations, standards, court decisions, ordinances, rules, codes,, orders, decrees, directives, guidelines, permits, or permit conditions, currently existing and as amended, enacted, issued, or adopted in the future relation to Hazardous Materials that are or become applicable to Tenant or the Premises.

4.4 **Trash and Refuse.** Tenant shall keep any and all trash, garbage, waste or other refuse in sanitary containers and shall regularly remove the same from the Rental Building and surrounding grounds. Tenant shall keep all incinerators, containers or other equipment used for the storage or disposal of such matter in a clean and sanitary condition. The Tenant is responsible for arranging and paying for trash removal from the site with an appropriate commercial waste company.

ARTICLE 5-ALTERATIONS, MAINTENANCE, AND REPAIRS

5.1 **Alterations.** Tenant shall not make any repairs, improvements, additions or modification to the Rental Building (collectively, "Alterations"), except in accordance with the provisions of this Article 5.

5.1.1 "Major Alteration" means any Alterations with a cost of Twenty-five Thousand Dollars (\$25,000.00) or more on an Alteration which materially alters the parking area on the Land exclusive of the Building, the exterior walls or skin of the Building, the foundation of the Building or the roof of the Building. Prior to commencing work on any Major Alteration, tenant shall first submit to Landlord plans for the proposed Major Alteration and a written request that Landlord shall consent thereto, which consent shall not be unreasonably withheld or delayed. Landlord may

withhold its consent to any such Alteration to the exterior of the Building structure, foundation or roof of the building or the parking areas, if Landlord, in its sole discretion, determines that such Alteration will be materially detrimental to the integrity of the structure of the Building, the fair market value of the Premises or the exterior appearance of the Property.

5.1.2 "Other Alteration" means any Alteration other than a Major Alteration. Such Other Alterations will not be materially detrimental to the integrity of the structure of the Rental Building, the fair market value of the Premises or the exterior appearance of the Property. Prior to commencing work on any Other Alteration, Tenant shall first submit to Landlord plans for the proposed Other Alteration and a written request that Landlord consent thereto, which consent shall not be unreasonably withheld or delayed. Landlord may withhold its consent to any such Other Alteration to the exterior of the Rental Building structure, foundation or roof of the Rental Building or the parking areas, if Landlord, in its sole discretion determined that such Other Alteration will be materially detrimental to the integrity of the structure of the Building, the fair market value of the Premises or the exterior appearance of the Property.

5.1.3 Additional Requirements With respect to any Alteration made by Tenant, Tenant shall comply with the following provisions:

- i. Construction of the Alteration shall not be commenced until ten (10) business days after Tenant has received written consent from Landlord so that Landlord can post an appropriate notice of non-responsibility.
- ii. Tenant shall procure all applicable construction permits and authorizations required by law before commencement of construction of any Alterations.
- iii. All Alterations shall be performed in a good and workmanlike manner and shall be completed with due diligence in accordance with all applicable laws.
- iv. During the period of any construction work by Tenant on the Premises, if requested by Landlord, Tenant shall procure, or cause Tenant's contractor to procure, at no expense to Landlord, builder's "all risk" insurance and worker's compensation insurance with an insurance company satisfying the Landlord.
- v. Tenant shall procure, or cause Tenant's contractor to procure, at no expense to Landlord, a performance bond and a payment bond to secure completion of said alteration. Tenant shall keep the Premises and the Property at all times free from any liens.
- vi. Tenant shall provide Landlord with "as built" plans for any Major Alteration performed by Tenant.

5.1.4 Removal of Alterations, Restoration Any Alterations to the Premises shall remain on and be surrendered with the Premises and title thereto shall vest in Landlord

upon expiration or termination of the Term, unless otherwise agreed by Landlord. With the exception of "Tenant's Specialty Property" which means and includes the following: (a) all Tenant's trade fixtures and business fixtures; and (b) the following: (i) all movable partitions which are not affixed to the Premises; (ii) any other furniture, fixtures, equipment, machinery and systems, provided that the foregoing items described in clauses (i) and (ii) above were made or installed by tenant or paid for by Tenant and which can be removed from the Premises without material damage to the structure of the Building. Landlord shall have no lien or other interest in any item of Tenant's property, including Tenant's Specialty Property. Except for Alterations which cannot be removed without structural injury to the Premises, at any time, Tenant may remove Tenant's Specialty Property or other Alterations paid for by Tenant from the Premises, provided that Tenant repairs all damage caused by such removal.

5.1 **Maintenance and Repair** Tenant is responsible for its own trash disposal, janitorial, and any needed security services. Tenant shall be responsible for maintaining the fire sprinkler system in the Building.

5.3 **Landlord's Warranties/Obligations.** Landlord represents and warrants to Tenant that on the Commencement Date, Landlord has made all repairs that have been brought to its attention by Tenant, and the Building is in full compliance with applicable laws and regulations and otherwise in the conditions set forth in Section 1.2 above. Landlord further agrees that it will maintain the areas immediately around both buildings by keeping grass and weeds cut to a short height to minimize the likelihood of snakes and rodents gaining access into the Building.

5.4 **Payment of Liens** During the Term of this lease, Tenant shall pay for, or cause to be paid for, all labor done or materials furnished for any work or construction, repair, maintenance or alterations done by or for Tenant in, upon or about the Premises, and shall keep and hold the Land and all improvements thereon free, clear and harmless of, from and against all liens arising by reason of labor done or materials furnished in connection with any construction work performed in, u, or about the Premises at the request or direction of Tenant, its employees or agents. Tenant shall indemnify, defend and hold landlord harmless from and against all damages, costs, and expenses, including attorneys' fees (collectively, "Damages") which might accrue or be incurred by reason of or on account of any such lien or claim.

5.5 **Discharge of Liens.** Tenant shall pay and fully discharge any such lien or claim within thirty (30) days after written notice from Landlord of the existence thereof unless within such period Tenant has notified Landlord of Tenant's intention to contest such lien or claim, or has commenced a contest thereof, in which case 5.6 below shall apply.

5.6 **Lien Contests.** Tenant shall have the right to contest the correctness or validity of any such lien or claim subject to the indemnification provision of Section 5.4 above.

5.6 **Notice of Non-responsibility.** Landlord, at all reasonable times and upon reasonable notice to Tenant shall have the right to go upon the Premises for the purpose of posting and keeping posted thereon such notices of non-responsibility as Landlord deems necessary for protection of the Premises from material suppliers' or mechanics' liens or other claims of liens of a similar nature.

ARTICLE 6 EXCULPATION, INDEMNITY, AND INSURANCE

6.1 **Exculpation of Landlord.** Landlord shall not be liable to Tenant and Tenant waives all claims against Landlord for any damage, injury, deterioration, or loss to a person or property ("**Damage**") suffered by Tenant or Tenant's property from any cause except for any claim or Damage caused by any acts, neglect or fault of Landlord, its officers, agents, contractors, representatives or employees, and except for any claim or Damage caused by an default by Landlord under this Lease.

6.2 **Exculpation of Tenant.** Tenant shall not be liable to landlord and Landlord waives all claims against Tenant for any Damage to Landlord or landlord's property from any cause except for any claim or Damage caused by any acts, omission, neglect or fault of Tenant, its officers, agents, contractors, representatives, invitees, or employees, and except for any claim or Damage caused by default by Tenant under this lease.

6.3 **Indemnity.** Tenant shall indemnify, defend and hold the Landlord, its officers, directors, members, affiliates, employees, and representatives harmless from and against all claims or Damages caused by any willful misconduct, neglect or fault of the Tenant, its officers, agents, contractors, representatives, invitees, and employees. Tenant shall further indemnify, defend and hold the Landlord harmless from all claims or Damages arising from any breach or default in the performance of any obligation to be performed by the Tenant under the terms of this Lease, and from and against all costs, attorneys' fees, expenses and liabilities incurred as a result of or arising out of such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against the Landlord by reason of any claims covered by this indemnity, the Tenant, upon notice from the Landlord, shall defend the same at the tenant's expense by counsel reasonably approved by the Landlord. The provisions of this Section shall survive the expiration or sooner termination of this Lease with respect to claims or liabilities occurring or arising prior to such expiration or termination.

6.4 **Tenant's Insurance.** At all times during the Term and any other period of occupancy, Tenant at its sole cost and expense shall keep in full force and effect either a Commercial General Liability Insurance Policy (or and equivalent), an Excess Liability Policy and/or and Umbrella liability

Policy insuring Tenant against any liability arising out of the leasing, use, occupancy or maintenance of the Premises such insurance shall be in the amount of One Million Dollars (\$1,000,000) Combined Single limit for injury to, or death of, one or more persons in an occurrence and for Damage to tangible property (including loss of use) in an occurrence. The policy shall insure the hazards of the Premises and Tenant's operations thereon, and (i) shall name Landlord and any secured parties designated by Landlord as additional insureds and (ii) shall contain a cross liability provision.

6.5 **Landlord's Insurance.** At all times during the Term, Landlord shall keep in full force and effect the following insurance which may be satisfied by coverage under one or more blanket policies covering multiple properties in which Landlord or its affiliates hold interests, directly or indirectly which Tenant shall be bill for said insurance coverage as additional rent:

6.5.1 Standard form property insurance insuring against the perils of fire, extended coverage, vandalism, and malicious mischief. This insurance policy shall be upon all improvements, including the Building, in an amount not less than the full replacement value thereof with and "agreed amount" or "stipulated value" endorsement. Such policy shall name Landlord and secured parties designated by Landlord as loss payees, as their respective interests may appear and the proceeds thereof shall be used in accordance with Article 7 below.

6.5.2 Any combination of a Commercial General Liability Insurance Policy (or an equivalent), an Excess Liability Policy and/or an Umbrella Liability Policy insuring Landlord against any liability arising out of the leasing, use, occupancy, or maintenance of the Property, such insurance shall be in the amount of not less than One Million Dollars (\$1,000,000) Combine Single limit for injury to, or death of, one or more persons in an occurrence, and for Damage to tangible property (including loss of use) in an occurrence.

6.6 **Certificates of Insurance.** All policies shall be written in a commercially reasonable form and shall be maintained with insurance companies holding a General Policyholder's Rate of "A-" or better, and a financial rating of "VIII": or better, as set forth in the most current issue of Best's Key Rating Guide, and with respect to Tenant's general liability insurance and any general insurance coverage on the building if the Tenant elects to insure the building, shall require thirty (30) days advance written notice to Landlord of any cancellation or modification.

6.7 **Waiver of Subrogation.** All policies of insurance required hereunder or otherwise obtained by either party shall include a clause or endorsement waiving, on behalf of the insurer, any rights of subrogation against the other party. Notwithstanding anything to the contrary herein, Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, directors, shareholders, partners, employees, agents and representatives of the other, on account of loss or Damage occasioned to such waiving party or its property or the property of

owners under its control to the extent that such loss or Damage is caused by or results from a risk which is actually insured against, which is actually insured against, which is required to be insured against under this Lease, or which would normally be covered by all risk property insurance, without regard to the negligence or willful misconduct of the entity so released. All of Landlord's and Tenant's repair and indemnity obligations under this Lease shall be subject to the waiver contained in this paragraph. Landlord and Tenant shall each give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

6.8 Right to Procure Insurance. If either Tenant fails or neglects to procure or maintain any insurance required to be carried in this Lease, fails or neglects to pay the premiums thereof or renew the same, then in any of such events, the Landlord at its option, may (but shall not be required to) obtain such insurance and pay the premium therefore only after fifteen (15) days written notice (or less notice if the policy might expire) to the Tenant. The cost thereof together with interest thereon at the rate of ten percent (10%) per annum shall become due and payable as additional rent to landlord together with Tenant's next monthly installment of Base Rent.

ARTICLE 7-DAMAGE OR DESTRUCTION

7.1 Destruction. If during the Term, the premises are totally or partially destroyed, damaged, or disfigured ("Destruction") by any cause whatsoever, whether from a risk covered by the insurance described in Article 6, from a risk not covered by such insurance, or any combination of such risks, Tenant shall promptly notify Landlord of such Damage or Destruction. Subject to the terms and conditions of this Article 7, the insuring party, up to the insurance limits, shall be responsible for the repair, restoration and rehabilitation to the same condition prior to such Damage or Destruction ("Restore" or "Restoration") of any Damage to or Destruction of the improvements except for any Damage due to negligence, recklessness, willful misconduct, or intentional Damage on the part of the Tenant at which determination Tenant shall be responsible for the repair and Restoration; Tenant shall be responsible for the repair and Restoration of any personal property of Tenant.

7.2 Application of Insurance Proceeds. The insurance proceeds maintained by the insuring party with respect to the Improvements and the Rental Building shall be applied to the Restoration of the Improvements.

7.2.1 If the total estimated costs of Restoration of Improvements (other than Tenant's personal property) shall exceed any amount of proceeds of insurance applicable and available therefore, such excess shall be borne and paid solely by Tenant.

7.2.2 If the net proceeds of insurance applicable to the improvements and Rental Building exceed the total actual cost of Restoration, the balance remaining after payment of the cost of such Restoration to the Premises shall be paid to the party which maintains the insurance policy.

7.2.3 Base Rent and other charges under this Lease shall be equitably abated from the date of the occurrence of any Damage until such Damage is fully repaired or restored.

7.3 **Right to Terminate.** If the Premises are subject to any Destruction, then Tenant shall have the option to terminate this Lease if the Premises cannot be, or are not in fact, fully restored to their prior condition within one hundred twenty (120) days after the Damage.

ARTICLE 8-TAXES

8.1 **Personal Property Taxes.** Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in, on or about the Premises. Tenant shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Landlord.

ARTICLE 9-UTILITIES

9.1 **Payment.** Tenant shall make arrangements for and pay for all water, gas, power, electrical current, telephone, broadband, heat and air conditioning, and other utilities used by or supplied to the Premises. Nothing in the foregoing sentence shall be construed to relieve Landlord of its obligations for the construction and maintenance of utility systems to the extent such construction is required pursuant to the terms of this Lease. If the Premises should become not reasonably suitable for Tenant's use as a consequence of cessation of utilities or other services (except for nonpayment of utilities or other services), interference with access to the Premises, legal restrictions or the presence of any Hazardous Material which does not result from the release or emission of such Hazardous Material by Tenant or its agents, employees or invitees, and in any of the foregoing cases the interference with Tenant's use of the Premises persists for seven (7) days, then Tenant shall be entitled to an equitable abatement of rent to the extent of the interference with Tenant's use of the Premises occasioned thereby. In the interference persists for more than ninety (90) days, Tenant shall have the right to terminate this Lease.

9.2 **Installation.** Tenant shall have the right to install at any time emergency power equipment servicing the Premises and Landlord shall cooperate with Tenant's installation, use and testing thereof.

