



INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

4TH FLOOR CONFERENCE ROOM

March 11, 2025

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. MEETING MINUTES

1. Approval of IDA Minutes for February 11, 2025 IDA Meeting

D. FINANCIAL REPORT

1. IDA Statement of Accounts as of February 28, 2025

E. STAFF UPDATES

F. ACTION ITEMS

1. Lease Renewal between the Danville Industrial Development Authority and The Launch Place
2. Request from The Launch Place to sublet one of their office spaces
3. Request approval of Commitment Letter between the Danville Industrial Development Authority and First National Bank
4. Request approval to finance the purchase of three properties in the River District for public parking and redevelopment purposes.

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.

As Permitted by Subsection (A)(7) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for consultation with legal counsel concerning actual litigation and briefings by staff regarding specific legal matters requiring legal advice.

- 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

STAFF REPORT

DATE: March 11, 2025
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: Lease Renewal between the Danville Industrial Development Authority and The Launch Place

Staff request approval to renew the current lease agreement for one year between the Danville Industrial Development Authority and The Launch Place effective April 1, 2025 as outlined in the lease agreement dated October 1, 2023.

ATTACHMENTS

1. 1928_RES_New Lease Renewal with The Launch Place_3-2025
2. 1928_RES_Renewal Lease for Launch Place 527 Bridge Street

PRESENTED: March 11, 2025

ADOPTED: March 11, 2025

RESOLUTION NO. 2025-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING TO RENEW THE LEASE AGREEMENT WITH THE LAUNCH PLACE AT 527 BRIDGE STREET, SUITE 200.

WHEREAS, The Industrial Development Authority of Danville approved and authorized a lease renewal between the Industrial Development Authority and The Launch Place on March 14, 2023, for a five (5) year term; and

WHEREAS, the Launch Place had requested to change the term length of the lease Agreement from Five (5) years to One (1) year, with an option to renew for five (5) One (1) year terms; and

WHEREAS, The Launch Place will exercise its option to renew the lease for one additional year under the terms of the lease agreement approved on September 12, 2023.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia, that it hereby approves and authorizes a renewal lease agreement with a One (1) year term, with the option for four (4) (1) year term renewals of the lease between the Industrial Development Authority of Danville, Virginia and The Launch Place, for 527 Bridge Street, Suite 200 commonly known as Old Belt One; and

BE IT FURTHER RESOLVED that upon the execution of this lease agreement authorized hereby, that any and all previous lease agreements between the parties relating to the property shall no longer be valid; 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 any and all 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 the 1__ day of April _____, 2025 between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE**, a political subdivision of the Commonwealth of Virginia ("Landlord"), and **Southside Business Technology Center, aka The Launch Place**, a corporation existing under the laws of the Commonwealth of Virginia ("Tenant").

RECITALS:

This Lease is made with reference to the following facts:

- A. Landlord owns a certain building identified as "Old Belt Tobacco Storage No. 1" (the "Building") located in the City of Danville, Virginia, more particularly described on Exhibit A and located on that certain real property owned by Landlord and more particularly described in Exhibit A hereto (the "Land").
- B. Landlord has made specific improvements to the second floor using its own funds, to prepare office space for the Tenant. (The "Landlord Improvements"). All improvements on the second floor space for this Tenant will be collectively referred to as "Improvements." The land and the building are referred to collectively to as the "Property" and the improvements are referred to as the "Premises."

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

- 1.1 Agreement to Lease. Landlord shall lease to Tenant, and Tenant shall rent, hire, and take of and from Landlord, for the Term and upon the terms, covenants, and conditions set forth in this Lease, the premises.
- 1.2 Commencement Date. The "Commencement Date" shall be the date Landlord delivers possession of the Premises to Tenant in a condition ready for move in and operation.
- 1.3 Delivery Date. On the Commencement Date, the Landlord shall deliver possession of the premises to Tenant in vacant, broom clean, structurally sound condition, fully serviced with all utility infrastructures, in compliance with all laws, with no defects or conditions that would restrict or impair the Tenant's ability to perform their operation or occupy the Premises. Tenant's acceptance of the Premises shall not be deemed a waiver of Tenant's

right to have defects in the Premises repaired at no cost to Tenant at the time of delivery. Tenant shall give notice to Landlord of any such defect reasonably apparent and Landlord shall repair such defect as soon as practicable.

1.4 Term. The initial term of this Lease shall begin as of the Commencement Date and shall end Twelve (12) months after the Commencement Date. If the Lease is still in full force and effect, Tenant, with written approval by Landlord, shall have the right to renew the lease for as many as Five (5) new Twelve (12) month renewal terms, provided written notice of the election to renew shall be delivered to Landlord not less than six (6) months 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 (12) Twelve month period upon all of the same terms, provisions and conditions set forth in this Lease except that parties shall negotiate in good faith to establish the new amount of rent for each renewed term. The initial term and any renewal terms shall be referred to collectively as the “Term” for the purposes of this Lease.

1.5 Deposit. A deposit equal to the first month’s rent is required to be paid prior to the Commencement Date as defined in 1.2 above for both the initial term and each subsequent renewal term.

ARTICLE 2 – RENT AND SPACE

2.1 Determination of Fixed Rent and Space Leased. The Tenant will lease approximately three thousand square feet (3,000 square feet) of space on the second floor of Old Belt One Building. The “Base Rent” for the space is three thousand dollars (\$3,000) per month or thirty-six thousand dollars (\$36,000) per year. The Total rent shall be the Base Rent plus the payment of “Additional Rent” (taxes, utilities, insurance and maintenance). At the option of the IDA, rent payments shall be transferred electronically to the account of the IDA no later than the applicable due date.

2.2 Payment of Base Rent. Tenant shall pay Base Rent, in advance, on the first day of each calendar month beginning on the date which is the Rent Commencement Date. Landlord shall deliver to Tenant an invoice on or before the first day of each month setting forth any other charges owed under the Lease. Base Rent shall be paid in lawful money of the United States to the Landlord at IDA, City of Danville, P.O. Box 3300, Danville, Virginia 24543 or at the option of the IDA, rent payments shall be transferred electronically to the account of the IDA. No Base Rent shall be due until Commencement Date defined above in paragraph 1.2.

2.3 Lease Year. As used in this Lease, “Lease Year” means the period beginning on the Commencement Date and ending on the date twelve (12) months 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 Premises for office, file storage, and light clerical purposes. Landlord hereby represents that such uses are permitted in the Premises 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 and not specifically related to the physical structure of the Premises or the Property. Tenant shall throughout the term of this Lease promptly comply with all Applicable Laws with respect to the condition, use, or occupancy of the Premises, the Buildings, and all other Improvements.

3.3 Prohibition against Nuisance. Tenant shall not cause, maintain, or permit its agents, employees or contractors to do anything in or about the Premises which would constitute a nuisance.

ARTICLE 4 – HAZARDOUS MATERIALS

4.1 Acts of Tenant. Tenant may not use, keep and store Hazardous Materials on the Premises. Should any governmental authority having jurisdiction over the Premises require that a clean up or remediation plan be prepared or that a clean up or any other remediation action be undertaken because of the presence of, or any spills or discharges of Hazardous Materials at the Premises by Tenant, or its employees, agents, or invitees, then Tenant, at Tenant’s own expense, shall prepare and submit the required plans and financial assurances, and carry out the approved plans.

4.2 Landlord’s Representations. Landlord represents to Tenant that (a) no Hazardous Material is present on the Premises or the soil, surface water or groundwater thereof, including in the roofing or roof patching materials, (b) no underground storage tanks are present on the Premises, and (c) no action, proceeding or claim is pending or threatened regarding the Premises concerning any Hazardous Material or pursuant to any Environmental Law.

4.3 Indemnification/Tenant. Tenant shall indemnify, defend and hold the Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the Term as a result of any Hazardous Materials used or stored in the Premises by Tenant, its agents, employees or invitees in violation of this lease and

Environmental Laws. This indemnification of Landlord by Tenant includes, without limitation, costs, incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state, or local governmental agency or political subdivision because of any Hazardous Material present in the soil or ground water on or under the Land, or the Premises in violation of Environmental Laws due to the release or discharge thereof by Tenant or its employees, agents or invitees, and all costs incurred to comply with Tenant's obligations under the provisions of this Article 4.

4.5 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 Premises. Tenant shall keep all incinerators, containers or other equipment used for the storage or disposal of such matter in a clean and sanitary condition.

4.6 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 any local or 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 6901 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).

4.7 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.

ARTICLE 5 – TAX AND INSURANCE EXPENSES

5.1 Taxes and Insurance. The Landlord has basic insurance for the building, but the Tenant is responsible for any applicable insurance required for leasing space and owning equipment. The Tenant is responsible for any applicable personal and real property tax for the space being leased. The landlord will prorate the overall tax bill for the building based on the portion of the building being leased divided by the overall square footage of the building. The Landlord will bill the Tenant semi-annually and equally for the portion of the tax bill due to the City of Danville for real property. The Tenant will be billed directly for any personal property taxes. In the event of Tenant's nonpayment of Additional Rent, Landlord shall have all the same rights and remedies as Landlord has for the nonpayment of Base Rent. The term "Rental" and "Rent" as used in this Lease shall mean Base Rent and Additional Rent.

ARTICLE 6 – ALTERATIONS, MAINTENANCE, AND REPAIRS

6.1 Alterations. Tenant shall not make any repairs, improvements, additions or modifications to the Premises (collectively, "Alterations"), except in accordance with the provisions of this Article 6.

6.1.1 "Major Alteration" means any Alteration with a cost of \$10,000 or more or an Alteration which Tenant elects to make which materially alters 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 consent thereto, which consent shall not be unreasonably withheld or delayed. Landlord may withhold its consent to any such Alteration if Landlord reasonably 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.

6.1.2 "Other Alteration" means any Alteration other than a Major Alteration. Such Other Alteration will not 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. 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 if Landlord reasonably determines 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.

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

- (a) Construction of the Alteration shall not be commenced until ten (10) business days after Tenant has received consent from Landlord so that Landlord can post an appropriate notice of non-responsibility.
- (b) Tenant shall procure all applicable construction permits and authorizations required by law before commencement of construction of any Alterations.
- (c) All Alterations shall be performed in a good and workmanlike manner and shall be completed with due diligence in accordance with all applicable laws.
- (d) During the period of any construction work by Tenant on the Premises, 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.
- (e) Tenant shall be required to provide a payment bond and performance bond equal to the value of Alterations made by Tenant. Tenant further agrees that Tenant shall keep the Premises and the Property at all times free from any liens.
- (f) Tenant shall provide Landlord with "as built" plans for any Major Alteration performed by Tenant.

6.1.4 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 includes the following: (a) all Tenant's trade fixtures and business fixtures; and (b) the following: (i) all moveable 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 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.

6.2 Maintenance and Repair

6.2.1 Tenant's Repairs. Tenant, at its sole cost and expense, shall maintain and make all repairs required to keep the leased 3,000 square foot Premises and adjoining common areas in good condition, appearance and repair, ordinary wear and tear and casualty excepted, throughout the Term of this Lease. The Tenant is responsible for the maintenance and upkeep of all utilities, including but not limited to, HVAC systems and power system requirements, and water and sewer facilities that are directly used by the Tenant for the leased Premises. The Tenant is responsible for all labor, materials, and supplies associated with the Premise repairs and maintenance.

6.2.2 Tenant Maintenance. Tenant is responsible for their own trash disposal, janitorial, and any needed security services.

6.3 Landlord's Warranties/Obligations. Landlord represents and warrants to Tenant as follows:

6.3.1 On the Commencement Date, Landlord shall deliver the Building to Tenant in full compliance with applicable laws and regulations and otherwise in the condition set forth in Section 1.2 above. Landlord shall, at its sole cost and expense, promptly upon Tenant's request, remedy any violations of such delivery conditions.

6.3.2 Landlord shall, from time to time upon request of Tenant, execute such documents and instruments as Tenant may reasonably request to assign to Tenant all right, title and interest of Landlord in and to any warranties, guarantees and other contract rights with any contractors or subcontractors or consultants who have performed, or in the future will perform, work in connection with those portions of the Premises for which Tenant is responsible for the maintenance and repair. Landlord shall ensure that all contracts and subcontracts entered into by Landlord in connection with such Improvements shall permit the assignment of such warranties, guarantees and other rights to Tenant. If any such contracts or subcontracts are not assignable to Tenant, then, at Tenant's request, Landlord shall pursue in its own name any such warranty, guaranty or other right for the benefit of Tenant, so long as Tenant reimburses Landlord for Landlord's reasonable costs and expenses incurred in connection therewith.

6.4 Payment of Liens. During the Term, Tenant shall pay for, or cause to be paid for, all labor done or materials furnished for any work of 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 placed 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, upon, 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.

6.5 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 6.6 below shall apply.

6.6 Lien Contests. Tenant shall have the right to contest the correctness or validity of any such lien or claim subject to the indemnification provisions of Section 6.4 above.

6.7 Notice of Non-responsibility. Landlord, at all reasonable times, shall upon reasonable notice to Tenant, 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 or liens of a similar nature.

ARTICLE 7 EXCULPATION, INDEMNITY, AND INSURANCE

7.1 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, omissions, neglect or fault of Landlord, its officers, agents, contractors, representatives or employees, and except for any claim or Damage caused by any default by Landlord under this Lease.

7.2 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, omissions, neglect or fault of Tenant, its officers, agents, contractors, representatives or employees, and except for any claim or Damage caused by any default by Tenant under this Lease.

7.3 Indemnity. Tenant shall indemnify, defend and hold the Landlord, its officers, directors, members, parents, affiliates, employees and representatives harmless from and against all claims or Damages caused by any willful misconduct, neglect or fault of the indemnifying party, its officers, agents, contractors, representative 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 indemnifying party 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 Landlord by reason of any claims covered by this indemnity, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably approved by 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.

7.4 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 an equivalent), an Excess Liability Policy and/or an 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 Five Hundred Thousand Dollars (\$500,000) 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.

7.5 Landlord's Insurance. From and after the Commencement Date, Tenant agrees to pay a percentage of the total insurance premium on the building based on leasing 3,000 square feet of space in a 48,000 total square foot building. Therefore, 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:

7.5.1 Standard form property insurance insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended all risk coverage and sprinkler leakage, as well as boiler and machinery insurance, including coverage for pressure vessels, air tanks, boilers, machinery, and pressure piping. This insurance policy shall be upon all Improvements, including the Building, in an amount not less than the full replacement value thereof with an "agreed amount" or "stipulated value" endorsement. Such policy shall name Landlord and any 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 8 below.

7.5.2 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.

7.6 Certificates of Insurance. All policies covered in sections 7.4 and 7.5 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, shall require thirty (30) days advance written notice to Landlord of any cancellation or modification.

7.7 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 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.

7.8 Right to Procure Insurance. If either Tenant or Landlord fails or neglects to procure or maintain any insurance required to be carried in this Lease, pays the premiums thereof or renew the same, then in any of such events, the other party 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 party failing to maintain such required insurance. 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 if such failure or neglect is attributable to the Tenant, or become due and payable to Tenant if such failure is attributable to Landlord.

ARTICLE 8 – DAMAGE OR DESTRUCTION

8.1 Destruction. If during the Term, the Premises and/or the Building are totally or partially destroyed, damaged, or disfigured ("Destruction") by any cause whatsoever, whether from a risk covered by the insurance described in Article 7, 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 8, Landlord, 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 or its agents, employees or contractors; Tenant shall be responsible for the repair and Restoration of any personal property of Tenant.

8.2 Application of Insurance Proceeds. The insurance proceeds maintained by Landlord and Tenant with respect to the Improvements and the Building shall be applied to the Restoration of the Improvements.

8.2.1 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.

8.2.2 If the net proceeds of insurance applicable to the Improvements and 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.

8.2.3 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.

8.3 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 9 – TAXES

9.1 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.

9.2 Real Property Taxes. From and after the Commencement Date only, Tenant agrees to pay a percentage of the total real property taxes on the building based on leasing 3,000 square feet of space in a 48,000 total square foot building (6.25% of square footage) . The Real Property Taxes will be based on the value of the building as set by the Danville Property Assessor. Landlord will provide notice and detailed explanation of how amount was derived.

ARTICLE 10 – UTILITIES

10.1 Payment. Tenant shall make arrangements for and pay for all water, gas, power, electrical current, telephone, broadband other utilities, heat and air conditioning used by or supplied to the 3,000 square feet rented by the Tenant. 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 inference 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. If the interference persists for more than ninety (90) days, Tenant shall have the right to terminate this Lease.

10.2 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 11 – ASSIGNMENT AND SUBLETTING

11.1 Restrictions on Assignment. Except as provided elsewhere herein, Tenant shall neither voluntarily nor by operation of law assign, sell nor otherwise transfer all or any part of Tenant's leasehold estate hereunder, without Landlord's prior express 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.