ARTICLE 10-ASSIGNMENT AND SUBLETTING

10.1 **Restrictions on Assignment.** Except as provided elsewhere herein, Tenant shall neither voluntarily nor by operation of law, assign, sell or otherwise transfer all or any part of Tenant's leasehold estate hereunder, without Landlord's prior written consent. Consent by Landlord to one or more assignments of this Lease shall not constitute a waiver of Landlord's right to require consent to any future assignment.

10.2 **Tenant's Notice.** Except as provided in Section 10.1 above, in Tenant desires at any time to assign this Lease, then tenant must first request and receive permission from Landlord and shall submit in writing to Landlord (i) the name and legal composition of the proposed assignee; (ii) the nature of the proposed assignee's business to be carried on in the Premises; and (iii) such reasonable business and financial information as Landlord may reasonable request concerning the proposed assignee. Such consent shall be solely in the discretion of the Landlord. With respect to an assignment, the assignee much expressly assume all prospective obligation of Tenant under this Lease accruing after the assignment. Notwithstanding the assumption of the obligations of this Lease by the assignee, no assignment shall relieve Tenant of liability under this Lease. The obligations and liability of Tenant hereunder shall continue notwithstanding the fact that Landlord may accept rent and other performance from the assignee. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment.

10.3 **Restrictions on Subletting.** Tenant may sublease all or portions of the Premises from time to time with the written consent of Landlord, and Landlord shall give written notice to Tenant of its consent or denial within forty-five (45) days after receipt of reasonable information regarding the proposed sub lessee. Such consent shall be solely in the discretion of the Landlord. Any such sublease shall be subject to the terms and provision of this Lease. Without Landlord's consent, Tenant may enter into license agreements with third party providers to provide food or other services to Tenant's employees. No sub lessee shall have a right to further sublet without Landlord's prior written consent, such consent shall be in the reasonable discretion of the Landlord, and any assignment by a sub lessee of the sublease shall be subject to Landlord's prior written consent in the same manner as if Tenant were entering into a new sublease. No sublease, once consented to by Landlord, shall be modified or terminated by Tenant without Landlord's prior written consent, such consent being in the reasonable discretion of the Landlord.

10.4 **Failure to Comply.** Any sale, assignment, mortgage or transfer of this Lease or subletting which does not comply with the provisions of this Section 10 shall be void.

ARTICLE 11-DEFAULTS, REMEDIES

11.1 **Late Payments.** If any payment or amount due by Tenant is received more than five (5) days after such amount is due, such past due amount plus a late payment penalty of an additional ten percent (10%) of the total payment shall be due.

11.2 **Events of Default by Tenant.** The occurrence of any one or more of the following events shall constitute a material default of this Lease by Tenant:

11.2.1 The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder as and when due, where such failure shall continue for a period of five (5) business days after a written notice thereof from Landlord to Tenant.

11.2.2 The Failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than as described in Section 11.2.1 hereof, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant (or such longer period as may be reasonably necessary to cure such failure, as long as Landlord continues to exercise reasonable efforts to cure same).

11.2.3 The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have tenant adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy; the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease; or the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged with sixty (60) days.

11.2.4 Notices given pursuant to this Section 11.2 shall specify the alleged default and applicable Lease provisions and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, with the applicable period of time or vacate the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the notice.

11.3 **Remedies of Landlord.** Following any material default by Tenant as defined in Section 11.2 hereof which is not cured within the time set forth, and at any time thereafter prior to Tenant's cure, and without limiting Landlord's exercise of any right or remedy which Landlord may have in Law or equity, Landlord shall have the right to: (i) terminate this Lease after giving Tenant thirty (30) days written notice of its intention to do so and in accordance with any laws governing such termination, and Tenant shall then surrender the Rental Building to Landlord; or (ii) enter and take possession of the Rental Building, in accordance with any law governing such repossession, and remove Tenant, after having terminated the Lease; and/or (iii) declare all the rents and fees due or that shall be due under this accelerated, such acceleration shall cause all such amounts to be immediately due and payable by Tenant. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered as acceptance or surrender of the Rental Building by Tenant.

11.4 **Landlord Defaults.** If Landlord fails to perform any obligation under this lease and such failure continues for a period of thirty (30) days following the date of Tenant's written notice to Landlord specifying such failure (or such longer period as may be reasonably necessary to cure such failure, as long as Landlord continues to exercise reasonable efforts to cure same) then in such event tenant may in addition to exercising any and remedies available at law or in equity, perform such obligations on behalf of Landlord. If Landlord has not cured such default, Landlord

will reimburse Tenant for all third party costs actually incurred by Tenant to cure such default. Tenant may act sooner in the event of an emergency involving imminent risk of death, personal injury or property damage as long as Tenant has first taken reasonable measures to notify Landlord, and once the emergency has come under control, permits Landlord to control any remaining corrective measures.

11.5 **Remedies Cumulative: No Waiver.** All rights, options and remedies of Landlord and Tenant contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and each party shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity (including injunctive relief), whether or not stated in this Lease. No waiver of any default of either party hereunder shall be implied from any acceptance of any rent or other payments due hereunder or any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of Landlord or Tenant to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary the consenting party's consent or approval to or of any subsequent similar acts by the other party.

ARTICLE 12-CONDEMNATION

12.1 **Definition.** As used in this Article 12:

12.1.1 **"Condemnation"** means (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemner and (b) a voluntary sale or transfer by Landlord to any condemner, while legal proceedings for condemnation are pending.

12.1.2 **"Date of Taking"** means the date the condemner has the right to possession of all or part of the Premises or any interest thereon being condemned.

12.1.3 **"Award"** means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation of the Land, any improvements thereon, any personal property or trade fixtures located at the Premises without regard for the person or entity entitled to recover or receive such award.

12.1.4 **"Condemner"** means any public or quasi-public authority having the power of condemnation.

12.1.5 **"Taking"** means a condemner has gained the right to possession of all or part of the Premises or any interest thereon being condemned.

12.2 **Taking.** If, at any time prior to the expiration of the Term, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation, this Lease shall terminate as to the portion of the Premises being condemned. Tenant may recover costs and losses incurred by Tenant which are compensable to Tenant under the laws of the Commonwealth. Such recovery shall only be made against Landlord if Landlord is responsible for said taking. Landlord shall be

entitled to receive, subject to the rights of any mortgagee of the Property, the compensable value of Landlord's fee interest in the Property and such other compensation generally available to Landlord under the laws of the Commonwealth.

12.3 **Entire Taking.** If the entire Premises are taken by Condemnation, this Lease shall terminate effective upon the Date of Taking.

12.4 **Partial Taking.** If part, but not all, of the Premises shall be taken by Condemnation, this Lease shall terminate as to the part so taken and remain in effect as to the remainder not so taken. If part, but not all, of the Premises is taken by Condemnation, effective as of the Date of Taking, the Base Rent then in effect shall be equitably abated in proportion to the area of the Premises and the Land subject to the taking. With respect to any partial Condemnation of the Premises, if such partial Condemnation affects any improvements, then Tenant shall take reasonable steps to restore the improvements to a condition as close as practical to the condition existing immediately prior to such Condemnation. In addition, Tenant shall have the right to terminate this Lease if, as a result of the partial taking, Tenant's use of the Premises is materially impaired.

ARTICLE 13-EXTERIOR AND SIGN REGULATION

Tenant agrees to utilize signage that is appropriate to the building and conforms with all zoning and building regulations of the City and the state regarding signage and renovations of the Premises.

ARTICLE 14-WARRANTIES

14.1 **Title.** Landlord warrants and represents to tenant that Landlord has full authority to enter into this Lease.

14.2 **Public and Private Approvals and Entitlements.** Landlord warrants and represents that it has obtained all public and private approvals and entitlements necessary to permit the development of the Improvements.

ARTICLE 15-SURRENDER

15.1 **Surrender of Lease Not Merger.** A surrender of this Lease by Tenant, a cancellation of this Lease by mutual agreement between Landlord and Tenant, or a termination of the Lease for any reason shall not automatically work a merger.

15.2 **Condition of Premises.** Upon the expiration or earlier termination of the Term, Tenant shall surrender possession of the Premises to Landlord in reasonably good order, condition and repair,

excepting reasonable wear and tear, casualties, condemnation and any Damage or repair that Landlord is required to restore or repair pursuant to this Lease. In such event, Tenant, at its expense shall promptly remove or cause to be removed from the Premises all debris, rubbish, furniture, and other similar articles of movable personal property owned by Tenant or placed by Tenant at its expense in the Premises, and all similar articles of any other persons claiming under Tenant. In addition, Tenant may elect to remove any of Tenant's Specialty Property and other personal property or Alterations owned by Tenant or installed or placed by Tenant at its expense in the Premises. Tenant also shall repair, at its sole cost and expense, all Damages which removals from or Restoration of the Premises may cause.

ARTICLE 16-ESTOPPEL CERTIFICATE; SUBORDINATION; NON-DISTURBANCE; NOTICE TO LANDLORD'S MORTGAGEE

The parties agree, at any time and from time to time, upon not less than twenty (20) days' prior written notice by either, to execute, acknowledge and deliver to the other, by deposit in the United States mail, a statement in writing certifying that (i) this Lease is unmodified, in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified, and identifying the modification); (ii) the date to which the rent and other charges have been paid in advance, if any; (iii) whether or not there is any existing default by either party or notice thereof served by either party; (iv) and such other information as may be reasonably requested by such party, provided that such statement shall not modify any party's rights or obligations under this Lease or impose any additional liability on any party. Any such statement may be conclusively relied upon by any prospective purchaser, assignee, encumbrancer of the Premises or the Lease.

ARTICLE 17-QUIET ENJOYMENT

Subject to Landlord's rights under Article 11, Tenant shall and may peaceably and quietly have, hold and enjoy the Rental Building in accordance with this Lease.

ARTICLE 18-GENERAL PROVISIONS

18.1 **Severability.** The invalidity, illegality or unenforceability of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity, legality or enforceability of any other provision hereof.

18.2 **Time.** Time is of the essence in the performance of all terms, covenants, warranties and conditions of this Lease.

18.3 **Captions.** The article and paragraph captions hereto have been inserted solely as a matter of convenience and such captions in no way shall be deemed to define or limit the scope or intent of any provision of this Lease.

18.4 **Notices.** Any notice, request, approval or other communication required or permitted under this Lease shall be in writing and will be deemed to have been duly delivered upon personal delivery, or on the second business day after deposit with Federal Express or other overnight courier service, or as of the third business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Landlord and Tenant respectively at the addresses set forth below or at such other addresses as may from time to time be designated in writing by Landlord or Tenant by notice pursuant hereto

Landlord:

Industrial Development Authority of Danville
C/o The City Attorney's Office
P. O. Box 3300
Danville, VA 24543-3300
(434) 799-5122

With a copy to:

The City Attorney
P. O. Box 3300
Danville, VA 24543-3300

Tenant:

Morrisette Paper Company, Inc.
Attn: Mr. David Leonard
5925 Summit Avenue
Browns Summit, NC 27214

18.5 **Waiver.** No waiver of any provision hereof shall be deemed a waiver of any other provision hereof. Consent to or approval of any act by one of the parties hereto shall not be deemed to render unnecessary the obtaining of such party's consent to or approval of any subsequent act. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant or any provision hereto, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

18.6 **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but, wherever possible, shall be cumulative with all other remedies at law or in equity.

18.7 **Successors.** Subject to any provision in this lease restricting assignment, subletting or other transfers by Landlord or Tenant, each and all of the covenants, agreements, obligations, conditions and provisions of this Lease shall inure to the benefit of and shall bind (as the case may be) not only the parties hereto, but each and all of the heirs, executors, administrators, successors and assigns of the respective parties hereto. Whenever a reference is made herein to Landlord or Tenant, such reference shall be deemed to include the respective heirs, executors, administrators, successors and assigns of Landlord or Tenant. All of these promises, covenants, agreements, obligations, conditions and provisions contained in this Lease shall be construed to be, and as, covenants running with the land, in the case of Landlord, and covenants running with Tenant's leasehold interest, in the case of Tenant, subject to the provision of the Lease.

18.8 **Choice of Law.** This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and condition hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

18.9 **Attorney's Fees.** Except as otherwise provided for in this agreement, in the event either party brings any suit or other proceeding with respect to the subject matter or enforcement of this Lease or with respect to a breach of a representation or warranty hereunder, each party shall pay its own attorneys' fees.

18.10 **Entry by Landlord.** Landlord and Landlord's authorized representatives and agents, at their sole risk, shall have the right to enter the Premises at any time during business hours and upon prior notice to tenant of not less than forty-eight (48) hours, after business hours, for the purpose of inspecting same, showing the same to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Premises as Landlord may be required or permitted to make hereunder. Landlord, at its sole risk, may enter the Premises without forty-eight (48) hours notice in the case of an emergency, provided Landlord has first made a reasonable attempt to notify Tenant's employees. Notwithstanding the above, Landlord or its representative shall be escorted by a Tenant representative at all such times. Any entry by Landlord and Landlord's agents shall not impair Tenant's operations more than reasonably necessary, and shall comply with Tenant's reasonable security measures.

18.11 **Tenant's Authority.** Tenant is a North Carolina corporation and each individual executing this Lease on behalf of said corporation is duly authorized to execute and deliver this Lease on behalf of said corporation, and this Lease is binding upon said corporation in accordance with its terms.

18.12 **No Third Party Rights Conferred.** Except as otherwise provided herein, nothing expressed or implied is intended, or shall be construed, to confer upon or grant to any third person any rights or remedies under or by reason of any term or condition contained in this Lease.

18.13 **Integration.** This Lease and the documents referred to herein and the agreements attached hereto as exhibits cover in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning the Premises and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement shall be held to vary the provision hereof.

18.14 **Number, Gender.** Whenever the context of this Lease requires, the masculine gender includes the feminine or neuter gender, and the singular number includes the plural.

18.15 **Construction.** Landlord and Tenant agree that each party has had the opportunity to have its legal counsel review and approve of the form of this Lease, and each has participated in the preparation of this Lease. Each party agrees to waive any right to have the provision of this Lease construed against any party primarily responsible for drafting same.

18.16 **Exhibits.** Exhibits A and B are attached to this lease and are incorporated herein by reference. Any reference to the term "Lease" also shall be deemed to refer to any applicable Exhibit.

18.17 **Modification.** None of the covenants, terms or conditions of this Lease to be kept and performed by Landlord or by Tenant shall be altered, waived, modified, changed or abandoned in any manner, except by a written instrument, duly executed (and, where applicable, acknowledged) and delivered by the parties hereto.

18.18 **No Partnership.** Nothing in this Lease, including the agreements of Tenant contained herein, shall be construed to indicate in any way that Tenant is a partner of, or a joint venture with, Landlord in respect of any construction required or permitted hereby or any other matter.