11.2 Tenant's Notice. Except as provided in Section 11.1 above, if Tenant desires at any time to assign this Lease, then Tenant first shall notify Landlord of its desire to do so and shall submit in writing to Landlord (i) the name and legal composition of the proposed assigned; (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 reasonably request concerning the proposed assignee. With respect to an assignment, the assignee must expressly assume all prospective obligations 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.

11.3 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 fifteen (15) business days after receipt of reasonable information regarding the proposed sublessee. Such consent shall be in the sole discretion of the Landlord. Any such sublease shall be subject to the terms and provisions of this Lease. No sublessee 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 sublessee 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.

11.4 Failure to Comply. Any sale, assignment, mortgage or transfer of this Lease or subletting which does not comply with the provisions of this Section 11 shall be void.

ARTICLE 12 – DEFAULTS, REMEDIES, TERMINATION by TENANT

12.1 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 three hundred dollars (\$300) shall be due.

12.2 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:

12.2.1 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 ten (10) business days after a written notice thereof from Landlord to Tenant.

12.2.2 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

12.2.3 Thereof, 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).

12.2.3 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 (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); 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, where possession is not restored to Tenant within sixty (60) days; 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 within sixty (60) days.

12.2.4 Notices given pursuant to this Section 12.2 shall specify the alleged default and the 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, within 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.

12.3 Remedies of Landlord. Following any material default by Tenant as defined in Section 12.2 hereof which is not cured within the time set forth within, 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 Premises to Landlord; or (ii) enter and take possession of the Premises, in accordance with any laws governing such repossession, and remove Tenant, after having terminated the Lease; and/or (iii) declare six months of rents and fees due,. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender of the Premises by Tenant.

12.4 Landlord Defaults. If Landlord fails to perform any obligations 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 all 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, together with interest thereon at the rate of ten percent (10%) per annum. 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.

12.5 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 13 – CONDEMNATION

13.1 Definition As used in this Article 13:

13.1.1 “Condemnation” means (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (b) a voluntary sale or transfer by Landlord to any condemnor, while legal proceedings for condemnation are pending.

13.1.2 “Date of Taking” means the date the condemnor has the right to possession of all or part of the Premises or any interest thereon being condemned.

13.1.3 “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.

13.1.4 “Condemnor” means any public or quasi public authority having the power of condemnation.

13.1.5 “Taking” means a condemnor has gained the right to possession of all or part of the Premises or any interest thereon being condemned

13.2 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 an award for Tenant's relocation expenses, loss of goodwill, any improvements paid for or installed by Tenant, Tenant's personal property and equipment, the “bonus value” of this Lease and, except as

provided below, such other costs and losses incurred by Tenant and generally 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.

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

13.4 Partial Taking. If part, but not all, of the Property 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 Property 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 Property, 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 14 – EXTERIOR AND SIGN REGULATION

The parties acknowledge and recognize that the Property is located within the City's Tobacco Warehouse District. Tenant agrees to utilize signage that is appropriate to the building and of similar style and nature to surrounding properties and approved by the Landlord. Tenant shall conform with all zoning and building regulations of the City and the State regarding signage and renovations of the Property.

ARTICLE 15 – WARRANTIES

15.1 Title. Landlord warrants and represents to Tenant that Landlord has full authority to enter into this Lease.

15.2 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 16 – SURRENDER

16.1 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 this Lease for any reason shall not automatically work a merger.

16.2 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 17 – ESTOPPEL CERTIFICATE; SUBORDINATION; NON-DISTURBANCE; NOTICE TO LANDLORD'S MORTGAGEE

17.1 Estoppel Certificate. 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 18 – QUIET ENJOYMENT

Quiet Enjoyment. Subject to Landlord's rights under Article 12, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises in accordance with this Lease.

ARTICLE 19 – GENERAL PROVISIONS

19.1 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.

19.2 Time. Time is of the essence in the performance of all terms, covenants, warranties and conditions of this lease.

19.3 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.

19.4 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
(434) 799-5122

With a copy to:

City Attorney
P.O. Box 3300
Danville, VA 24543
(434) 799-5122

Tenant:

Southside Business Technology Center, aka The Launch Place
527 Bridge Street
Danville, VA 24543
Attn: Eva Doss

19.5 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.

19.6 Holding Over. If Tenant continues to use the Premises, or any part of the Premises, after the expiration of the Term, then Tenant's holdover tenancy shall be on a month-to-month basis, and shall not be construed as a tenancy at sufferance. Tenant shall pay Landlord monthly during the month-to-month holdover term a sum equal to (i) 150% of the Base Rent which was payable for the last month of the Term or any renewal term, together with (ii) any additional charges payable by Tenant under this Lease for the period of such holdover.

19.7 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.

19.8 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 provisions of the Lease.

19.9 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 conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

19.10 Attorneys' Fees. 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.

19.11 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 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 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, if Landlord is required to enter into areas designated by Tenant as restricted access areas, 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.

19.12 Tenant's Authority. Tenant is a 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.

19.13 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.

19.14 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 provisions hereof.

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

19.16 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 provisions of this Lease construed against any party primarily responsible for drafting same.

19.17 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.

19.18 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.

19.19 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.

19.20 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.

19.21 Force Majeure. 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, acts of God or the elements or any other unavoidable act not within the control of the party whose performance is 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 (90) days on account of force majeure.

19.22 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.

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

(Signatures on following page.)

LANDLORD:

TENANT:

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

Southside Business Technology Center
a Virginia corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT “A”

Legal Description of the Land

Being in fact property located at 527 Bridge Street and identified as Parcel Identification Number 92-21487 in the City of Danville; further described as lot fronting 94.25 feet on Bridge Street in the City of Danville, Virginia; and being the same property as identified in the attached City of Danville-Real Estate Assessment Card.



Industrial Development Authority

STAFF REPORT

DATE: March 11, 2025
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: Request from The Launch Place to sublet one of their office spaces

The Launch Place currently leases a suite from the Danville Industrial Development Authority at its property located at 527 Bridge Street. The Launch Place requests approval from the Danville Industrial Development Authority to sublet one of its office spaces to the Community Investment Collaborative (CIC). CIC is a partner who provides business advisory support, technical assistance and micro loans up to \$50,000 to local entrepreneurs in the ecosystem.

ATTACHMENTS

1. 1922_IDA-RES_Launch Place- SubLease Resolution

PRESENTED: March 11, 2025

ADOPTED: March 11, 2025

RESOLUTION NO. 2025-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA AUTHORIZING THE CHAIRMAN OR VICE-CHAIRMAN IN HIS ABSENCE TO APPROVE THE LAUNCH PLACE TO SUB-LEASE ONE OF ITS OFFICE SPACES LOCATED AT 527 BRIDGE STREET, SUITE 200 DANVILLE, VIRGINIA 24541.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of the City of Danville, Virginia that it hereby approves the request from The Launch Place to sub-lease one of its office spaces to the Community Investment Collaborative located 527 Bridge Street, Suite 200, Danville, Virginia 24541:and

BE IT FURTHER RESOLVED by the Industrial Development Authority of the City of Danville, Virginia, that it hereby directs the Chairman or Vice-Chairman, in his absence, to execute this resolution as evidenced by their signatures.

Approved:

Chairman

Attest:

Sectetary

Approved as to
Form and Legal Sufficiency:

City Attorney



Industrial Development Authority

STAFF REPORT

DATE: March 11, 2025
TO: Industrial Development Authority
FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism
RE: Request approval of Commitment Letter between the Danville Industrial Development Authority and First National Bank

Request approval to sign the commitment letter between the Danville Industrial Development Authority and First National Bank in the amount of \$1,217,000. The purpose of the loan will be used to replace the roof at 527 Bridge Street and payoff the existing term debt held at Atlantic Union Bank.

ATTACHMENTS

1. 1923_RES_Term Sheet FNB 527 Bridge Street 02.27.2025
2. 1923_ComLtr FNB Danville

PRESENTED: March 11, 2025

ADOPTED: March 11, 2025

RESOLUTION NO. 2025-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO OBTAIN FINANCING WITH FIRST NATIONAL BANK FOR ROOF REPAIRS AND TO PAYOFF THE TERM DEBT HELD AT ATLANTIC UNION BANK ON REAL PROPERTY LOCATED AT 527 BRIDGE STREET. DANVILLE, VIRGINIA.

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 to obtain financing through First National Bank in an amount not to exceed One Million Two Hundred and Seventeen Thousand and no/100 (\$1,217,000); 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



February 5, 2025

The Industrial Development Authority of Danville, Virginia
T. Neal Morris, Chairman
412 Municipal Building, 427 Patton Street
Danville, Virginia 24541

Dear Mr. Morris,

On behalf of First National Bank (Bank), I am pleased to advise you that we have approved financing for The Industrial Development Authority of Danville, Virginia (Borrower) in the amount of \$1,217,000. The making and funding of this financing is expressly subject to the terms and conditions as set forth below:

BORROWER

The Industrial Development Authority of Danville, Virginia

AMOUNT OF FINANCING

\$1,217,000 Term Note

PURPOSE

To provide funding for a new roof on commercial property located at 527 Bridge St, Danville, VA 24541 in the amount of \$700,000 and to pay off existing term debt on the property held with Atlantic Union Bank in the amount of \$517,000.

FEES

Loan Fee = 0.50%

RATE

6.25% fixed for 60 months. (Taxable).

REPAYMENT

On demand, otherwise monthly principal and interest payments with a 5-year balloon amortized over 15 years.

COLLATERAL

The loan will be secured by a 1st Deed of Trust and a Assignment of Rents on commercial property located at 527 Bridge St., Danville, VA 24541. City of Danville Parcel #'s 21487 & 26821.

GUARANTORS

N/A

PREPAYMENT PENALTY

A prepayment penalty of 1.00% will be assessed on the principal balance if prepaid from any refinancing outside of First National Bank. A prepayment penalty will not be assessed if the loan is prepaid by the IDA's cash flow.

REQUIREMENTS

An appraisal will be required on the collateral and the loan to value shall not exceed 80%.

CONDITIONS

Borrower agrees to open and maintain a deposit account with First National Bank.

Customary lender, title examination and settlement conditions shall apply.

Prior to closing the Bank will have receipt of and satisfactory review of environmental due diligence as deemed appropriate for the transaction, type and usage of subject property and of surrounding properties.

Title insurance shall be required for the full amount of the loan and is to be written by a company acceptable to First National Bank, insuring a valid first lien subject only to the usual utility easements, current taxes, and other exceptions as approved by us.

Loan documents, including Note and Deed of Trust forms approved by the Bank, are to be executed properly.

Flood hazard determination is required.

Insurance with First National Bank listed as mortgagee.

Other usual and customary documentation and requirements for loans of this type

The Borrower shall provide the Bank with audited financial statements for The City of Danville as well as The Industrial Development Authority of Danville, Virginia within 120 days of the Borrower's year end.

Other terms and conditions as are standard in this type of financing.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- All information that has been furnished to the Bank prior to this commitment being issued is true and accurate.
- All financial statements, certificates and other information furnished, or to be furnished, to the Bank are, or shall be, true and accurate.
- This commitment, when accepted, and all documents and instruments to be executed and delivered to the Bank in connection with this commitment and the funding thereof, shall be duly authorized, valid, enforceable, and binding on the parties hereto.

AFFIRMATIVE COVENANTS

The Borrower shall, so long as this commitment remains outstanding or its indebtedness to the Bank remains unpaid:

- Substantially comply with all statutes and governmental regulations.
- Pay all taxes when due.
- Maintain insurance in amounts and with coverage reasonably acceptable to the Bank.
- From time to time provide the Bank with such other information as the Bank may reasonably request.

GENERAL CONDITIONS

The Bank's duties and obligations under this commitment and its funding are subject to the following general conditions and requirements:

- No Adverse Change. The bank has issued this commitment on the basis of and in reliance upon the assurance of information, exhibits, documents or materials submitted to the Bank by Borrower or on Borrower's behalf in connection with the loan. The Bank shall have the options to terminate this commitment upon written notice to Borrower if there shall have been any material misrepresentations or misstatement of material fact by Borrower or if prior to disbursement of the loan there shall have been a material adverse change in the state of facts or any material adverse change in the financial condition of Borrower, or if Borrower shall have become insolvent, incapacitated, or shall file or have filed against it any petition under the United States Bankruptcy Code.

- **Loan Documentation.** Borrower must execute and deliver, or cause to be executed and delivered, any and all legal documentation that the Bank reasonable deems necessary in connection with the Loan ("Loan Documents"). The Loan Documents must be in a form and content satisfactory to the Bank and its counsel, must be properly executed by the appropriate party and, where necessary, recorded or filed in the appropriate office of recordation. Upon closing, the Loan Documents will supersede the terms of this commitment.

CLOSING DOCUMENTS

Borrower must deliver to the Bank, Casualty insurance and such other insurance as the Bank may reasonably require with all policies in amounts and issued by companies acceptable to the Bank, without coinsurance requirements, must be delivered to the Bank at least five (5) days prior to the closing date. All such policies shall provide that they may not be altered or canceled without at least thirty (30) days notice to the Bank. Adequate liability insurance is required.

DEFAULT

This commitment shall terminate and any amounts outstanding under this Loan shall become due and payable in the event of the occurrence of:

- Failure to make any payment on this loan as scheduled.
- Any material default under all notes, security documents, instruments, agreements and any other documents executed by the Borrower;
- Failure to comply with the provisions of this commitments (both before and after funding);
- Failure of the Borrower to provide the financial statements as required under the loan agreement;
- In the event of default, if the Borrower has not cured the default within fifteen (15) days of notification by the Bank of the default, the Bank, at its option, shall have the right to charge interest, for so long as it elects, at the maximum amount permitted by applicable law on all amounts due under the loan agreement.

CLOSING COSTS AND EXPENSES

The Borrower shall pay all costs and expenses incurred by the Bank in connection with the Bank's review, due diligence and closing of the Loan, including, without limitation, attorney's fees incurred by the Bank in connection with the negotiation and preparation of the loan documentation, recording costs, and other casualty insurance premiums, whether or not the loan closes. The Bank reserves the right to designate an attorney of its choice to represent it in connection with the proposed loan at its own expense.

SURVIVAL

The terms and provisions of this commitment shall remain binding and in full force after the closing of the Loan and shall be one of the Loan documents. If any of the terms and conditions in this letter conflict with any of the terms and conditions of the promissory note and deed of trust evidencing and securing the Loan, the terms and conditions of such other documents shall control.

NON-ASSIGNABLE

This commitment and the right of the Borrowers to receive loans hereunder may not be assigned by the Borrower without prior written approval by the Bank.

RELIANCE

This commitment constitutes an offer by the Bank to the Borrower to make a loan on the terms and conditions set forth herein and should not be relied upon by any third party for any purpose.

GOVERNING LAW

This commitment and the Loan shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

ACCEPTANCE AND CLOSING DATE

This commitment will expire if not accepted or extended in writing by the close of business on **March 21, 2025** (the "commitment expiration date"). If this commitment is accepted, time being of the essence, the loan made in connection herewith must close on or before the close of business on **April 30, 2025**, (the "closing date") unless the Bank extends the closing date in writing before such date. The Borrower acknowledges that the interest rate and other terms of the loan outlined in the commitment are based upon acceptance of this commitment and closing of the loan within the time periods set forth above and that these time periods are material factors in the Bank offering this commitment. If the commitment is not accepted by the commitment expiration date or, if accepted, the loan is not closed by the closing date, then this commitment shall be null and void and of no further force or effect.

We appreciate the opportunity to provide you with this financing and we look forward to a long and mutually beneficial relationship with The Borrower. Should you have any questions regarding this commitment, please do not hesitate to call me at 434-483-6622.

Sincerely,

FIRST NATIONAL BANK

By: _____
RJ Weaver, Senior Vice President
Danville Market Leader

The undersigned accepts the foregoing commitment, and by this acceptance agrees to be bound by its terms.

The Industrial Development Authority of Danville, Virginia

By: _____
T. Neal Morris, Chairman

Date: _____



Industrial Development Authority

STAFF REPORT

DATE: March 11, 2025

TO: Industrial Development Authority

FROM:

RE: Request approval to finance the purchase of three properties in the River District for public parking and redevelopment purposes.

Staff identified several parcels of property in the River District for purchase for redevelopment and use as parking. This includes the following parcels: 20215, 20218, 20204, 22131, 20219, and 21768. Staff used Davenport to develop a request for proposals for financing to pay for these properties, and it was determined that Huntington Bank offered the most attractive terms. (Up to \$2.6 million for 10 years at 5.95% interest.) It is recommended that the IDA approve a resolution authorizing Chairman, or in his absence Vice-Chairman, to execute loan documents for the purpose of financing the purchase of property within the River District.