18.19 **Waiver of Consequential Damages.** Neither Landlord nor Tenant shall be liable to the other under or in connection with this Lease for any consequential, exemplary, special or punitive damages, and both Landlord and Tenant waive, to the full extent permitted by law, any claim for consequential, exemplary, special or punitive damages.

18.20 **Force Maieure.** After the Commencement Date, and except for payment of rent, neither party shall be responsible to the other for any losses resulting from the failure to perform any terms or provisions of this Lease if the party's failure to perform is attributable to war, riot, action of God or the elements or any other unavoidable act not within the control of the party whose

performance in interfered with and which by reasonable diligence such party is unable to prevent. However, neither party shall be excused from the timely performance of its obligations under this Lease for a period of time greater than ninety (90) days on account of forced majeure.

I8.21 **Proprietary Rights.** Landlord has no right to market, advertise, promote or use any of Tenant's names, logos, images or property, in connection with the Building or otherwise, without the express written consent of Tenant. All Tenant trademarks. Trade names and logos remain the exclusive property of Tenant and/or its affiliates.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF: Landlord AND Tenant have duly executed this Lease on the day and year first written above.

LANDLORD:

INDUSTRIAL DEVELOPMENT
AUTHORITY OF DANVILLE,
a political subdivision of the
Commonwealth of Virginia

By: _____
Name: T. Neal Morris
Title: Chairman

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Before me _____ on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instrument and known to
me to be the _____ of the Industrial Development Authority of Danville,
a political subdivision of the Commonwealth of Virginia ("Landlord") and acknowledged to me
that he executed said instrument for the purpose and consideration therein expressed, and as the act
of said Industrial Development Authority of Danville. Given under my hand and seal of office this
____ day of _____, 20____.

Notary Public

TENANT:

Morrisette Paper Company, Inc.

A company incorporated in the state of North Carolina

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

GUILFORD COUNTY

Before me _____ on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instrument and known to
me to be the _____ of MORRISETTE PAPER COMPANY, INC., a North
Carolina corporation ("Tenant") and acknowledged to me that he executed said instrument for the
purpose and consideration therein expressed, and as the act of said corporation. Given under my
hand and seal of office this ____ day of _____, 20____.

Notary Public

EXHIBIT "A"

Legal Description of the Land

PROPERTY IDENTIFICATION NUMBER 75918

A certain tract or parcel of land situate on the southern margin of Lockett Drive approximately 0.2 mile west of the intersection of Lockett Drive with the western margin of College Parke Drive Extended, in the City of Danville, State of Virginia and more particularly described as follows:

BEGINNING at an iron rod set on the northern margin of Lockett Drive, said iron rod being the northeast corner of the herein described parcel;

THENCE leaving the northern margin of Lockett Drive South 45 degrees 40 minutes 22 seconds East for a distance of 422.01 feet to an iron pipe found;

THENCE South 28 degrees 49 minutes 38 seconds West for a distance of 465.35 feet to an iron pipe found;

THENCE South 34 degrees 22 minutes 28 seconds West for a distance of 425.42 feet to an iron pipe found;

THENCE North 80 degrees 01 minutes 33 seconds West for a distance of 437.89 feet to a point in the center of Pumpkin Creek, said point being South 80 degrees 01 minutes 33 seconds East 18.32 feet from an old "T-Rail" found on the western bank of the creek;

THENCE with the center of Pumpkin Creek as it meanders the following ten courses, said courses being tie lines, as the property line is along the true center of Pumpkin Creek 1) North 09 degrees 00 minutes 40 seconds West for a distance of 67.25 feet to a point, 2) North 51 degrees 35 minutes 16 seconds East for a distance of 66.51 feet to point, 3) North 55 degrees 44 minutes 50 seconds East for a distance of 51.41 feet to point, 4) North 03 degrees 20 minutes 08 seconds West for a distance of 45.52 feet to point, 5) North 20 degrees 51 minutes 59 seconds West for a distance of 94.66 feet to point, 6) North 15 degrees 48 minutes 10 seconds East for a distance of 108.67 feet to point, 7) North 17 degrees 58 minutes 37 seconds East for a distance of 55.51 feet to point, 8) North 31 degrees 11 minutes 40 seconds West for a distance of 75.42 feet to point, 9) North 12 degrees 55 minutes 29 seconds West for a distance of 58.56 feet to point, 10) North 33 degrees 26 minutes 21 seconds East for a distance of 18.06 feet to point at the intersection of the center of Pumpkin Creek and the southern margin of Lockett Drive;

THENCE with southern margin of Lockett Drive North 71 degrees 46 minutes 07 seconds East for a distance of 70.06 feet to an iron rod set on same;

THENCE continuing with the southern margin of Lockett Drive along a curve to the left having a radius of 542.54 feet, a central angle of 17 degrees 25 minutes 29 seconds, and an arc length of 165.00 feet, being subtended by a chord of North 63 degrees 03 minutes 22 seconds East for a distance of 164.36 feet to an iron rod set on same;

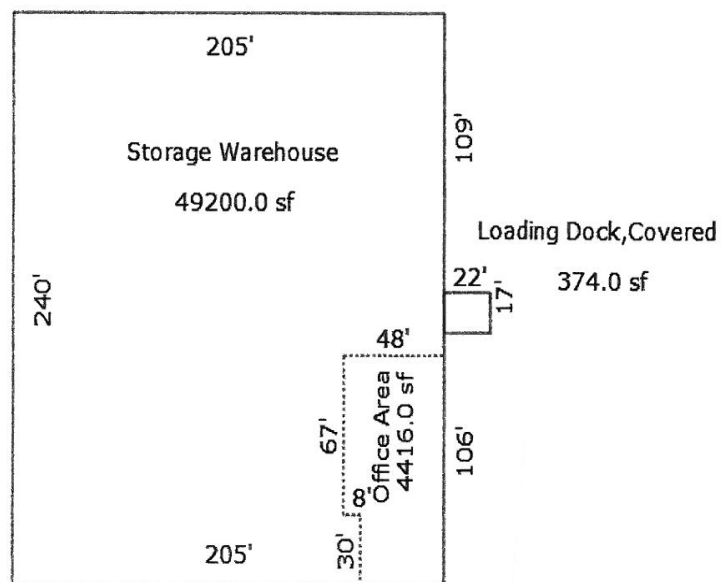
THENCE continuing with the southern margin of Lockett Drive North 54 degrees 20 minutes 38 seconds East for a distance of 88.19 feet to an iron rod set on same;

THENCE continuing with the southern margin of Lockett Drive along a curve to the left having a radius of 1036.15 feet, a central angle of 20 degrees 32 minutes 26 seconds, and an arc length of 371.46 feet, being subtended by a chord of North 44 degrees 04 minutes 25 seconds East for a distance of 369.48 feet to the POINT OF BEGINNING;

Together with and subject to covenants, easements, and Said property contains 12.062 acres more or less, within tie lines, and is all of the remaining portion of Tract 1 lying south of Lockett Drive, said Tract 1 being shown on "Survey of property for United Enterprises and Development Inc." prepared by H.S. Pierce, dated May 2, 1964 and revised July 13, 1964.

EXHIBIT "B"

Sketch of Rental Building





Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Samantha Bagbey, Project Manager
RE: Lease Agreement between Danville Honey Bee LLC & Old Bee LLC and the Industrial Development Authority for parking spaces in The City parking lot located at 427 Patton St.

ATTACHMENTS

1. 1569_RES_Lease_IDA_The Bee Hotel_Parking Lot
2. 1569 REVISED ATTACH_The Bee Hotel - Parking Lease
3. Exhibit A - IDA Parking Lot Map - Lynn St

PRESENTED: Sept 10, 2024

ADOPTED: Sept 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE-AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND DANVILLE HONEY BEE, LLC & OLD BEE, LLC FOR THE PROPERTY IDENTIFIED AS CITY PARKING LOT BEARING PARCEL #26471 LOCATED AT 427 PATTON STREET, DANVILLE, VIRGINIA.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a Lease-Agreement between the Industrial Development Authority of Danville, Virginia and Danville Honey Bee, LLC & Old Bee, LLC, substantially in the form attached hereto; and

BE IT FURTHER RESOLVED, by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any Officer, to execute the new Lease Agreement and any other documents necessary to complete the transaction described in this resolution.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

The Bee Hotel
PARKING LEASE – 427 Patton St Lot

This **PARKING LEASE** made this ___ day of _____, 2024 by and between the **Industrial Development Authority of the City of Danville, Virginia** a political subdivision of the Commonwealth of Virginia hereinafter referred to as Landlord and **Danville Honey Bee LLC & Old Bee LLC**, a Virginia limited liability company hereinafter referred to as the Lessee.

NOW, THEREFORE, in consideration of the rent and mutual covenants and agreements hereinafter recited, the sufficiency of which are hereby acknowledged, Landlord does hereby lease and demise unto Tenant, and Tenant does hereby lease and take as tenant from Landlord, the Demised Premises (as herein defined), for Tenant to have and hold the same upon the following terms and conditions:

Premises: This Parking Lease is for at least 6 parking spaces and up to 25 spaces, designated by Landlord and located in the **City Parking Lot bearing parcel #26471 located at 427 Patton Street, Danville, VA** in the location indicated on Exhibit A (the “Premises”).

Landlord’s Rights: Landlord reserves the right to amend the rules and regulations of this lease by providing a 30-day notice of such amendment is submitted in writing to the Lessee and provided such amendment does not affect the Lessee’s costs or ability to exclusively utilize the designated parking spaces for the storage of passenger vehicles and/or motorcycles 24 hours a day and 7 days a week. Upon any Lessee’s failure to observe the following rules and regulations, Landlord reserves the right at any time to demand the Lessee to terminate any sub-lessee’s parking agreement within thirty (30) days written notice to the Lessee. Landlord may have vehicles ticketed, immobilized, and/or towed at the vehicle owner’s expense without notice if sub-lessee violates any of the parking regulations.

Rent in the amount of at least **\$1,800.00** (inclusive of all impositions) is due **on October 1st beginning in 2024** and each **on October 1st** for following 4 years without demand or notice. Additional spaces may be made available at \$25 per space per month, as determined by the City Manager. A late fee equal to 10% of the yearly rent will be assessed after the third of the month. Payments may be dropped off or mailed to: Danville Office of Economic Development and Tourism; **427 Patton Street; P.O. Box 3300, Danville, VA 24543-3300**. It is the Lessee’s responsibility for payments to arrive on time. Checks, ACH or wire transfers that are returned for any reason will incur a \$50 penalty. If any rent has become delinquent for more than 15 days, Landlord shall provide a written default notice to the Lessee. Landlord reserves the right to terminate the Lease immediately should Lessee fail to cure the written default within 15 days.

Term: This lease shall begin at **6:00 AM on October 1, 2024, and end 6:00 PM on September 30, 2029**, and shall automatically renew for a five-year period with a minimum 15% increase or market rate, whichever is greater, in the Rent amount unless Lessee provides 60-day advanced written notice to the Landlord of its intention to terminate or modify the lease. Market Rate will be determined by a survey of covered monthly parking within a six (6) block radius.

Parking Rules and Regulations: Lessee shall require that all hotel guests use the Premises solely to park passenger vehicles and/or motorcycles, not utilize the parking spaces for any other purpose, and must park in the assigned parking spaces. Hotel guests that park in marked parking spaces designated or reserved for other uses will have their vehicle removed at the owner’s expense. Lessee shall prohibit parking for any period of time within the premises or any outdoor parking spaces except those specifically under the control of Lessee. Storage or disposal of any animals, explosives, gasoline, or other flammable material, hazardous waste, contaminant, oil, or radioactive material is expressly prohibited. Smoking is prohibited. Lessee or its sub-lessees shall not make any

alterations or post any signage to the Premises without written consent of Landlord. The use of electrical vehicles, freezers, refrigerators or any other electrical device that requires continuous power, or power use in excess of four (4) hours on the Premises is not permitted. Vehicles must have current license plates and emissions stickers, be in working order and are able to be moved within 24 hours of Landlord's request. Landlord may require vehicle to be removed if vehicle is found to be non-operable or in other violation at the vehicle owner's expense. Commercial or repair activities are not allowed unless deemed necessary to permit a vehicle to be moved. Landlord will also provide access to the Operating Rules and Regulations which will clarify garage operations, equipment, and other rules that must be followed by all Lessee's sublessees, their guests and visitors. Lessee is required to park within the designated area (Exhibit (A)) at all times or be in violation of the Rules and Regulations and subject to the remedies noted within.

Access Control: Lessee will be responsible for signage that indicates which spots are designated for **The Bee Hotel guests** with approval from The Industrial Development Board. Lessee will be responsible for providing hotel guests with proper documentation for identifying hotel guest vehicles during their stay to indicate that are allowed to park in the designated spaces. Lessee will be responsible for monitoring and regulating who is parked in the designated parking spots for hotel guests.

Subleases under this lease to any individual that is not a guest of The Bee Hotel, or any commercial business is prohibited unless Lessee receives written consent of the Landlord.

Landlord is not responsible for theft or damage to vehicle or its contents and may request sub-lessees to park in alternative locations to allow for repairs and maintenance activities from time to time.

Visitors or guests are required to park in designated common areas and abide by all rules and regulations that are in place.

Accessible (handicap) Spaces may be used only by vehicles displaying a current appropriate license plate or hangtag. Vehicles parked in signed Accessible spaces that do not properly display a current hang tag or license plate shall be subject to immediate removal and be responsible for any and all costs for their impoundment or removal.

Termination: Upon Termination of this lease, the Lessee shall promptly remove and/or cause sub-lessees to promptly remove all belongings and vehicle from Premises. If Lessee or any sublessees fail to promptly remove any personal property, Landlord shall retain any rights permitted by law or ordinance to presume that Tenant has abandoned the personal property and may dispose of the personal property in any manner that Landlord, in Landlord's sole discretion, determines is appropriate. Landlord will not be required under this lease to store any items of personal property that Tenant leaves behind unless required by law or ordinance.

Insurance.

Tenant. Tenant agrees to maintain at Tenant's sole cost and expense at all times during the Term comprehensive commercial general liability insurance covering all conditions and operations on or upon the Demised Premises, with minimum coverage in the amount of One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily and personal injury to, or death of, one or more persons and consequential damages therefrom and One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for property damage, with an annual aggregate of Two Million and 00/100 Dollars (\$2,000,000.00) for all coverages (the "**Tenant Insurance**"). The Tenant Insurance shall be provided by an insurance carrier licensed to issue such coverage in the Commonwealth of Virginia. The Tenant Insurance shall name Landlord as additional insured and contain endorsements for or otherwise waive rights of subrogation and require at least thirty (30) days notification to the additional insured prior to cancellation or material modification. If Tenant desires insurance coverage on its personal property located in, on or about the Demised Premises, such coverage

shall be the sole responsibility of Tenant. Tenant hereby waives any claim or right of action which it may have against Landlord and/or the City for any loss or damage covered by the Tenant Insurance.