ATTACHMENTS

1. 1930_RES_Danville IDA-2025-Authority_310122180-v4-c
2. 1930_Property Purchase Funding Memo
3. 1930_Danville IDA 2025_BondPurchaseandLoanAgreement - 310121834-v3-c
4. 1930_Danville_IDA_2025_Support Agreement - 310055806-v3-c

PRESENTED: March 11, 2025

ADOPTED: March 11, 2025

RESOLUTION NO. 2025-____.____

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF DANVILLE, VIRGINIA.

WHEREAS, the City of Danville, Virginia (the “City”), has created the Industrial Development Authority of the City of Danville, Virginia (the “Authority”), pursuant to the provisions of the Industrial Development and Revenue Bond Act (the “Act”), Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Virginia Code”), and has empowered the Authority with all of the public and corporate powers set forth in the Act, including, among other things, the powers (a) to purchase real property for the purpose of promoting economic development and in furtherance of other purposes described in the Act, (b) to issue revenue bonds, notes and other obligations from time to time, (c) to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from any source as security for the payment of principal of and interest on such obligations, and (d) to accept contributions, grants and other financial assistance from any political subdivision of the Commonwealth of Virginia, including the City;

WHEREAS, the Authority has proposed to acquire the following parcels located within the City: Parcel Number 20204 (Patton Street), Parcel Number 22131 (Patton Street), Parcel Number 20219 (118-132 South Union Street), Parcel Number 21768 (508 Memorial Drive), Parcel Numbers 20218 and 20215 (530 Patton Street) (collectively, the “Property”) for the purposes of increasing or enhancing the commercial economic base, providing additional public parking and providing parks and recreational facilities;

WHEREAS, the Authority has proposed to obtain a loan from a banking institution, to issue a revenue bond (as further described herein, the “Bond”) as evidence of its repayment obligations under such loan, and to use the proceeds of such loan (i) to pay or reimburse itself for the costs incurred in connection with acquiring the Property and (ii) to pay related issuance and financing costs (collectively, the “Project”);

WHEREAS, to provide security for the Bond, the Authority has requested the City to provide financial assistance to the Authority pursuant to the terms of a Support Agreement (the “Support Agreement”), by which the City Council of the City (the “Council”), subject to annual appropriation, would undertake to authorize payments to or for the credit of the Authority in amounts that will enable the Authority to pay scheduled debt service due on the Bond and other related amounts due to the lender;

WHEREAS, the Authority has solicited bids from various banking and other financial institutions for the purchase of the Bond and delegate authority to its Chairman or Vice-Chairman, in consultation with the City Manager and the City’s financial advisor, to select the bid offering the most favorable terms to the Authority and the City and within the parameters set forth below; and

WHEREAS, draft forms of the following documents (collectively, the “Financing Documents”) have been made available at this meeting:

(a) a Bond Purchase and Loan Agreement (the “Loan Agreement”) between the Authority and the Bank (defined herein), including the form of the Bond, pursuant to which the Bank will make the loan to the Authority and the Authority will deliver the Bond as evidence thereof; and

(b) the Support Agreement;

NOW THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA:

1. It is hereby found and determined that promoting economic development within the City (including the Authority’s intention to obtain a loan and use the proceeds thereof to purchase the Property) (a) will be in the public interest of the City and its residents and (b) will be in furtherance of powers of the Authority under applicable Virginia law.

2. The Authority approves the following plan of finance: The Authority shall obtain a loan from the Bank in an amount not to exceed \$2,750,000 and shall issue and deliver the Bond to the Bank as evidence of the Authority’s obligation to repay such loan, all pursuant to the terms of the Loan Agreement. The Authority shall use the proceeds of such loan to purchase the Property. The Authority shall enter into the Support Agreement by which the Council, subject to annual appropriation, undertakes to authorize payments to or for the credit of the Authority in amounts that will allow the Authority to pay scheduled debt service due on the Bond and related amounts owed by the Authority under the Loan Agreement. The payments by the City under the Support Agreement may be assigned by the Authority to the Bank. The Authority may additionally secure the Bond by placing a lien on all or a portion of the Property through a deed of trust or other collateral security instrument in favor of the Bank. The above-described financing plan may contain such additional requirements and provisions as the Chairman or Vice Chairman of the Authority, either of whom may act, may approve and determine, in collaboration with the City Manager, to be in the best interests of the Authority and the City.

3. The Bond shall be issued as a single, registered bond to be designated “Revenue Bond (Economic Development Projects), Series 2025 (Federally Taxable),” and shall be dated the date of its delivery. The Chairman and Vice Chairman of the Authority, either of whom may act, are hereby authorized to negotiate and approve the final terms of the Bond (including payment dates and amounts) as such officer deems to be in the best interest of the Authority provided that (a) the original aggregate principal amount of the Bond shall not exceed \$2,750,000, (b) the interest rate on the Bond shall not exceed 7.25% per year, subject to adjustment, if any, pursuant to the terms of the Loan Agreement, (c) the final maturity of the Bond shall not be later than December 31, 2050, (d) the Bond shall be sold to the Bank at a price not less than 100% of the aggregate principal amount thereof, and (e) the Bond shall be subject to prepayment terms in accordance with the bid submitted by the Bank.

4. Subject to the pricing parameters of the Bond described above, the Authority hereby authorizes the Chairman and Vice Chairman of the Authority, either of whom may act, to collaborate with the City Manager in reviewing the bids received for the loan and related purchase of the Bond and to select the bid that such officers determine offers the most favorable terms to the Authority and the City. The banking or other financial institution submitting such

winning bid shall be selected to make the loan and purchase the Bond (such institution shall be referred to herein as the “Bank”).

5. The Chairman and Vice Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Bond by manual or facsimile signature, the Secretary and Assistant Secretary, either of whom may act, are hereby authorized and directed to affix the seal of the Authority to or print a facsimile thereof on the Bond and attest the same by manual or facsimile signature, and such officers of the Authority are hereby authorized and directed to deliver the Bond to the Bank upon payment of the purchase price therefor.

6. The Chairman and Vice Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Financing Documents, which are hereby approved in substantially the forms circulated in advance of this meeting, with such completions, omissions, insertions and modifications not inconsistent with this Resolution as may be approved by the Chairman or Vice Chairman, as applicable, such officer’s execution to constitute conclusive evidence of such officer’s approval of any such completions, omissions, insertions and modifications.

7. The officers of the Authority are hereby authorized and directed to execute, seal and deliver all such other agreements, documents, certificates, collateral security documents and instruments and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bond and to complete the plan of financing outlined in Section 2 above.

8. The Authority consents to the recommendation by the City that Hunton Andrews Kurth LLP serve as bond counsel for the issuance and sale of the Bond.

9. Any action heretofore or hereafter taken by any officer of the Authority in conformity with the purposes and intent of this Resolution, the issuance of the Bond and the plan of financing outlined in Section 2 above is hereby ratified, approved and confirmed.

10. This Resolution shall take effect immediately upon its adoption.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

February 27, 2025

To: Mr. Ken Larking Mr. Michael Adkins Ms. Corrie Bobe
City Manager Director of Finance Director of Economic Development
City of Danville, Virginia City of Danville, Virginia City of Danville, Virginia

From: David Rose, Senior Vice President, Manager of Public Finance, Davenport & Company LLC
Jimmy Sanderson, Senior Vice President, Davenport & Company LLC

Cc: Tyler Smith, Associate Vice President, Davenport & Company LLC
Allie Baxter, Administrative Assistant, Davenport & Company LLC

Subject: Request for Proposal for Funding Property Purchases

Background

Davenport & Company LLC (“Davenport”) issued a Request for Proposals (the “RFP”) on behalf of the City for a loan to be evidenced by a Series 2025 Revenue Bond (the “2025 IDA Bond”) issued by the Industrial Development Authority of Danville, Virginia (the “Authority” or “IDA”) on February 3, 2025. The proceeds of the 2025 IDA Bond will be used to i) purchase multiple sites within the City for economic development and other City needs and ii) pay related issuance costs. The City previously received a proposal from Locus Bank to fund the acquisition of the properties.

Summary Results

Davenport received two proposals, in addition to the original proposal from Locus Bank. Locus Bank did not submit a response in connection with the RFP. The additional responses were from Huntington Bank and Ridge View Bank.

We have highlighted below the differences among the three proposals.

	Huntington Bank	Locus	Ridge View Bank
Funding Amount	Up to \$2.6MM	Up to \$1.968MM (80% of appraised value)	Up to \$2.6MM
Term Provided	5 or 10 Years	25 Years	5 or 10 Years
Interest Rate	5 Year – 5.74% 10 Year – 5.95%	7.0% (set 5 days prior to closing at Bank costs + 3.30%)	5 Year – 6.63% (5-yr UST + 2.28% (6% Floor)) 10 Year – 6.63% (adjusts after 5 years to 5-yr UST + 2.28% (5.5% Floor))

Payment Dates	Annual Principal Semiannually Interest April 1 and October 1	Monthly Principal and Interest	Annual Principal Semiannually Interest
Redemption Provisions	Prepayable, in whole or in part, anytime with no penalty	Not Provided	Prepayable without penalty
Bank Fees	None	\$19,680 (1% of Loan) paid up front + \$1,250 fee	None
Bank Counsel Fee	\$3,000	City Responsible	City Responsible
Security Required	Collateral with assessed value equal to loan amount	First lien deed of trust on property and assignment of leases and rents	First-priority lien on purchased property \$625,000 Reserve Account held at Bank in non-interest bearing account
Proposal Expiration	Rate fixed through 4/15/25 if accepted by 3/12/25	Not provided	Rate fixed through 4/15/25
Other Requirements	Closing by April 16		Maintenance of existing rating levels

Observations

After review of the three proposals submitted to the City, Davenport has the following observations:

1. The Huntington proposal provides the lowest cost of funds, approximately 1.25% lower than the Locus proposal.

These lower rates provide interest savings of approximately \$300,000 over a five-year loan period and \$550,000 over a ten-year loan period.

2. The Locus proposal has approximately \$20,000 of upfront fees that Huntington Bank does not.
3. Each lender requires collateral for the loan, Huntington will allow the loan to equal 100% of the assessed value of the property; Locus will only finance 80% of the property's appraised value.
4. The Huntington proposal allows prepayment, in whole or in part, at any time. The Locus proposal is silent.

5. Huntington provides for semiannual interest and annual payments, where Locus is a monthly payment schedule.

Recommendation

Given the lower interest rates options and the prepayment flexibility from Huntington Bank, Davenport recommends that the City pursue the Huntington Bank proposal and begin discussions on the collateral needed by the bank and closing conditions.

BOND PURCHASE AND LOAN AGREEMENT

between

**INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA**

and

[LENDER INSTITUTION]

Dated as of _____, 2025

**Relating to
\$_____**

**Industrial Development Authority of the City of Danville, Virginia
Revenue Bond (_____ Project)
Series 2025 (Federally Taxable)**

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Exhibit A – Form of Bond

THIS BOND PURCHASE AND LOAN AGREEMENT dated as of _____, 2025 (the “Agreement”), between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Authority”), as borrower, and [*LENDER INSTITUTION*], a [_____] banking corporation], as lender (together with its successors and permitted assigns, the “Lender”);

W I T N E S S E T H:

WHEREAS, the City has created the Authority pursuant to the provisions of the Industrial Development and Revenue Bond Act (the “Act”), Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Virginia Code”), and has empowered the Authority with all of the public and corporate powers set forth in the Act, including, among other things, the power to enter into financing arrangements by which (a) the Authority may accept contributions, grants and other financial assistance from any political subdivision of the Commonwealth of Virginia, including the City, and (b) the Authority may purchase real estate in furtherance of the purposes of promoting economic development;

WHEREAS, pursuant to the provisions of Section 15.2-953 of the Virginia Code, the City is authorized to make gifts, donations, and appropriations of money to the Authority for the purposes of promoting economic development;

WHEREAS, the Authority has proposed to acquire the following parcels located within the City: Parcel Number 20204 (Patton Street), Parcel Number 22131 (Patton Street), Parcel Number 20219 (118-132 South Union Street), Parcel Number 21768 (508 Memorial Drive), Parcel Numbers 20218 and 20215 (530 Patton Street) (collectively, the “Property”) to [*describe economic development purposes*];

WHEREAS, the Authority has proposed to obtain a loan from the Lender, to issue a revenue bond (as further described herein, the “Bond”) as evidence of its repayment obligations under such loan, and to use the proceeds of such loan (i) to pay or reimburse itself for the costs incurred in connection with acquiring the Property and (ii) to pay related issuance and financing costs (collectively, the “Project”);

WHEREAS, the City Council of the City (the “Council”) has agreed to consider certain appropriations pursuant to a Support Agreement dated as of _____, 2025 (the “Support Agreement”), between the Authority and the City, to pay, among other things, the debt service on the Bond and other amounts due and payable to the Lender under this Agreement;

WHEREAS, the Bond will be secured by and payable from payments made by the City to or for the credit of the Authority pursuant to the terms of the Support Agreement (collectively, the “Revenues”);

WHEREAS, the Authority and the Lender desire to set forth the terms and conditions with respect to the issuance and sale of the Bond and use of the proceeds thereof; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution and entering into of this Agreement have happened, exist and have been performed in regular and due time and in form and manner as

required by law, and the parties hereto are now duly empowered to execute and enter into this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions.

In addition to other capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings unless the context otherwise requires:

“Act” shall have the meaning set forth in the Recitals hereto.

“Authority” shall mean the Industrial Development Authority of the City of Danville, Virginia, and its successors and assigns.

“Bond” shall mean the Revenue Bond (____ Project), Series 2025 (Federally Taxable), issued by the Authority in the form of Exhibit A attached hereto, in a principal amount equal to \$_____ and originally dated the date of its issuance.

“Bond Counsel” shall mean Hunton Andrews Kurth LLP, or another firm of attorneys nationally recognized on the subject of municipal bonds, which may be counsel to the Authority, the City or the Lender, and reasonably acceptable to the Lender.

“Business Day” shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia.

“City” shall mean the City of Danville, Virginia.

“Closing Date” shall mean the date of delivery of the Bond.

“Council” shall mean the City Council of the City of Danville, Virginia.

“Event of Default” or “Default” shall mean any of the events set forth in Section 12.

“Financing Instruments” shall mean this Agreement, the Bond and the Support Agreement.

“Lender” shall mean _____, and its successors and permitted assigns.

“Project” shall have the meaning set forth in the Recitals hereto.

“Registrar” shall mean the Secretary of the Authority, or any qualified bank or trust company appointed by the Authority as successor registrar.

“Revenues” shall have the meaning set forth in the Recitals hereto.

“Support Agreement” shall have the meaning set forth in the Recitals hereto.

2. Representations and Findings by Authority.

The Authority makes the following representations and findings as the basis for its undertakings hereunder:

(a) The Authority is a political subdivision of the Commonwealth of Virginia, is duly organized under the Act and has the power to execute and deliver the Financing Instruments, to perform its obligations thereunder and to issue the Bond. The financing of the Project furthers the purpose of promoting economic development in the City and satisfies other purposes for which the Authority was organized. By proper corporate action, the Authority has duly authorized the execution and delivery of the Financing Instruments, the performance of its obligations thereunder and the issuance of the Bond. Contemporaneously with the execution and delivery of this Agreement, the Authority has issued and sold the Bond to the Lender.

(b) The Authority has full power and authority to irrevocably pledge the Revenues to the payment of the principal of and interest on the Bond and other amounts due from the Authority hereunder.

(c) The Authority is not (i) in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred (and no event has occurred and is continuing under the provisions of any such instrument that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder), (ii) in violation of the Act or any other existing Virginia law, rule or regulation applicable to it or (iii) in default under any indenture, mortgage, deed of trust, lien, lease, contract, bond, order, judgment, decree or other agreement, instrument or restriction of any kind to which any of its assets is subject.

(d) The execution and delivery of the Financing Instruments and the performance by the Authority of its obligations thereunder do not and will not conflict with, constitute a breach of or result in a violation of any agreement or other instrument to which the Authority is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Authority or any of its property.

(e) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Bond by the Authority, (ii) the execution or delivery of or performance by the Authority of its obligations under the Financing Instruments or (iii) the assignment and pledge by the Authority pursuant to this Agreement and the Support Agreement of the Revenues, as security for its payment obligations under the Bond and this Agreement.

(f) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency has been served or initiated against the Authority or, to the Authority's knowledge, is pending or threatened against the Authority with respect to (i) the organization and existence of the Authority, (ii) its authority to execute or deliver the Financing Instruments, (iii) the validity or enforceability of any of the Financing Instruments or the performance of its obligations thereunder, (iv) the title of any officer of the Authority who

executed the Financing Instruments or (v) any authority or proceedings related to the execution and delivery of the Financing Instruments on behalf of the Authority. No such authority or proceedings have been repealed, revoked, rescinded or amended, and all are in full force and effect.