Governing Law: This Lease and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia. Each Party shall be responsible for its own attorney's fees and costs.

Amendment, Modification and/or Supplement: The parties may amend, modify, and/or supplement this Lease in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest to be bound thereby.

Severability: The invalidity or unenforceability of any particular provision of this Lease shall not affect the other provisions hereof, and this Lease shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Survival: Any termination, cancellation or expiration of this Lease notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

Entire Agreement: This Lease (together with the Grant Agreement as finally amended and the Option Agreement) contains the entire agreement and understanding of the parties to this Lease with respect to the transactions contemplated hereby; and this Lease and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof with the exception of the Grant Agreement as finally amended and those matters specifically addressed in the Option Agreement.

Headings: The descriptive headings in this Lease are inserted for convenience only and do not constitute a part of this Lease.

Notice: Any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to Landlord: Industrial Development Authority of Danville, Virginia
Attention: City Attorney
427 Patton Street
P. O. Box 3300
Danville, VA 24543

With copy to: City Attorney
City of Danville, Virginia
427 Patton Street
P. O. Box 3300
Danville, VA 24543

If to Tenant: Danville Honey Bee LLC & Old Bee LLC
Attention: Edward B. Walker
601 Marshall Avenue Roanoke, VA 24016

With copy to: _____

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, five (5) days following deposit with the United States Postal Service properly addressed and postage prepaid, or the next business day following delivery to a courier service properly addressed with all charges prepaid, as appropriate.

IN TESTIMONY WHEREOF, witness our signatures and seals to this **LEASE AGREEMENT** as of the date first above written:

LANDLORD:

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
DANVILLE, VIRGINIA**, a political subdivision of the
Commonwealth of Virginia

By: _____(SEAL)
Name: _____
Title: _____

TENANT:

DANVILLE HONEY BEE LLC
a Virginia limited liability company

By: _____(SEAL)
Name: _____
Title: _____

Old Bee LLC,
a Virginia limited liability company

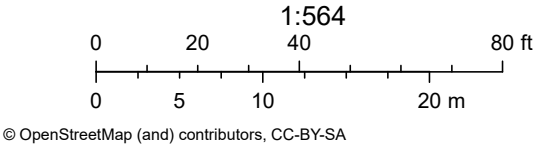
By: _____(SEAL)
Name: _____
Title: _____

IDA - Lynn Street Parking



August 19, 2024

- Street Names
- Buildings





Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Corrie Bobe, Director of Economic Development and Tourism
RE: A resolution of the Industrial Development Authority of Danville, Virginia approving amended program language for the Special Projects Loan Fund.

In 2018, the Special Projects Loan Fund was established with the intent of providing short term (3-5 years) financing for historic redevelopment projects within the Tobacco Warehouse District or Central Business District. Since this time, the DOEDT has expanded its focus to include additional historic districts within the community and, in November 2023, the IDA approved expanding this program to include the Old West End, North Main Hill, and the Schoolfield District. With increased interest in this program, the IDA loan committee is proposing an additional change to the program parameters related to interest rates. Staff is recommending mirroring a structure that is used by the Virginia Small Business Financing Authority, a mission-driven organization focused on economic development, by basing interest rates on 75% of the Wall Street Journal Prime Rate and the applicant's creditworthiness. Staff is recommending the approval of the expanded program parameters.

ATTACHMENTS

1. 1573_RES_SpecialProjectsLoanFundLanguageChange
2. 1573_Attach_Special Projects Loan Fund_Wording Update REDLINE
3. 1573_Attach_Special Projects Loan Fund_Wording Update CLEAN

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-_____.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AMENDED PROGRAM LANGUAGE FOR THE SPECIAL PROJECTS LOAN FUND POLICY.

NOW THEREFORE, BE IT RESOLVED that the Industrial Development Authority of Danville, Virginia does hereby approve the amended program language related for the Special Projects Loan Fund Policy to set an interest rate for this program based on 75% of the Wall Street Journal Prime Rate and the applicant's creditworthiness, substantially in the form attached hereto; and

BE IT FURTHER RESOLVED that the Industrial Development Authority of Danville, Virginia does hereby authorize its Chairman, or in his absence any officer, to execute any and all documents necessary to complete the above referenced transaction.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

Special Projects Loan Fund

Overview:

Over the past ten years, the City of Danville has seen significant growth and investment in industrial, commercial, and residential activity. Even with this growth, developers have expressed a need for bridge financing tools to accompany traditional financing methods to successfully redevelop certain catalyst or high impact projects. To assist developers in implementing these projects and continue the momentum within the community, the Office of Economic Development and Tourism has established a Special Projects Loan Fund in which development teams can apply for short term (3-5 years) financing through the Industrial Development Authority (IDA). Prospective applicants will need to be creditworthy, have a proven history of successfully redeveloping multiple projects of this scale, demonstrate evidence of market demand for the concept, and exhibit the financial sources of capital and reserves necessary to successfully complete a project of this magnitude. Projects must also be well-suited for traditional bank refinancing after operating successfully over a 3–5-year period. Virginia Community Capital or comparable federally insured banking institution will provide underwriting assistance.

Purpose:

- Intent is to provide short term (3-5 years) financing for historic redevelopment projects within the River District, Schoolfield District and corridor identified within the district master plan, Old West End, or North Main Hill.
 - The expectation is to refinance projects with private sector funding as soon as possible after they become operational.
- Project should be characterized as being difficult to finance with traditional bank underwriting criteria; however, it would be well suited for traditional bank refinancing after operating successfully for the aforementioned 3–5-year period.
- Projects must contribute to the community's development goals, which includes eliminating blight, attracting critical mass, enhancing the local entrepreneurial ecosystem, adding quality of life amenities, and driving tourism activity within the City of Danville.
 - Residential projects would not be considered for this loan fund, unless the Office of Economic Development and Tourism and the Community Development Department has identified that the project meets a specific housing need for the community.

Technical Requirements:

- Borrower must demonstrate creditworthiness and a proven history of successfully redeveloping multiple projects of this scale.
- The developer must exhibit the financial sources of capital and reserves necessary to successfully complete a project of this magnitude.
 - This includes providing proof of additional financing required to successfully execute the project in question.
- Project must substantially rehabilitate or construct a property of at least 30,000 SF in size.
- Projects using Federal and State Historic Tax Credits are required to apply tax credit proceeds toward reduction of principal owed on the project.

- The Economic Development Loan Fund cannot exceed 90% of the total project cost and must achieve an acceptable loan to value ratio subject to a qualified appraisal of the completed project.
- Interest Rates will be ~~determined commensurate with the current lending market~~ based on 75% of the Wall Street Journal Prime Rate and will be adjusted based on the creditworthiness of the borrower.
- Commonly accepted underwriting principals, as provided by Virginia Community Capital Bank or comparable federally insured banking institutions, will be used, and will include a 3–5-year cash flow and break-even analysis of the proposed project.
- Developer must demonstrate evidence of market demand to ensure the sustainability of the concept.
- Developer should provide a 15% reserve fund of the total project cost to be contributed and/or held in escrow toward the project. This represents developer's "skin in the game" and commitment to the project.
- The City/IDA will require annual business and personal audited financial statements.
- The City/IDA will withhold 10-15% retainage until the end of project, per agreed upon AIA construction schedule documents or similar acceptable construction document.
- Construction General Contractor must be bonded equal to the amount of the contract.

Unacceptable Uses of Funds:

- Operating Revenue
- Developer's Fees
- Any uses unrelated to the redevelopment project and/or business venture for which the loan was provided.

Application Requirements:

- Business plan
- Operating agreement/articles of organization and bylaws outlining officers and who has signing authority
- Breakout of sources and use of funds
- Pro-forma balance sheet
- Letter of commitment from financial institution
- Debt schedule
- Purchase agreement or proof of property ownership
- Three Years of personal federal tax returns for any individual owning 20% or more of the Business
- Personal financial statement for any individual owning 20% or more of the business
- Three years federal tax return on the business
- Options for securing loan
- Key Man policy assigned to the IDA/City may be required for the project.

Special Projects Loan Fund

Overview:

Over the past ten years, the City of Danville has seen significant growth and investment in industrial, commercial, and residential activity. Even with this growth, developers have expressed a need for bridge financing tools to accompany traditional financing methods to successfully redevelop certain catalyst or high impact projects. To assist developers in implementing these projects and continue the momentum within the community, the Office of Economic Development and Tourism has established a Special Projects Loan Fund in which development teams can apply for short term (3-5 years) financing through the Industrial Development Authority (IDA). Prospective applicants will need to be creditworthy, have a proven history of successfully redeveloping multiple projects of this scale, demonstrate evidence of market demand for the concept, and exhibit the financial sources of capital and reserves necessary to successfully complete a project of this magnitude. Projects must also be well-suited for traditional bank refinancing after operating successfully over a 3–5-year period. Virginia Community Capital or comparable federally insured banking institution will provide underwriting assistance.

Purpose:

- Intent is to provide short term (3-5 years) financing for historic redevelopment projects within the River District, Schoolfield District and corridor identified within the district master plan, Old West End, or North Main Hill.
 - The expectation is to refinance projects with private sector funding as soon as possible after they become operational.
- Project should be characterized as being difficult to finance with traditional bank underwriting criteria; however, it would be well suited for traditional bank refinancing after operating successfully for the aforementioned 3–5-year period.
- Projects must contribute to the community's development goals, which includes eliminating blight, attracting critical mass, enhancing the local entrepreneurial ecosystem, adding quality of life amenities, and driving tourism activity within the City of Danville.
 - Residential projects would not be considered for this loan fund, unless the Office of Economic Development and Tourism and the Community Development Department has identified that the project meets a specific housing need for the community.

Technical Requirements:

- Borrower must demonstrate creditworthiness and a proven history of successfully redeveloping multiple projects of this scale.
- The developer must exhibit the financial sources of capital and reserves necessary to successfully complete a project of this magnitude.
 - This includes providing proof of additional financing required to successfully execute the project in question.
- Project must substantially rehabilitate or construct a property of at least 30,000 SF in size.
- Projects using Federal and State Historic Tax Credits are required to apply tax credit proceeds toward reduction of principal owed on the project.

- The Economic Development Loan Fund cannot exceed 90% of the total project cost and must achieve an acceptable loan to value ratio subject to a qualified appraisal of the completed project.
- Interest Rates will be based on 75% of the Wall Street Journal Prime Rate and will be adjusted based on the creditworthiness of the borrower.
- Commonly accepted underwriting principals, as provided by Virginia Community Capital Bank or comparable federally insured banking institutions, will be used, and will include a 3–5-year cash flow and break-even analysis of the proposed project.
- Developer must demonstrate evidence of market demand to ensure the sustainability of the concept.
- Developer should provide a 15% reserve fund of the total project cost to be contributed and/or held in escrow toward the project. This represents developer's "skin in the game" and commitment to the project.
- The City/IDA will require annual business and personal audited financial statements.
- The City/IDA will withhold 10-15% retainage until the end of project, per agreed upon AIA construction schedule documents or similar acceptable construction document.
- Construction General Contractor must be bonded equal to the amount of the contract.

Unacceptable Uses of Funds:

- Operating Revenue
- Developer's Fees
- Any uses unrelated to the redevelopment project and/or business venture for which the loan was provided.

Application Requirements:

- Business plan
- Operating agreement/articles of organization and bylaws outlining officers and who has signing authority
- Breakout of sources and use of funds
- Pro-forma balance sheet
- Letter of commitment from financial institution
- Debt schedule
- Purchase agreement or proof of property ownership
- Three Years of personal federal tax returns for any individual owning 20% or more of the Business
- Personal financial statement for any individual owning 20% or more of the business
- Three years federal tax return on the business
- Options for securing loan
- Key Man policy assigned to the IDA/City may be required for the project.



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Samantha Bagbey, Project Manager
RE: Approval of architectural and design services for 231 Main Street between Beechgrove Designs and The Industrial Development Authority

ATTACHMENTS

1. 1577_RES_231 Main Resolution
2. 231 Main Street Park Landscape Architecture Scope of Services and Fee Proposal 8_23_24
3. 231 Main Street Park Landscape Architecture Scope of Services and Fee Proposal 8_23_24 (2)
4. 231 Main Street Park Landscape Architecture Scope of Services and Fee Proposal 8_23_24 (1)

RESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING ENTERING INTO A CONTRACT WITH BEECHGROVE DESIGN – LANDSCAPE ARCHITECTURE IN AN AMOUNT NOT TO EXCEED \$22,500 FOR THE ARCHITECTURAL AND DESIGN SERVICES OF THE PROPERTY IDENTIFIED AS 231 MAIN STREET.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA) that it does hereby approve and authorize entering into a contract with BEECHGROVE DESIGN – LANDSCAPE ARCHITECTURE in an amount not to exceed \$22,500 for the architectural and design services at 231 Main Street in a form approved by the Chairman, the Office of Economic Development, and the City Attorney; and

BE IT FURTHER RESOLVED, the Chairman, or in his absence any Officer, is hereby authorized to execute any documents necessary to complete the above transaction .

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

August 23, 2024

Samantha Bagbey, Economic Development Project Manager
Office of Economic Development & Tourism
City of Danville
PO Box 3300
Danville, Virginia 24543-3300



SCOPE OF SERVICES & FEE PROPOSAL
Landscape Architecture Concept Designs
231 Main Street Community Commons Park | Danville Virginia

Project Description

The Industrial Development Authority (IDA) removed a building located at 231 Main Street in 2023¹ to make way for expanded public space and gateway to the city. After building removal, site improvements include a CMU retaining wall and fence between the lawn open space and an existing parking lot, a new sidewalk, stormwater inlet, and expansive turf area. The proposed park space is adjacent to the Main Street Plaza which features mature trees, brick paving, bollards, outdoor seating and the JTI Fountain. The proposed park is an important gateway to Main Street and the Tobacco and River Districts. The park site is within a close walk to the Riverwalk and Dan River, as well as significant projects under construction including Dan River Falls and Riverfront Park.

A parking lot is situated between the proposed park space and adjacent businesses, including Me's Burgers & Brews, Amburn Salon, and Airbnb units. A culvert located under the parking area between Me's Burgers and the green space will be undergoing repairs. Nearby businesses include Di'lishi, Haymore & Holland Law Office, Spectrum Medical, Golden Leaf Bistro, Cotton Restaurant, Lizzy Lou Boutique, and Dell' Anno's Pizza. Nearby green spaces include the Riverwalk, future Riverfront Park, Union Street Pocket Park, 'Home' Park (500 Main Street), Camilla Williams Park and a future whitewater park². The proposed park located at 231 Main Street will be an extension of the existing Main Street Plaza, serve as an important gateway to the City of Danville and showcase arts and culture.