(g) Until termination of this Agreement, the Authority will not cause any facilities or equipment financed with proceeds of the Bond, or permit them to be used, other than as “authority facilities” within the meaning of the Act.

3. Representations of Lender.

The initial Lender makes the following representations as the basis for its undertakings hereunder:

(a) The Lender is a _____[banking corporation].

(b) The Lender has full power and authority to (i) enter into this Agreement, (ii) make the loan under this Agreement and acquire the Bond as evidence of such loan, (iii) perform the transactions contemplated hereby and (iv) carry out its obligations hereunder, and by proper action has duly authorized, executed and delivered this Agreement.

(c) The Lender understands and acknowledges (i) that the scope of engagement of Hunton Andrews Kurth LLP, Richmond, Virginia, as Bond Counsel with respect to this Agreement and the Bond, will be limited to matters set forth in their opinion based on their review of such proceedings and documents as they deem necessary to approve the validity of the Bond and this Agreement and (ii) that Bond Counsel has not been engaged and will not undertake to prepare or express an opinion as to the accuracy or completeness of any information that may have been furnished to the Lender or relied upon by it in making the decision to enter into this Agreement and acquire the Bond.

(d) The Lender acknowledges that it has experience and expertise in the purchase and ownership of obligations similar to the Bond and that it is capable of evaluating the merits and risks of purchasing the Bond.

(e) The Lender is entering into this Agreement for its own account and acknowledges that no offering statement, prospectus or other comprehensive disclosure document containing material information with respect to the Authority, the City or the Project, this Agreement and the Bond has been provided to it in connection with purchasing the Bond; however, it has been provided with such information concerning the operations and financial condition of the Authority, the City and the Project as it has requested. The Lender has had an opportunity to make inquiries of such officers, employees, agents and attorneys of the Authority and the City as the Lender considers appropriate in connection with its purchase of the Bond.

(f) The Lender has no present intention of reselling or disposing and will not further sell or dispose of its interest in the Bond in transactions constituting a “distribution” thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations promulgated by the Securities and Exchange Commission thereunder).

4. Loan; Issuance and Sale of Bond.

(a) Commitment to Make Loan. The Lender agrees, based on the terms and conditions set forth in this Agreement, to make a loan to the Authority in a principal amount equal to \$_____.

(b) Bond. The Authority agrees to borrow from the Lender a principal amount equal to \$_____ and to issue and sell the Bond to the Lender as evidence of its obligation to repay such loan. The terms of the Bond, including payment and prepayment provisions, shall be as set forth herein and in the form of the Bond attached hereto as Exhibit A.

5. Pledge and Assignment of Revenues; Support Agreement Not Debt of City.

The Authority hereby pledges the Revenues to the repayment of the Bond and all other amounts due and payable to the Lender hereunder. As further security for the repayment of the Bond and all other amounts due and payable to the Lender hereunder, the Authority hereby assigns to the Lender all of the Authority's rights, title and interests in the Support Agreement. Except for amounts that have been appropriated by the Council to the Authority and payable in the then current fiscal year under the terms of the Support Agreement, the Lender shall not enforce or attempt to enforce any deficiency or other personal money judgment against the Authority or the City with respect to their obligations under the Support Agreement.

THE AUTHORITY AND THE LENDER HEREBY ACKNOWLEDGE THAT THE UNDERTAKING BY THE CITY TO MAKE PAYMENTS UNDER THE SUPPORT AGREEMENT CONSTITUTES NEITHER A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION NOR A LIABILITY OF OR A LIEN OR CHARGE UPON FUNDS OR PROPERTY OF THE CITY BEYOND ANY FISCAL YEAR FOR WHICH THE COUNCIL HAS APPROPRIATED MONEYS TO PROVIDE FOR SUCH SUPPORT AGREEMENT PAYMENTS. THE CITY HAS COVENANTED IN THE SUPPORT AGREEMENT THAT THE CITY MANAGER SHALL INCLUDE IN THE CITY'S ANNUAL BUDGET PRESENTED TO THE COUNCIL AN APPROPRIATION OF THE AMOUNTS NECESSARY TO FUND THE AUTHORITY'S OBLIGATIONS UNDER THIS AGREEMENT AND THE BOND, BUT THE COUNCIL IS NOT OBLIGATED TO MAKE APPROPRIATIONS FOR SUCH PURPOSE. THE AUTHORITY SHALL HAVE NO OBLIGATION OR LIABILITY TO THE LENDER WITH RESPECT TO THE CITY'S COMPLIANCE WITH THE TERMS OF THE SUPPORT AGREEMENT.

6. Registration and Transfer of Bond.

The Bond shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The Authority's Secretary is hereby appointed paying agent and registrar for the Bond. The Authority may in its discretion appoint at any time a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration of the Bond and transfers thereof. The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Bond shall be made only to or upon the order of the registered owner thereof or its legal representative. Upon presentation and surrender of the Bond

at the office of the Registrar, or its corporate trust office if the Registrar is a bank or trust company, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

7. Mutilated, Lost or Destroyed Bond.

If the Bond has been mutilated, lost or destroyed, the Chairman or Vice Chairman of the Authority shall execute and deliver, and the Secretary or Assistant Secretary of the Authority shall affix the seal of the Authority to or print a facsimile of the seal on (and attest the same by manual or facsimile signature), a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the Authority shall so execute and deliver only if the Lender has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such Bond was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

8. Conditions Precedent to Making of Loan and Acquisition of Bond.

The Lender shall make the loan and acquire the Bond only upon delivery to it in form and substance satisfactory to it of the following:

- (a) Executed copies of the Financing Instruments;
- (b) An opinion of the City Attorney as to (1) the due authorization, execution and delivery of the Financing Instruments by the City and (2) pending or threatened litigation, as well as compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;
- (c) An opinion of the general counsel to the Authority as to (i) the due authorization, execution and delivery of the Financing Instruments by the Authority and (ii) pending or threatened litigation, as well as compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;
- (d) An opinion or opinions of Bond Counsel that this Agreement and the Bond have been duly authorized, executed and delivered by the Authority and are binding limited obligations of the Authority enforceable in accordance with their terms; and
- (e) Such other documentation, certificates and opinions as may be reasonably required by the Lender or Bond Counsel.

9. Disbursement of Loan Proceeds.

The proceeds of the Loan (\$_____) shall be transferred as of the Closing Date, pursuant to written instructions from the Authority to the Lender. Such proceeds shall be applied solely and exclusively to the payment or to reimbursement of costs related to the Project.

10. Amounts Payable; Prepayment; Termination.

(a) The Authority shall make all payments required under the Bond as and when the same become due, but only from Revenues. All payments shall be made in lawful money of the United States by wire transfer in immediately available funds to an account within the United States designated by the Lender or any other place that the Lender may designate in writing to the Authority. Pursuant to the assignment provisions of Section 5 of this Agreement, the Authority and the Lender acknowledge that the City may, on behalf of the Authority, make Support Agreement payments directly to the Lender, as and when due, but only to the extent of funds appropriated by the Council to the Authority for such purpose and payable under the terms of the Support Agreement.

(b) [Insert prepayment provisions]

(c) This Agreement shall terminate upon the prepayment or payment in full of the Bond.

11. Covenants.¹

(a) Performance of Obligations under this Agreement. The Authority covenants that during the term of this Agreement the Authority will faithfully observe and perform, or cause to be performed, all of its covenants, conditions and agreements contained in this Agreement and promptly pay the principal of and interest on the Bond at the place, on the date and in the manner specified in this Agreement and the Bond; provided, however, that such obligations are limited obligations of the Authority, payable solely from the Revenues.

(b) Provision of Financial Information. During the term of this Agreement, the Authority covenants to provide to the Lender, either directly or by making available on a City or Authority website, (i) the Authority's annual audited financial statements within thirty (30) days after such statements are approved and released by the Authority, and (B) the Authority's annual budget within thirty (30) days after such budget is finalized and approved by the Authority.

12. Events of Default.

(a) The following shall be "Events of Default" under this Agreement, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

¹ NTD: to be updated based on Lender's bid.