A public survey to solicit ideas for the site was conducted in November 2020. Select suggestions which may be applicable to design include: an art wall, artist workspaces, outdoor movies and open-air market. Recent priorities include expanding the existing Main Street Plaza into smaller business incubator spaces (EX food truck, beverage, art, music, etc.) and outdoor dining spaces located on the new park site. These pop-up businesses will begin to activate the space while offering business opportunities. Functionally, the city would like better pedestrian connectivity to the space from nearby amenities and businesses. The main design objective is to create a gateway with a "wow" factor for visitors and residents. The space is conceived as a "Welcome to Danville" park which is inviting, exciting and memorable. Precedent examples discussed include Lebauer Park in Greensboro NC, Dorothy Dix Park and The Box Yard in Raleigh, and The Sandlot³ in Baltimore MD.

¹ Built in 1960 for Schewel's Furniture and lastly occupied by Lou's Antiques.

² Planned in conjunction with Dan River Falls.

³ The Sandlot in Baltimore MD began as a temporary park space and has transitioned to a permanent open green space named Point Park.

Scope of Work

The City of Danville's Office of Economic Development has requested site designs for this parcel which will create a public park space, envisioned as a Community Commons Gateway, which complements adjacent businesses, historic districts and developments. Beechgrove Design proposes a Scope of Work to include development of three concept designs for the site, with deliverables described below. These designs are intended to generate ideas for the City's consideration. After the City has determined preferred design ideas for the site, a Schematic Plan will be developed which captures the vision and preferred design for this space. This Schematic Plan will be used on signage posted at the park site to communicate the intended design.

The Landscape Architectural Services shall be performed with care and diligence in accordance with the professional standards appropriate for a project of the nature and scope of this project.

The Landscape Architect, its employees, and consultants have no authority to exercise any control over any construction contractor, its employees, or subcontractors in connection with their work or health and safety programs and procedures.

The client shall pay all fees required to secure jurisdictional approvals for the Project.

Deliverables & Fee Schedule

1. Research and visit precedent case studies of comparable size and objectives for community park gateways, as well as history of the site and environs.
2. Develop Base Map including survey information from City (if available), Danville VA GIS information, site photography/analysis and aerial imagery.
3. Prepare (3) three concept site designs (1 site visit, 1 presentation)
 - a. To Include: Plan View of Designs and Perspective Sketches to illustrate designs.
 - b. Concept Plans will be developed over City of Danville GIS and aerial imagery in AutoCAD. Information will be approximate; no survey has been provided.
 - i. Deliverables : PowerPoint Presentation, (3) 24"x36" Color Presentation Boards of three designs, and Electronic Files of presentation, plans and perspective sketches.
4. Refine concept plans into a Schematic Design. This plan may be used for illustrating future development of the park to the public via media and on-site signage.
5. Site conditions (bedrock, utility lines) unknown at time of design are not the responsibility of landscape architect.
6. Construction Documents, Written Specifications and Construction Administration not included in this proposal.
7. Additional meetings or extra services not described above will be billed as "Additional Services" and charged at standard hourly rates. Additional Services will be discussed with client prior to accruing additional time & fees.
8. If the City of Danville increases the project scope, compensation shall be adjusted as mutually agreed.
9. For above-described Scope of Services, Beechgrove Design Landscape Architecture estimates the following fee not to exceed \$22,500.00.
 - a. Items 1 – 3 : \$15,000.00
 - b. Item 4 : \$7,500.00

10. Time and expenses will be invoiced on a monthly basis.
11. Print costs (deliverables only) will be billed at cost plus 10% and are not included in professional services fee.
12. Travel will be billed at ½ rate for ½ travel time (EX 3 hour travel billed 1.5 hours at ½ rate for licensed landscape architect : \$75 = \$112.50)
13. Work will begin with a Notice to Proceed from the IDA (Industrial Development Authority), Samantha Bagbey (Project Manager) or a Purchase Order.

2024 WAGE RATES

Licensed Landscape Architect	\$150/hour
AutoCAD Technician	\$65/hour
Administrative	\$45/hour

Samantha, thank you for the opportunity to submit a proposal for consideration. Please let me know if you have questions or need anything revised in this proposal. I look forward to continued work with you and the rest of the Danville team on this important Welcome to Danville Gateway. It is always a pleasure working with the City of Danville!

Regards,



Trenda Leavitt, PLA
Licensed Landscape Architect

August 23, 2024

Samantha Bagbey, Economic Development Project Manager
Office of Economic Development & Tourism
City of Danville
PO Box 3300
Danville, Virginia 24543-3300

BEECHGROVE
DESIGN
LANDSCAPE
ARCHITECTURE

SCOPE OF SERVICES & FEE PROPOSAL
Landscape Architecture Concept Designs
231 Main Street Community Commons Park | Danville Virginia

Project Description

The Industrial Development Authority (IDA) removed a building located at 231 Main Street in 2023¹ to make way for expanded public space and gateway to the city. After building removal, site improvements include a CMU retaining wall and fence between the lawn open space and an existing parking lot, a new sidewalk, stormwater inlet, and expansive turf area. The proposed park space is adjacent to the Main Street Plaza which features mature trees, brick paving, bollards, outdoor seating and the JTI Fountain. The proposed park is an important gateway to Main Street and the Tobacco and River Districts. The park site is within a close walk to the Riverwalk and Dan River, as well as significant projects under construction including Dan River Falls and Riverfront Park.

A parking lot is situated between the proposed park space and adjacent businesses, including Me's Burgers & Brews, Amburn Salon, and Airbnb units. A culvert located under the parking area between Me's Burgers and the green space will be undergoing repairs. Nearby businesses include Di'lishi, Haymore & Holland Law Office, Spectrum Medical, Golden Leaf Bistro, Cotton Restaurant, Lizzy Lou Boutique, and Dell' Anno's Pizza. Nearby green spaces include the Riverwalk, future Riverfront Park, Union Street Pocket Park, 'Home' Park (500 Main Street), Camilla Williams Park and a future whitewater park². The proposed park located at 231 Main Street will be an extension of the existing Main Street Plaza, serve as an important gateway to the City of Danville and showcase arts and culture.

A public survey to solicit ideas for the site was conducted in November 2020. Select suggestions which may be applicable to design include: an art wall, artist workspaces, outdoor movies and open-air market. Recent priorities include expanding the existing Main Street Plaza into smaller business incubator spaces (EX food truck, beverage, art, music, etc.) and outdoor dining spaces located on the new park site. These pop-up businesses will begin to activate the space while offering business opportunities. Functionally, the city would like better pedestrian connectivity to the space from nearby amenities and businesses. The main design objective is to create a gateway with a "wow" factor for visitors and residents. The space is conceived as a "Welcome to Danville" park which is inviting, exciting and memorable. Precedent examples discussed include Lebauer Park in Greensboro NC, Dorothy Dix Park and The Box Yard in Raleigh, and The Sandlot³ in Baltimore MD.

¹ Built in 1960 for Schewel's Furniture and lastly occupied by Lou's Antiques.

² Planned in conjunction with Dan River Falls.

³ The Sandlot in Baltimore MD began as a temporary park space and has transitioned to a permanent open green space named Point Park.

Scope of Work

The City of Danville's Office of Economic Development has requested site designs for this parcel which will create a public park space, envisioned as a Community Commons Gateway, which complements adjacent businesses, historic districts and developments. Beechgrove Design proposes a Scope of Work to include development of three concept designs for the site, with deliverables described below. These designs are intended to generate ideas for the City's consideration. After the City has determined preferred design ideas for the site, a Schematic Plan will be developed which captures the vision and preferred design for this space. This Schematic Plan will be used on signage posted at the park site to communicate the intended design.

The Landscape Architectural Services shall be performed with care and diligence in accordance with the professional standards appropriate for a project of the nature and scope of this project.

The Landscape Architect, its employees, and consultants have no authority to exercise any control over any construction contractor, its employees, or subcontractors in connection with their work or health and safety programs and procedures.

The client shall pay all fees required to secure jurisdictional approvals for the Project.

Deliverables & Fee Schedule

1. Research and visit precedent case studies of comparable size and objectives for community park gateways, as well as history of the site and environs.
2. Develop Base Map including survey information from City (if available), Danville VA GIS information, site photography/analysis and aerial imagery.
3. Prepare (3) three concept site designs (1 site visit, 1 presentation)
 - a. To Include: Plan View of Designs and Perspective Sketches to illustrate designs.
 - b. Concept Plans will be developed over City of Danville GIS and aerial imagery in AutoCAD. Information will be approximate; no survey has been provided.
 - i. Deliverables : PowerPoint Presentation, (3) 24"x36" Color Presentation Boards of three designs, and Electronic Files of presentation, plans and perspective sketches.
4. Refine concept plans into a Schematic Design. This plan may be used for illustrating future development of the park to the public via media and on-site signage.
5. Site conditions (bedrock, utility lines) unknown at time of design are not the responsibility of landscape architect.
6. Construction Documents, Written Specifications and Construction Administration not included in this proposal.
7. Additional meetings or extra services not described above will be billed as "Additional Services" and charged at standard hourly rates. Additional Services will be discussed with client prior to accruing additional time & fees.
8. If the City of Danville increases the project scope, compensation shall be adjusted as mutually agreed.
9. For above-described Scope of Services, Beechgrove Design Landscape Architecture estimates the following fee not to exceed \$22,500.00.
 - a. Items 1 – 3 : \$15,000.00
 - b. Item 4 : \$7,500.00

10. Time and expenses will be invoiced on a monthly basis.
11. Print costs (deliverables only) will be billed at cost plus 10% and are not included in professional services fee.
12. Travel will be billed at ½ rate for ½ travel time (EX 3 hour travel billed 1.5 hours at ½ rate for licensed landscape architect : \$75 = \$112.50)
13. Work will begin with a Notice to Proceed from the IDA (Industrial Development Authority), Samantha Bagbey (Project Manager) or a Purchase Order.

2024 WAGE RATES

Licensed Landscape Architect	\$150/hour
AutoCAD Technician	\$65/hour
Administrative	\$45/hour

Samantha, thank you for the opportunity to submit a proposal for consideration. Please let me know if you have questions or need anything revised in this proposal. I look forward to continued work with you and the rest of the Danville team on this important Welcome to Danville Gateway. It is always a pleasure working with the City of Danville!

Regards,



Trenda Leavitt, PLA
Licensed Landscape Architect

August 23, 2024

Samantha Bagbey, Economic Development Project Manager
Office of Economic Development & Tourism
City of Danville
PO Box 3300
Danville, Virginia 24543-3300

BEECHGROVE
DESIGN
LANDSCAPE
ARCHITECTURE

SCOPE OF SERVICES & FEE PROPOSAL
Landscape Architecture Concept Designs
231 Main Street Community Commons Park | Danville Virginia

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Regards,



Trenda Leavitt, PLA
Licensed Landscape Architect



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Corrie Bobe, Director of Economic Development and Tourism
RE: Approval of Updated Lease Terms for The Alexander Company, Inc. at 206 N Union Suite 100

Approval of a two month lease agreement between the IDA and The Alexander Company Inc. to occupy 206 N Union St, Suite 100, to use as the leasing office for The While Mill.

ATTACHMENTS

1. 1578_RES_Lease_Alexander Co_206 N Union Suite 100
2. 1578_Attachment_Alexander Company - Lease

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE-AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE ALEXANDER COMPANY, INC. FOR THE PROPERTY IDENTIFIED AS 206 NORTH UNION SUITE 100.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a Lease-Agreement between the Industrial Development Authority of Danville, Virginia and the Alexander Company, Inc., substantially in the form attached hereto; and

BE IT FURTHER RESOLVED, by the IDA that it hereby approves and authorizes a lease term of Two (2) months at a lease rate of One Thousand Nine Hundred Dollars (\$1,900) per month; and

BE IT FINALLY RESOLVED, by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any Officer, to execute the new Lease Agreement and any other documents necessary to complete the transaction described in this resolution.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into and effective as of this ____ day of _____ 2024, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("Landlord"), **THE ALEXANDER COMPANY, INC (EIN: 39-1504037)** ("Tenant").

WITNESSETH

FOR and in consideration of the mutual promises and covenants of the parties to this Lease, the parties do covenant and agree as follows:

1. Definitions: The following words or phrases shall have the following meanings when used in this Lease, unless otherwise specifically provided:

"Agreement" shall mean this lease agreement including all terms, conditions, rights, and responsibilities between the above-named Landlord and Tenants.

"Building" shall mean all of the building or other structure located on, or hereafter placed upon, **206 NORTH UNION SUITE 100 and bearing tax Parcel ID number 24488**.

"Commencement date" shall mean **SEPTEMBER 10, 2024**.

"Premises" shall mean **the first floor of the building (approximately 1,586sqft) known as 206 NORTH UNION SUITE 100 and bearing tax Parcel ID number 24488**.

"Real Estate Taxes" shall mean all real estate taxes, assessments, or charges upon all or any portion of the Entire Property or any Buildings or improvements thereon or the Premises or improvements thereon.

2. Recitals: The parties to this Lease recite the following facts:

A. Landlord is the Industrial Development Authority of Danville, Virginia (IDA), a political subdivision of the Commonwealth of Virginia.

B. Tenants are **THE ALEXANDER COMPANY, INC (EIN: 39-1504037)**

C. The Landlord desires to lease the Premises to the Tenants and the Tenants desires to lease the Premises from the Landlord for the primary purpose of operating **LEASING OFFICE FOR THE WHITE MILL** in the **CBC-CENTRAL BUSINESS DISTRICT**

3. Lease of Premises:

Landlord hereby leases to Tenants, and Tenants hereby leases from the Landlord the Premises, described above in Paragraph 1.

4. Term:

A. Initial Term:

The initial term of this Lease ("Term") shall begin upon the commencement date of this Lease by the parties hereto and shall extend for **TWO (2) MONTHS** after the Commencement Date to the Termination Date.

B. Renewal Lease Term:

If the Lease is still in full force and effect, Tenant, with written approval by Landlord, may renew the lease. Renewal may be for as many as ONE (1) new ONE (1) month renewal, provided written notice of the election to renew shall be delivered to Landlord not less than THIRTY (30) days prior to the expiration of the previous lease term. If said extension is duly exercised by Tenant and approved by Landlord, the Term of this Lease shall be automatically extended for an additional twenty-four-month period upon all of the same terms, provisions and conditions set forth in this Lease.

5. Rent:

A. Tenant shall pay as rent to Landlord during the Initial term **ONE THOUSAND NINE HUNDRED DOLLARS (\$1,900)** per month for the **TWO (2) MONTHS** of the lease beginning on **SEPTEMBER 10, 2024.** Rent is payable and due in advance on the first day of each calendar month during the Lease term to Landlord in-person or by mail at **427 Patton Street, Danville, Virginia, 24541, Suite 203 – The Economic Development Office.** The rental payment amount for any partial calendar months included in the Lease term shall be prorated on a daily basis.

B. A security deposit of **\$1,900** equal to the first month's rent is required to be paid prior to the Commencement Date as defined in paragraph 1 above for the initial term.

6. Maintenance, Improvement and Repairs:

- A. Tenants shall make, at Tenant's expense, all necessary improvements to the Premises including floors, walls, ceilings, plumbing, and lighting.
- B. Routine on-going repairs of interior areas not defined as the Premises and the exterior of the building including the roof, walls, foundation, gutters, downspouts, drainage systems, (signage excepted) shall be responsibility of the Landlord.

- C. If Repairs relate to an insurable claim, the Party entitled to insurance recovery must pay for the repairs.
- D. Tenants are responsible for their own trash disposal, janitorial, and any needed security services.

7. Alterations and Improvements:

- A. Landlord's written consent is required to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Premises as Tenants may deem desirable at Tenant's expense. Provided the same shall not adversely affect the structural integrity of the Building and are made in compliance with all applicable codes and are otherwise performed in a workmanlike manner and utilizing good quality materials.
- B. Tenants shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenants at the commencement of the Lease term or placed or installed on the Leased Premises by Tenants, thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenants shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenants at Tenants' expense.

8. Use.

- A. Tenants shall not use nor cause to be used all or a portion of the Premises for any of the following: 1) sexually oriented adult entertainment, 2) bookstore or magazine shop selling pornographic materials, 3) billiard parlor or pool hall, 4) any use which is not permitted by right under zoning classification applicable to the Premises, and 5) any other use which is illegal under any laws applicable to the Premises.
- B. Tenants shall use Premises for the operation of **LEASING OFFICE FOR THE WHITE MILL**. In the event that Tenants no longer uses Premises as described, this Lease shall end upon thirty (30) days' notice by Landlord.

9. Taxes.

- A. Personal Property Taxes: Tenants shall be responsible for paying all personal property taxes with respect to Tenants' personal property at the Premises.

- B. Real Estate Taxes: Tenants shall be responsible for paying all real estate taxes for the Premises **(approximately 1,586sqft) known as 206 NORTH UNION SUITE 100 and bearing tax Parcel ID number 24488**

10. Insurance.

- A. Landlord shall maintain fire and extended coverage insurance on the Building and the Entire Property in such amounts as Landlord shall deem appropriate.
- (i) Tenant shall be responsible, at their expense, for fire and extended coverage insurance on all personal property, including removable trade fixtures, located in the Premises.
- B. Tenants and Landlord shall, each at their own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenants' policy or policies of comprehensive general liability insurance, and Tenants' compliance with this Paragraph. Tenants shall obtain the agreement of Tenants' insurers to notify Landlord that a policy is due to expire at least (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

11. Utilities.

Tenants shall pay all charges for water, sewer, gas, electricity, telephone, internet and all other services of and for leased premises.

12. Signs.

Tenants shall have the right to place on the Premises any sign which is permitted by applicable zoning ordinances and private restrictions. Tenants shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenants.

13. Entry.

Landlord shall have the right to enter upon the Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with business of the Tenants on the Premises. Landlord will attempt to contact Tenants twenty- four (24) hours prior to entry except in the case of an emergency in which case no notice

would be required.

14. Damage and Destruction.

If the Premises or any part thereof or any appurtenance thereto is so damaged, not caused by Tenants, by fire, casualty, or structural defects that the same cannot be used for Tenants' purposes, then Tenants shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage, not caused by Tenants, to any part of the Premises, and if such damage does not render the Premises unusable for Tenants' purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, epidemics, swarms of boll weevils, plagues of locusts, inability to obtain necessary permits, materials, or labor or other matters, which are beyond the reasonable control of Landlord. Tenants shall be relieved from paying rent and other charges during any portion of the Lease term that the Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenants' purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenants. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence, which is beyond Tenants' reasonable control, and which renders the Premises, or any appurtenance thereto, inoperable, or unfit for occupancy or use, in whole or in part, for Tenants' purposes.

15. Default.

If default shall at any time be made by Tenants in the payment of rent when due to Landlord as herein provided, and if said default shall continue for five (5) days after written notice thereof shall have been given to Tenants by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenants, and such default shall continue for ten (10) days after notice thereof in writing to Tenants by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenants written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenants default, either in law or equity.

16. Quiet Possession.

Landlord covenants and warrants that upon performance by Tenants of its obligations hereunder, Landlord will keep and maintain Tenants in exclusive, quiet, peaceful, undisturbed, and uninterrupted possession of the Leased Premises during the term of this Lease.

17. Condemnation.

If any legally, constituted authority condemns the building or such part thereof which shall make the Premises unsuitable for leasing, this Lease shall cease when the public authority issues the condemnation order, and Landlord and Tenants shall account for rent as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

18. Subordination.

Tenants accept this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenants agree that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust, or other lien now existing or hereafter placed upon the Leased Premises of the Building and Tenants agree upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request Tenants agree that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenants alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

19. Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord:

Industrial Development Authority of Danville, Virginia
C/O City Attorney's Office
P.O. Box 3300
Danville, VA 24543

With a copy to:
City Attorney's Office
P.O. Box 3300
Danville, VA 24541

If to Tenants:
THE ALEXANDER COMPANY, INC
2450 RIMROCK ROAD, SUITE 100
MADISON, WI 53713

20. Brokers.

Tenants represent that Tenants were not shown the Premises by any real estate broker or agent and that Tenants have not otherwise engaged in any activity, which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. Waiver.

No waiver of any default of Landlord or Tenants hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenants shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

23. Successors.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenants and their respective legal representatives, successors and assigns.

24. Consent.

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

25. Performance.

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenants to Landlord specifying the default, Tenants may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenants shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the Landlord of five percent (5%) per annum. If this Lease terminates prior to Tenants' receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenants on demand.

26. Compliance with Law.

Tenants shall comply with all laws, orders, ordinances, and other public requirements now or hereafter pertaining to Tenants' use of the Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

27. Applicable Law and Entire Agreement.

A. This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

B. This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

Landlord:

Industrial Development Authority
of Danville, Virginia

By: _____

Name: T. Neal Morris

Its: Chairman

Tenant:

THE ALEXANDER COMPANY, INC
(EIN: 39-1504037)

By _____

Name: **Joseph Alexander**

Title: **President**



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: A resolution to approve and authorize a Special Projects Loan to Masonic Towers Redevelopment, LLC.

In August 2018, the Danville Office of Economic Development created the Special Projects Loan Fund, a financing tool for high-impact historic redevelopment projects in the River District. This program was established to help provide short-term financing through the Industrial Development Authority (IDA) to spur the development of catalyst high impact projects.

After review by High Impact Financial Analysis, LLC, the IDA Loan Committee would recommend approval for the following:

Borrower: Masonic Towers Redevelopment, LLC, and its members in their personal capacity
Property: 105 S. Union Street, Danville, Virginia 24541, also known as Parcel ID# 23583.

Collateral Position: First Lien

Loan Amount: 1,650,000.00

Interest: 6.34%

Loan Origination: 0.25% of total loan amount

Term: Interest only not to exceed three (3) years.

ATTACHMENTS

1. 1579_2024-09-05_RES_Loan_TowersRedevelopment

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION AUTHORIZING AND APPROVING A LOAN NOT TO EXCEED A PRINCIPAL AMOUNT OF \$1,650,000 TO MASONIC TOWERS REDEVELOPMENT, LLC AND ITS MEMBERS IN THEIR PERSONAL CAPACITY.

WHEREAS, it is the purpose and intent of the Industrial Development Authority of Danville, Virginia (IDA) to aid the promotion of economic development within the City of Danville; and

WHEREAS, in order to facilitate the promotion of economic development within the City of Danville the IDA may have to aid in funding for such purposes; and

WHEREAS, Masonic Towers Redevelopment, LLC, has requested a loan from the IDA for One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) at 6.34/100 percent interest (6.34%) to be paid back in Twenty-Four (24) months; interest only during the loan term. Principal is due upon the earlier of closing on the construction financing for the project or maturity; and

Whereas, the IDA loan committee has reviewed the application and is recommending a loan to Masonic Towers Redevelopment, LLC, a principal amount not to exceed One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) at 6.34/100 percent interest to be paid back in 24 months, interest only during the loan term; and

BE IT FURTHER RESOLVED that the IDA does hereby authorize its Chairman, or in his absence any officer, to execute any and all documents pertaining said loan.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Brian Dunevant, Assistant Director of Public Works | City Engineer
RE: Approving a temporary storage agreement between the Industrial Development Authority and the City of Danville for the W. Main Street sanitary sewer extension project - the request is to Utilize 1206 W. Main Street Parcel # 54629.

The Public Works – Engineering Division is leading a project to extend public sanitary sewer to serve IDA-owned parcel (PIN 51588) at 1119 W Main St. (currently a parking lot leased to Caesars Virginia) and a privately-held parcel to the east. Please reference Attachment 1 depicting the overall sewer project. Phase 1 as shown is currently under construction by Prillaman & Pace, Inc. (Contractor) and is expected to be complete by mid-October. Further reference is made to Action Item 11 from the previous meeting on August 13th wherein a request was granted to allow this Contractor to utilize a portion of 1119 W Main St. for temporary storage of equipment and materials to support construction of Phase 1.

The previously approved temporary storage area is at capacity and additional off-site area is needed to temporarily stock stone backfill material to be used in constructing Phase 1. Public Works – Engineering is requesting permission to allow the Contractor to utilize the vacant, IDA-owned lot at 1206 W Main St. (PIN 54629) on the northwest corner of Bishop & W Main for this purpose.

Staff is requesting the Industrial Development Authority of Danville, Virginia to approve a temporary storage agreement between the Industrial Development Authority and the City of Danville, Virginia for the W. Main Street sanitary sewer extension project - the request is to Utilize 1206 W. Main Street Parcel # 54629.

ATTACHMENTS

1. 1584_RES_Temp Storage Agreement_IDA_City_Sewer_Parcel 24629

PRESENTED: _____

ADOPTED: _____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A TEMPORARY MATERIALS STORAGE AREA AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA AND THE CITY OF DANVILLE AT 1206 W. MAIN STREET FURTHER IDENTIFIED AS PARCEL # 54629.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia (IDA) that it hereby approves and authorizes the Chairman, or in his absence the Vice Chairman, to execute a Temporary Materials Storage Area Agreement between the IDA and the City of Danville at 1206 W. Main Street, further identified as Parcel # 54629 to stage equipment to be used in a City sanitary sewer project, in a form approved by the IDA, City Attorney Public Works Engineering Department.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Brian Dunevant, Assistant Director of Public Works | City Engineer
RE: A resolution of the Industrial Development Authority of Danville, Virginia (IDA) to approve a request from the City Department of Engineering to perform soil borings at 1119 W. Main Street, further identified as Parcel # 54629 owned by the Industrial Development Authority of Danville, Virginia

A resolution of the Industrial Development Authority of Danville, Virginia (IDA) to approve a request from the City Department of Engineering to perform soil borings at 1119 W. Main Street, further identified as Parcel # 51588 owned by the Industrial Development Authority of Danville, Virginia.

ATTACHMENTS

1. 1585_RES_Soil Borings_IDA_City_Sewer_Parcel 51588
2. Attachment 1 - Project Map
3. Attachment 2 - Boring Locations

PRESENTED: _____

ADOPTED: _____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A REQUEST TO PERFORM SOIL BORINGS AT 1119 W. MAIN STREET, FURTHER IDENTIFIED AS PARCEL 51588

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia (IDA) that it hereby approves and authorizes the Chairman, or in his absence the Vice Chairman, to execute a Temporary Materials Storage Area Agreement between the IDA and the City of Danville at 1206 W. Main Street, further identified as Parcel # 54629 to stage equipment to be used in a City sanitary sewer project, in a form approved by the IDA Chairman, City Attorney, Division of Engineering Department.

Approved:

Chairman

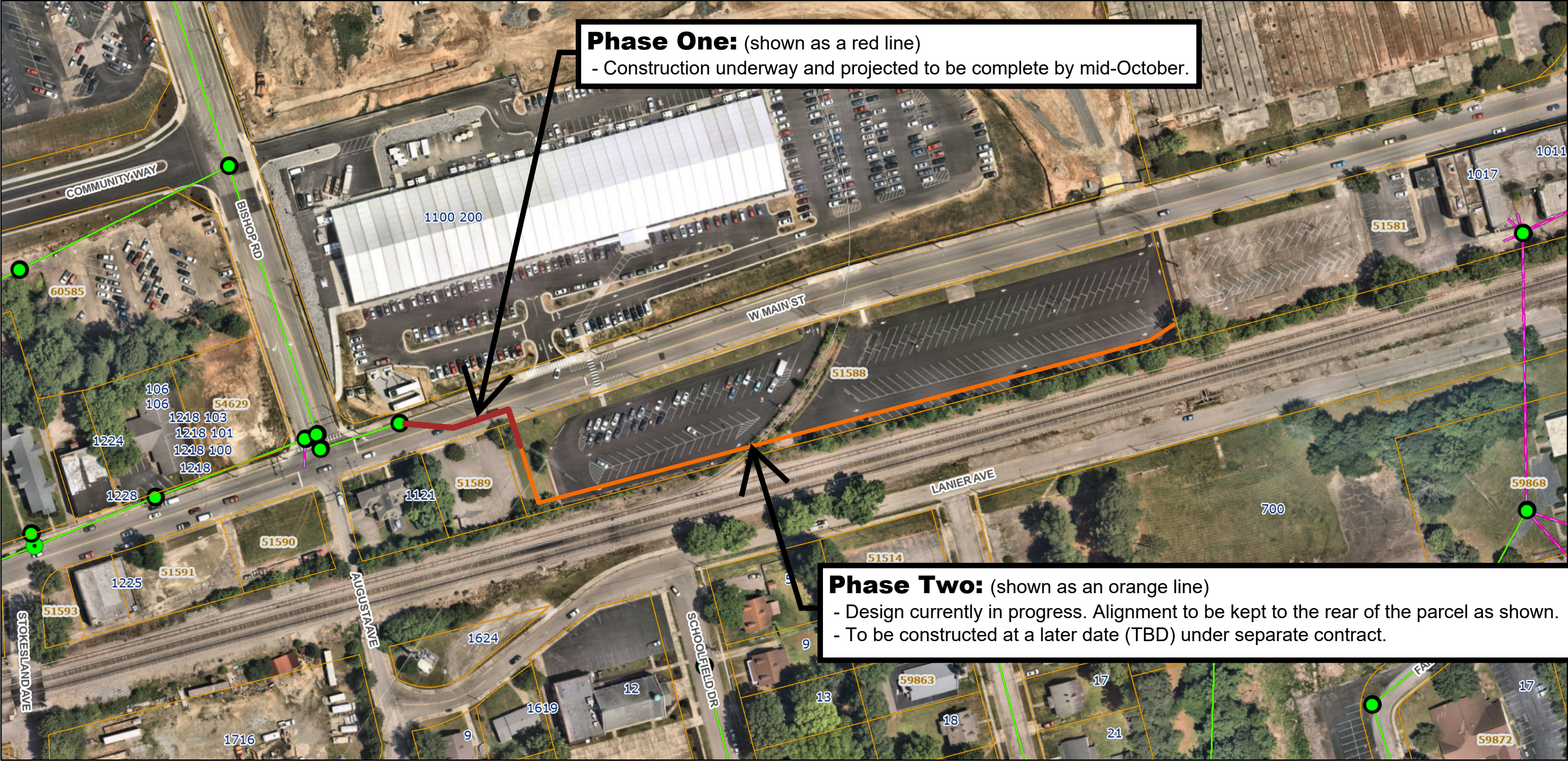
Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

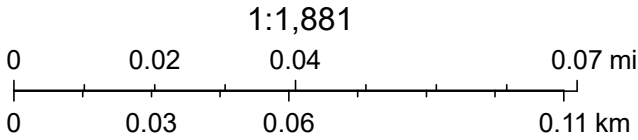
City Attorney

W Main Street Sanitary Sewer Extension



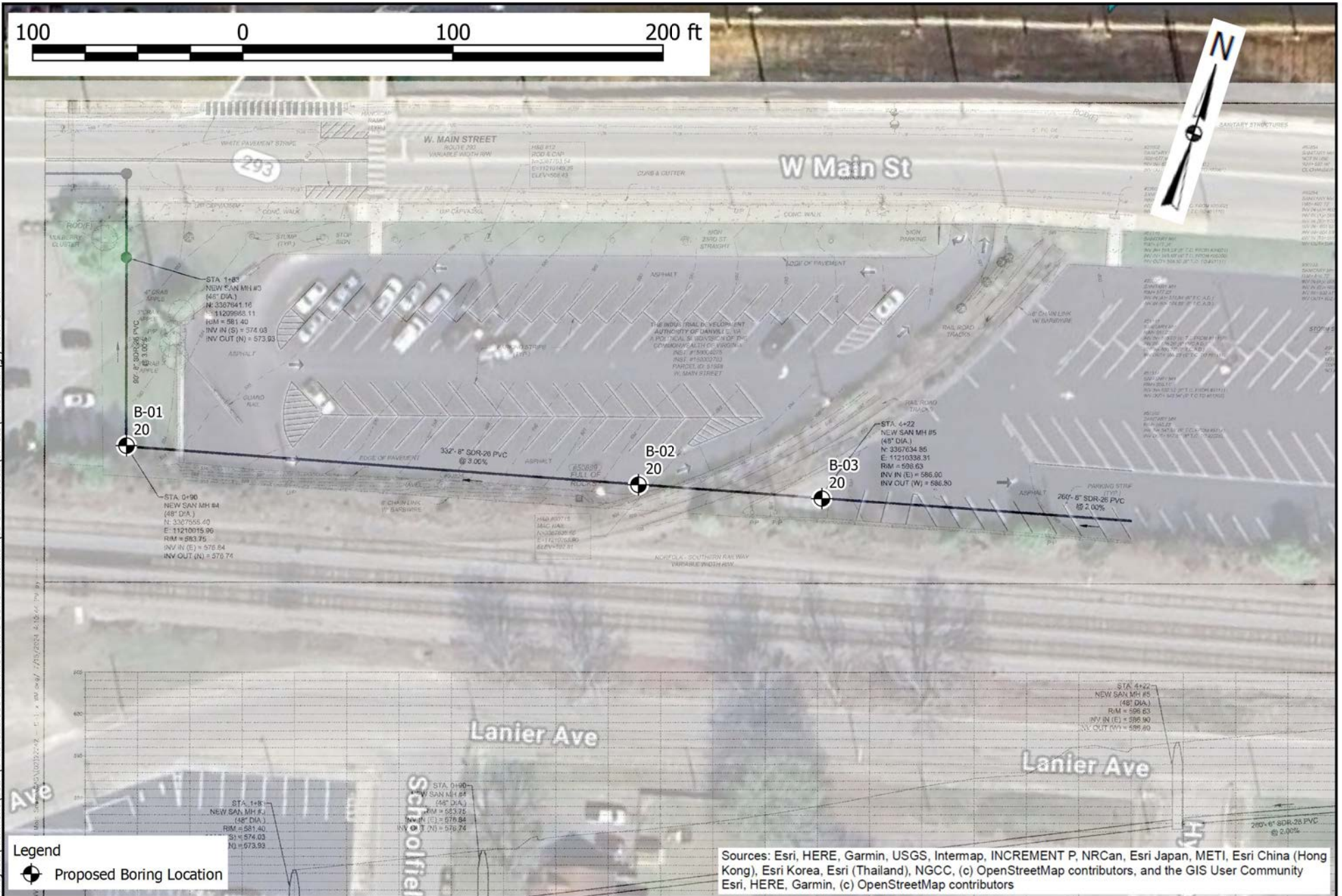
9/4/2024

Parcel Account	City Parcels	Sanitary Sewer Line	Sanitary Manhole	Pressure
House Numbers(Inactive/Alias)	Exempt	Abandoned - City	Manhole - City	County Sewer Manholes
Street Labels	Non-Exempt	Gravity - City	Sight Hole - City	County Sewer Pump Stations
House Numbers	Railroads	Pressurized - City	Other - City	County Roads
City Boundary	Active Track	Gravity - Private	Manhole - Private	County Parcels
	Abandoned Track	Pressurized - Private	County Sewer	City Boundary
			Gravity	



Map data © OpenStreetMap contributors, Microsoft, Facebook, Inc. and its affiliates, Esri Community Maps contributors, Map layer by Esri, Danville GIS

\\EgnyteDrive\Egnyte Projects\Richmond\2024\24130022.000 Danville Casino Sewer Extension\03-SE Products\07-GIS\24130022.qdz, 2024-07-24



DANVILLE CASINO SEWER EXTENSION
W MAIN STREET
DANVILLE, VIRGINIA

Figure Name:
PROPOSED BORING LOCATION PLAN

Project Number:
24130022.00P

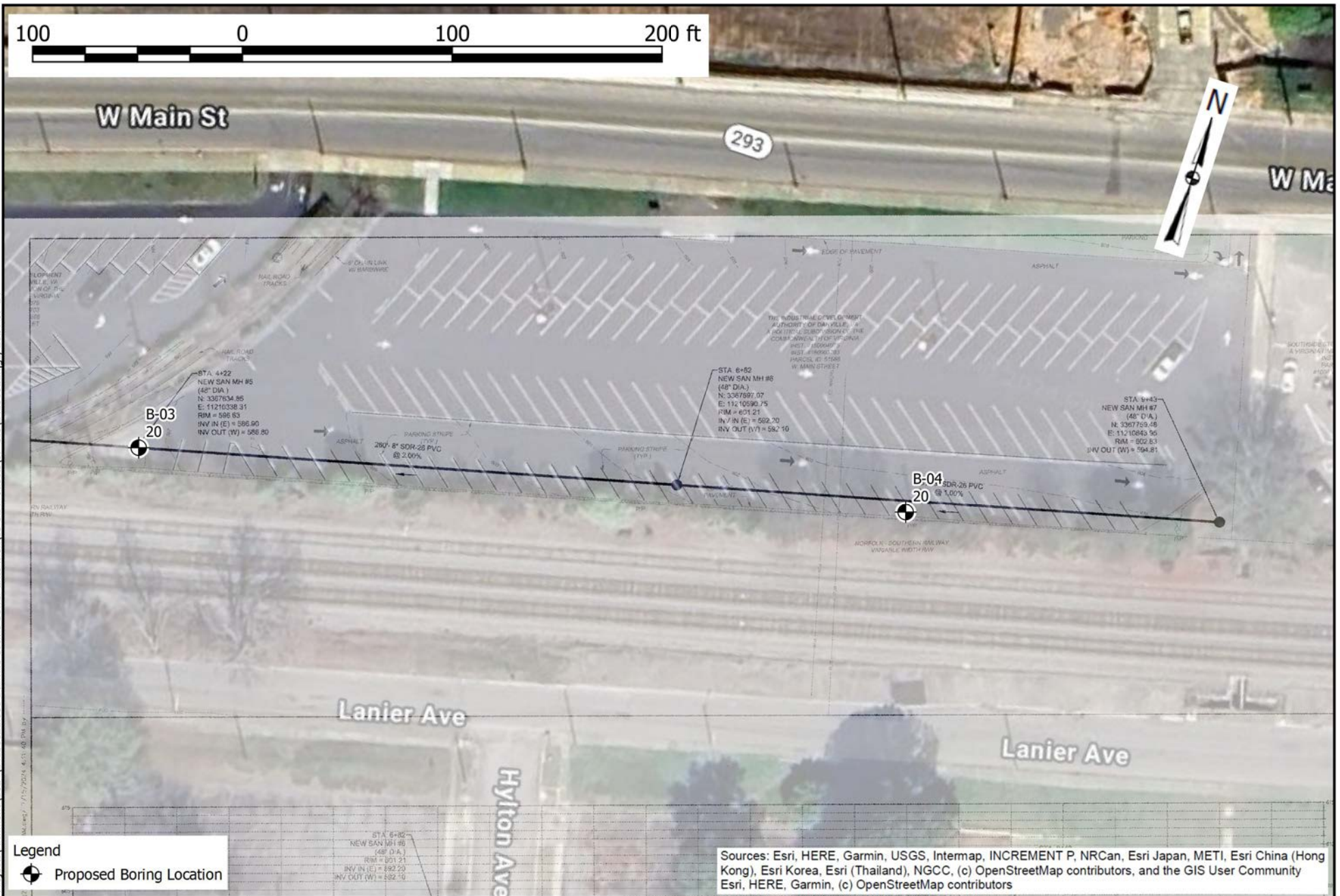
Done:
J. BAUGH

Reviewed:
N. DUMAS

Figure Number:
1A

Date:
JUL 2024

\\EgnyteDrive\Egnyte Projects\Richmond\2024\24130022.000 Danville Casino Sewer Extension\03-SE Products\07-GIS\24130022.gdz, 2024-07-24



DANVILLE CASINO SEWER EXTENSION
W MAIN STREET
DANVILLE, VIRGINIA

Figure Name:
PROPOSED BORING LOCATION PLAN

Project Number:
24130022.00P

Done:
J. BAUGH

Reviewed:
N. DUMAS

Figure Number:
1B

Date:
JUL 2024



Industrial Development Authority

STAFF REPORT

DATE: September 10, 2024
TO: Industrial Development Authority
FROM: Jason Grey, Director of Utilities
RE: Approval from the Industrial Development Authority of Danville, Virginia (IDA) granting the City an additional 20' utility easement across IDA owned parcels 51588 and 54629; and an additional 10" utility easement across 60539, and 60585.

The department of Utilities for the City of Danville, Virginia is requesting that the Industrial Development Authority of Danville, Virginia grant an additional 20' utility easement in addition to the existing City public right-of-way across parcels 51588 and 54629; and an additional 10' utility easement in addition to the existing City public right-of-way across Parcels 60539 and 60585.

ATTACHMENTS

1. 1589_RES_2024-09-10_UilitiesEasement_Parcels 51588_54629_60539_60585
2. 1589_Attach_Parcel 51588 - IDA W Main Parking Lot
3. 1589_Attach_Parcel 54629 - IDA W Main-Bishop Rd Corner
4. 1589_Attach_Parcel 60539 - IDA North of Community Way
5. 1589_Attach_Parcel 60585 - IDA South of Community Way (002)

PRESENTED: September 10, 2024

ADOPTED: September 10, 2024

RESOLUTION NO. 2024-____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CONVEYANCE TO THE CITY OF DANVILLE A 20' WIDE UTILITY EASEMENT FROM THE CITY'S EXISTING PUBLIC RIGHT-OF-WAY ON WEST MAIN STREET AND A 10' WIDE UTILITY EASEMENT FROM THE CITY'S EXISTING PUBLIC RIGHT-OF-WAY ON BISHOP ROAD FOR THE PURPOSE OF INSTALLING UNDERGROUND UTILITY INFRASTRUCTURE.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes the conveyance, to the City of Danville, a 20' wide easement from the existing City public right-of-way on West Main Street Parcel #51588 and 54629, and a 10' wide easement from the existing City public right-of-way on Bishop Road Parcels #60539 and #60585 for purpose of extending underground electric and communication infrastructure that will serve various customers in the Schoolfield community, which location map and said easements substantially in the form attached hereto, and made a part hereof this resolution; and

BE IT FURTHER RESOLVED, by the Industrial Development Authority of Danville, Virginia that the Chairman, or in his absence any Officer, is hereby authorized to execute the easement and sign any other documentation necessary to complete the above-described transaction.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

This instrument prepared by:

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Project No.: Danville Utilities - RFP 23-24-074 W Main Underground Project,
Parcel No.: 51588,
City/County: Danville, VA.

THIS DEED OF EASEMENT, made and entered into this 23rd July 2024, by and between INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA, herein referred to as "Grantor"; and the CITY OF DANVILLE, VIRGINIA, P.O. Box 3300, Danville, Virginia 24543, a municipal corporation chartered under the laws of the Commonwealth of Virginia, herein referred to as "Grantee";

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey to Grantee, its licensees, agents, successors and assigns, the following described easement:

A permanent (10 ft.) easement, (5 ft.) on either side of center and right-of-way for utility facilities, consisting of the perpetual right to enter and to install, construct, erect, maintain, repair, rebuild, replace, operate and patrol such lines and facilities, including all necessary poles, conduits, cable, anchors, guys, wires, buried cables, buried wires, posts, terminals, location markers, manholes, fixtures, and other appurtenances, and the right to reconstruct, improve, add to, enlarge, change the type, as well as the size of and remove such facilities or any of them or those of such other system or systems as are duly authorized by Grantee to use jointly its poles or trenches, as may be from time to time required, in, upon, under, over, or across the parcel or tract of land described as follows:

Along north border of parcel behind existing sidewalk is an approximately 900ft long run of primary electrical conduit. A 10ft utility easement is requested, 5ft from center conductor throughout the entirety of this route.

Approximately 320ft west of the eastern border of the parcel a partially below grade enclosure is installed. An identical enclosure is situated 60ft east of the western border of the parcel along with a pad mount transformer 5-10ft behind it. A 25x25ft easement is requested for the pad mount transformer and enclosure on the west side of the parcel.

A 35ft lift pole is installed 70ft southwest of the transformer location for service to area lighting. Secondary electrical conduit is bored from the pad mount transformer to the new lift pole. A 10ft utility easement is requested along this 70ft conduit run.

A (1) page supplemental attachment is included at the end of this agreement showing a plan view of the above described easements.

Communications conduits are installed along with the primary electrical conduits. For access to the communications conduits (4) handholes and pedestals are installed at different locations along the run. Conduits for primary electrical conductor, communications, and a three phase electrical service continue westward underneath the parking area on the adjacent property.

Beginning west of the first entrance to the parking area on this parcel, (10) street lights and foundations approximately 12in diameter are installed behind the existing sidewalk. The lights are installed at 90ft intervals with the westernmost light placed in front of the electrical enclosure 65ft west of the previous streetlight. Conduit for secondary 240/120VAC electrical power runs from streetlight to streetlight and then continues westward from the second electrical enclosure to streetlights on the adjacent property.

together with the right to permit any other person, firm or corporation to attach or install wires to or together with any facilities hereunder within the easement and to operate the same for communications purposes with the right of ingress and egress to said premises at all times, to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the easement area, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, street or highways adjoining or through said property.

Grantor covenants that no permanent building or structure shall be erected within the easement herein granted without the written consent of Grantee. This easement shall run with the land of the Grantor, and shall be binding upon the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

WITNESS the following signature(s) and seal(s).

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,
Corporation

BY: _____ (SEAL)

Title: _____

PLACE CORPORATE SEAL

ATTEST: _____ (SEAL)

Title: _____

STATE OF VIRGINIA, CITY/COUNTY OF DANVILLE

The foregoing instrument was acknowledged before me this 23rd day of July, 2024,

by _____ and _____, in their

capacity as _____ and _____ for

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,

Corporation, Grantor.

My Commission Expires: _____

Notary Public

This Instrument Is Exempt From The Tax Imposed By Virginia Code §58.1-801 Pursuant
To The Provisions Of Virginia Code §58.1-811(A)(3)

Supplemental Documentation:



Major Equipment Locations:

- 1-Partially above grade enclosure with 12kV terminations. Area 5x8ft.
 - 2- Partially above grade enclosure with 12kV terminations. Three phase padmount transformer. Enclosure Area 5x8ft. Transformer Area 6ftx9ft.
 - 3-35ft tall Class 5 pole for service to area lighting. Conduit trenched 70ft northeast to Location #2.
 - 4-Switchgear enclosure. Single phase padmount transformer. Switchgear area estimate 7ftx6-1/2ft. Transformer area 3.5ftx4ft.
 - 5-Riser pole (Replacement for existing Danville Utilities pole 23136. New pole will be located 30ft west of existing pole near driveway for adjacent property). Primary and Danville communications conduit trenched from Location #4.
- All conduits on Bishop Road oriented north: (2)4in runs, (2)2in secondary power runs, (2)2in communications runs.

This instrument prepared by:

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Project No.: Danville Utilities - RFP 23-24-074 W Main Underground Project,
Parcel No.: 54629,
City/County: Danville, VA.

THIS DEED OF EASEMENT, made and entered into this 23rd July 2024, by and between INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA, herein referred to as "Grantor"; and the CITY OF DANVILLE, VIRGINIA, P.O. Box 3300, Danville, Virginia 24543, a municipal corporation chartered under the laws of the Commonwealth of Virginia, herein referred to as "Grantee";

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey to Grantee, its licensees, agents, successors and assigns, the following described easement:

A permanent (10 ft.) easement, (5 ft.) on either side of center and right-of-way for utility facilities, consisting of the perpetual right to enter and to install, construct, erect, maintain, repair, rebuild, replace, operate and patrol such lines and facilities, including all necessary poles, conduits, cable, anchors, guys, wires, buried cables, buried wires, posts, terminals, location markers, manholes, fixtures, and other appurtenances, and the right to reconstruct, improve, add to, enlarge, change the type, as well as the size of and remove such facilities or any of them or those of such other system or systems as are duly authorized by Grantee to use jointly its poles or trenches, as may be from time to time required, in, upon, under, over, or across the parcel or tract of land described as follows:

An electrical switch enclosure is placed at the southeast corner of the parcel. A pad mount transformer is situated 5-10ft behind the switch. A 20x20ft easement is requested for the pad mount transformer and switch enclosure in the southeast area of the parcel. From the switch enclosure conduit is bored underneath W Main St to reach to an electrical enclosure on the opposite side of the road. Communications conduits are installed along with the primary electrical conduit. A handhole and pedestal is installed near the switch enclosure for access to the communications cables. Existing Danville Utilities pole 23136 on this parcel having been removed, a new riser pole is situated on the southwest corner of the parcel close to the driveway of the adjacent property. This pole has conduit risers installed for primary electrical and communications. Primary conduit reaches from the switch enclosure 100ft west to this pole. A 10ft utility easement is requested, 5ft from center conductor, along the south border of the parcel for this run. A (1) page supplemental attachment is included at the end of this agreement showing a plan view of the above described easements.

From the pad mount transformer located behind the switch enclosure on the corner of W Main/Bishop Rd, secondary electrical service and communications conduits are bored across Bishop Rd to serve the traffic signal. Along the east border of the parcel adjacent to Bishop Rd (2) streetlights and 12in diameter circular foundations are situated. One light is

located in front of the pad mount transformer and a second is placed 70ft further north. Secondary conduits from the pad mount transformer, single phase electrical primary conduits from the switch enclosure and communications conduits from the handholes all continue north along the eastern border of the parcel. For these conduits running parallel to Bishop Rd a 10 ft utility easement is requested, 5ft from center conductor, along the east border of the parcel.

together with the right to permit any other person, firm or corporation to attach or install wires to or together with any facilities hereunder within the easement and to operate the same for communications purposes with the right of ingress and egress to said premises at all times, to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the easement area, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, street or highways adjoining or through said property.

Grantor covenants that no permanent building or structure shall be erected within the easement herein granted without the written consent of Grantee. This easement shall run with the land of the Grantor, and shall be binding upon the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

WITNESS the following signature(s) and seal(s).

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,
Corporation

BY: _____ (SEAL)

Title: _____

PLACE CORPORATE SEAL

ATTEST: _____ (SEAL)

Title: _____

STATE OF VIRGINIA, CITY/COUNTY OF DANVILLE

The foregoing instrument was acknowledged before me this 23rd day of July, 2024,

by _____ and _____, in their

capacity as _____ and _____ for

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,

Corporation, Grantor.

My Commission Expires: _____

Notary Public

This Instrument Is Exempt From The Tax Imposed By Virginia Code §58.1-801 Pursuant
To The Provisions Of Virginia Code §58.1-811(A)(3)

Supplemental Documentation:



Major Equipment Locations:

- 1-Partially above grade enclosure with 12kV terminations. Area 5x8ft.
 - 2- Partially above grade enclosure with 12kV terminations. Three phase padmount transformer. Enclosure Area 5x8ft. Transformer Area 6ftx9ft.
 - 3-35ft tall Class 5 pole for service to area lighting. Conduit trenched 70ft northeast to Location #2.
 - 4-Switchgear enclosure. Single phase padmount transformer. Switchgear area estimate 7ftx6-1/2ft. Transformer area 3.5ftx4ft.
 - 5-Riser pole (Replacement for existing Danville Utilities pole 23136. New pole will be located 30ft west of existing pole near driveway for adjacent property). Primary and Danville communications conduit trenched from Location #4.
- All conduits on Bishop Road oriented north: (2)4in runs, (2)2in secondary power runs, (2)2in communications runs.

This instrument prepared by:

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Project No.: Danville Utilities - RFP 23-24-074 W Main Underground Project,
Parcel No.: 60539,
City/County: Danville, VA.

THIS DEED OF EASEMENT, made and entered into this 23rd July 2024, by and between INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA, herein referred to as "Grantor"; and the CITY OF DANVILLE, VIRGINIA, P.O. Box 3300, Danville, Virginia 24543, a municipal corporation chartered under the laws of the Commonwealth of Virginia, herein referred to as "Grantee";

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey to Grantee, its licensees, agents, successors and assigns, the following described easement:

A permanent (10 ft.) easement, (5 ft.) on either side of center and right-of-way for utility facilities, consisting of the perpetual right to enter and to install, construct, erect, maintain, repair, rebuild, replace, operate and patrol such lines and facilities, including all necessary poles, conduits, cable, anchors, guys, wires, buried cables, buried wires, posts, terminals, location markers, manholes, fixtures, and other appurtenances, and the right to reconstruct, improve, add to, enlarge, change the type, as well as the size of and remove such facilities or any of them or those of such other system or systems as are duly authorized by Grantee to use jointly its poles or trenches, as may be from time to time required, in, upon, under, over, or across the parcel or tract of land described as follows:

Along the east border of the parcel adjacent to Bishop Rd (5) streetlights and 12in diameter circular foundations are placed. The first light is placed on the south side of the parcel close to the intersection with Community Way. Three additional lights are placed north of the first light at 90ft intervals and the fifth light is placed near the entrance to the parking area. Secondary conduits for the streetlights, single phase electrical primary conduits and communications conduits all continue north along the eastern border of the parcel. For these conduits running parallel to Bishop Rd a 10 ft utility easement is requested, 5ft from center conductor, along the east border of the parcel.

A (1) page supplemental attachment is included at the end of this agreement showing a plan view of the above described easements.

together with the right to permit any other person, firm or corporation to attach or install wires to or together with any facilities hereunder within the easement and to operate the same for communications purposes with the right of ingress and egress to said premises at all times, to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the easement area, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore

described, over, along, under and across the roads, street or highways adjoining or through said property.

Grantor covenants that no permanent building or structure shall be erected within the easement herein granted without the written consent of Grantee. This easement shall run with the land of the Grantor, and shall be binding upon the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

WITNESS the following signature(s) and seal(s).

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,
Corporation

BY: _____ (SEAL)

Title: _____

PLACE CORPORATE SEAL

ATTEST: _____ (SEAL)

Title: _____

STATE OF VIRGINIA, CITY/COUNTY OF DANVILLE

The foregoing instrument was acknowledged before me this 23rd day of July, 2024,

by _____ and _____, in their

capacity as _____ and _____ for

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,

Corporation, Grantor.

My Commission Expires: _____

Notary Public

This Instrument Is Exempt From The Tax Imposed By Virginia Code §58.1-801 Pursuant
To The Provisions Of Virginia Code §58.1-811(A)(3)

Supplemental Documentation:



Major Equipment Locations:

- 1-Partially above grade enclosure with 12kV terminations. Area 5x8ft.
 - 2- Partially above grade enclosure with 12kV terminations. Three phase padmount transformer. Enclosure Area 5x8ft. Transformer Area 6ftx9ft.
 - 3-35ft tall Class 5 pole for service to area lighting. Conduit trenched 70ft northeast to Location #2.
 - 4-Switchgear enclosure. Single phase padmount transformer. Switchgear area estimate 7ftx6-1/2ft. Transformer area 3.5ftx4ft.
 - 5-Riser pole (Replacement for existing Danville Utilities pole 23136. New pole will be located 30ft west of existing pole near driveway for adjacent property). Primary and Danville communications conduit trenched from Location #4.
- All conduits on Bishop Road oriented north: (2)4in runs, (2)2in secondary power runs, (2)2in communications runs.

This instrument prepared by:

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Project No.: Danville Utilities - RFP 23-24-074 W Main Underground Project,
Parcel No.: 60585,
City/County: Danville, VA.

THIS DEED OF EASEMENT, made and entered into this 23rd July 2024, by and between INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA, herein referred to as "Grantor"; and the CITY OF DANVILLE, VIRGINIA, P.O. Box 3300, Danville, Virginia 24543, a municipal corporation chartered under the laws of the Commonwealth of Virginia, herein referred to as "Grantee";

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey to Grantee, its licensees, agents, successors and assigns, the following described easement:

A permanent (10 ft.) easement, (5 ft.) on either side of center and right-of-way for utility facilities, consisting of the perpetual right to enter and to install, construct, erect, maintain, repair, rebuild, replace, operate and patrol such lines and facilities, including all necessary poles, conduits, cable, anchors, guys, wires, buried cables, buried wires, posts, terminals, location markers, manholes, fixtures, and other appurtenances, and the right to reconstruct, improve, add to, enlarge, change the type, as well as the size of and remove such facilities or any of them or those of such other system or systems as are duly authorized by Grantee to use jointly its poles or trenches, as may be from time to time required, in, upon, under, over, or across the parcel or tract of land described as follows:

Along the east border of the parcel adjacent to Bishop Rd (3) streetlights and 12in diameter circular foundations are placed. The first light is placed on the north side of the parcel close to the intersection with Community Way. Two additional lights are placed 85ft and 165ft south of the first light. Handholes are placed within the vicinity of the second streetlight for communications conduits. Secondary conduits for the streetlights, single phase electrical primary conduits and communications conduits all continue north along the eastern border of the parcel. For these conduits running parallel to Bishop Rd a 10 ft utility easement is requested, 5ft from center conductor, along the east border of the parcel. A (1) page supplemental attachment is included at the end of this agreement showing a plan view of the above described easements.

together with the right to permit any other person, firm or corporation to attach or install wires to or together with any facilities hereunder within the easement and to operate the same for communications purposes with the right of ingress and egress to said premises at all times, to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the easement area, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore

described, over, along, under and across the roads, street or highways adjoining or through said property.

Grantor covenants that no permanent building or structure shall be erected within the easement herein granted without the written consent of Grantee. This easement shall run with the land of the Grantor, and shall be binding upon the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

WITNESS the following signature(s) and seal(s).

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,
Corporation

BY: _____ (SEAL)

Title: _____

PLACE CORPORATE SEAL

ATTEST: _____ (SEAL)

Title: _____

STATE OF VIRGINIA, CITY/COUNTY OF DANVILLE

The foregoing instrument was acknowledged before me this 23rd day of July, 2024,

by _____ and _____, in their

capacity as _____ and _____ for

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA,

Corporation, Grantor.

My Commission Expires: _____

Notary Public

This Instrument Is Exempt From The Tax Imposed By Virginia Code §58.1-801 Pursuant
To The Provisions Of Virginia Code §58.1-811(A)(3)

Supplemental Documentation:



Major Equipment Locations:

- 1-Partially above grade enclosure with 12kV terminations. Area 5x8ft.
 - 2- Partially above grade enclosure with 12kV terminations. Three phase padmount transformer. Enclosure Area 5x8ft. Transformer Area 6ftx9ft.
 - 3-35ft tall Class 5 pole for service to area lighting. Conduit trenched 70ft northeast to Location #2.
 - 4-Switchgear enclosure. Single phase padmount transformer. Switchgear area estimate 7ftx6-1/2ft. Transformer area 3.5ftx4ft.
 - 5-Riser pole (Replacement for existing Danville Utilities pole 23136. New pole will be located 30ft west of existing pole near driveway for adjacent property). Primary and Danville communications conduit trenched from Location #4.
- All conduits on Bishop Road oriented north: (2)4in runs, (2)2in secondary power runs, (2)2in communications runs.