(i) Failure of the Authority to pay when due the principal of or interest on the Bond, and the continuation thereof for ten (10) days;

(ii) Failure of the Authority to pay when due any payment due under this Agreement, other than principal or interest payments due under the Bond, or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 45 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 45-day period but can be cured within the succeeding 75 days, failure of the Authority to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence;

(iii) Bankruptcy or insolvency of the Authority or the City; or

(iv) Any representation or warranty of the Authority or the City contained in Section 2 hereof or the Support Agreement or in any other document, instrument or certificate delivered pursuant hereto or in connection with the issuance and sale of the Bond shall have been incorrect, false, misleading or incomplete in any material respect on the date as of which it was made.

(b) The provisions of the foregoing subparagraph (a)(ii) are subject to the limitation that if by reason of “force majeure” the Authority is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder, the Authority shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall include without limitation: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Authority. The Authority shall remedy with all reasonable dispatch the cause or causes preventing the Authority from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Authority, and the Authority shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the Authority not in its best interests.

13. Remedies.

Whenever any Event of Default shall have happened and is continuing, the Lender may, without further demand or notice, take whatever action at law or in equity may appear necessary or desirable (a) to collect the principal of and interest on the Bond then due or (b) to enforce performance and observance of any obligation, agreement or covenant of the Authority or the City under this Agreement or the other Financing Instruments, including pursuing any other remedy permitted to the Lender under the Financing Instruments.

14. Reinstatement after Event of Default.

Notwithstanding the exercise by the Lender of any remedy granted by Section 13, if all overdue principal, together with any accrued interest thereon and other amounts then due and owing under this Agreement, shall have been paid, then the Authority's default under this Agreement shall be waived without further action by the Lender. Upon such payment and waiver, this Agreement shall be fully reinstated, and all future payments coming due under the Bond will be made in accordance with the terms of the Bond.

15. No Remedy Exclusive.

No remedy conferred by this Agreement upon or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity.

16. Delay or Omission Not Waiver.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

17. Limitation of Authority's Liability.

No covenant, agreement or obligation contained in any Financing Instrument shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his or her individual capacity, and neither the directors of the Authority nor any officer, employee or agent thereof executing any Financing Instrument shall be liable personally on such Financing Instrument or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to the Financing Instruments or the Act or any of the transactions contemplated thereby provided he or she acts in good faith.

THE OBLIGATIONS OF THE AUTHORITY UNDER THE FINANCING INSTRUMENTS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE REVENUES, WHICH REVENUES HAVE BEEN PLEDGED AND ASSIGNED TO SUCH PURPOSES. THE OBLIGATIONS OF THE AUTHORITY UNDER THIS AGREEMENT AND THE BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY AND THE AUTHORITY, SHALL BE OBLIGATED TO PAY THE OBLIGATIONS UNDER THIS AGREEMENT OR THE BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE

COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY AND THE AUTHORITY, IS PLEDGED TO THE PAYMENT OF THE OBLIGATIONS UNDER THIS AGREEMENT OR THE BOND.

18. Notices.

All demands, notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by registered or certified mail, postage prepaid and return receipt requested, addressed:

(a) if to the Authority, to P.O. Box 3300, Danville, Virginia 23543 (Attention: Chairman); and

(b) if to the Lender, to _____.

The Authority and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

Any notice of the Lender demanding any payment hereunder or under the Bond shall include a calculation, in reasonable detail, evidencing the basis of the amount so demanded.

19. Counterparts.

This Agreement may be executed in any number of counterparts; each of which shall be an original, and all of which together shall constitute but one and the same instrument.

20. Miscellaneous.

(a) The Lender shall furnish to the Authority upon request (i) a statement of the amount of principal of the Bond outstanding and unpaid as of the date of such request and (ii) such information as may be necessary to complete the annual audit of the Authority as required by the Act or any other law, now or hereafter in effect.

(b) This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and the subsequent holders of the Bond and their respective successors and assigns. The representations, covenants and agreements contained herein shall continue notwithstanding the delivery of the Bond to the Lender.

(c) If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

(d) This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Instruments express the entire understanding among the parties, and none of such instruments may be modified except in writing signed by the parties thereto. No Financing Instrument may be modified without the prior written consent of the Lender.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

By_____

Name: _____

Title: _____

[LENDER]

By_____

Name: _____

Title: _____

FORM OF BOND

*Interest on this Bond is intended by the issuer hereof
to be included in gross income for federal income tax purposes.*

REGISTERED

REGISTERED

R-1

_____, 2025

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

**Revenue Bond (____ Project)
Series 2025 (Federally Taxable)**

The Industrial Development Authority of the City of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the “Authority”), for value received, hereby promises to pay, solely from the sources and as hereinafter provided, to the order of _____, or its registered assigns (the “Bondholder”), the principal amount equal to _____ DOLLARS (\$_____), together with interest on the unpaid principal at the rate of ____% per annum, calculated on the basis of a 360-day year of twelve 30-day months. Interest shall be payable semi-annually on each _____ and _____, commencing _____, 20____, and principal shall be payable in installments in accordance with the schedule attached hereto, with a final installment due and payable on _____, _____. If the date on which any payment is due with respect to this Bond is not a Business Day, the payment shall be made on the next succeeding Business Day. All payments of principal and interest shall be made in lawful money of the United States by wire transfer in immediately available funds to an account within the United States designated by the Bondholder or at such other place as the holder of this Bond may designate in writing.

This Bond is authorized and issued pursuant to the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2, Code of Virginia of 1950, as amended), a resolution adopted by the Authority on _____, 2025, and a Bond Purchase and Loan Agreement dated as of _____, 2025 (the “Loan Agreement”), between the Authority and the Bondholder, to finance the economic development incentives described therein. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

Pursuant to the Loan Agreement, the Authority has pledged the Revenues described therein as security for the payment of all amounts due hereunder. Pursuant to the Loan Agreement, the Authority has assigned to the Bondholder such Revenues and all of the Authority’s rights, title and interests in the Support Agreement. Reference is hereby made to the Loan Agreement and the Support Agreement and all amendments and supplements thereto for a description of the

provisions with respect to the nature and extent of the security for this Bond, the rights, duties and obligations of the Authority and the rights of the holder of this Bond with respect thereto.

THE UNDERTAKING BY THE CITY TO MAKE PAYMENTS UNDER THE SUPPORT AGREEMENT CONSTITUTES NEITHER A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION NOR A LIABILITY OF OR A LIEN OR CHARGE UPON FUNDS OR PROPERTY OF THE CITY BEYOND ANY FISCAL YEAR FOR WHICH THE COUNCIL OF THE CITY HAS APPROPRIATED MONEYS TO PROVIDE FOR THE PAYMENTS UNDER THE SUPPORT AGREEMENT.

THIS BOND AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE SUPPORT AGREEMENT REVENUES PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO.

NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS OR HER INDIVIDUAL CAPACITY, AND NEITHER THE DIRECTORS OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

[Prepayment Provisions.]

This Bond is registered in the name of the holder hereof on the registration books kept by the Registrar designated pursuant to the Loan Agreement, which registration has been made in said registration books and endorsed hereon by the Registrar, and no registration of transfer hereof shall be valid unless made on said registration books at the written request of the holder as provided in the Loan Agreement.

All acts, conditions and things required to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Industrial Development Authority of the City of Danville, Virginia, has caused this Bond to be signed by its Chairman or Vice Chairman, its seal to be affixed hereon and attested by its Secretary, and this Bond to be dated the date first set forth above.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

(SEAL)

By _____
Chairman

ATTEST:

Secretary

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type name and address, including zip code, of Transferee)

[PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree:]

:
:
:
:_____:

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

_____,
Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

(Signature of Registered Owner)

NOTICE: The signature above must
correspond with the name of the
registered owner as it appears on the
front of this Bond in every particular
without alteration or enlargement
or any change whatsoever.

TRANSFER OF BOND

The transfer of this Bond may be registered by the Bondholder or its duly authorized attorney or legal representative upon presentation hereof to the Registrar, who shall make Bond of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

Date of Registration

Name of Registered Owner

Signature of Registrar

SCHEDULE A

[Debt Service Schedule – to come]

SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT, made as of _____, 2025, between the **CITY OF DANVILLE, VIRGINIA** (the “City”), and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA** (the “Authority”), a political subdivision of the Commonwealth of Virginia;

WITNESSETH:

WHEREAS, the City has created the Authority pursuant to the provisions of the Industrial Development and Revenue Bond Act (the “Act”), Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Virginia Code”), and has empowered the Authority with all of the public and corporate powers set forth in the Act, including, among other things, the power to enter into financing arrangements by which (a) the Authority may accept contributions, grants and other financial assistance from any political subdivision of the Commonwealth of Virginia, including the City, and (b) the Authority may purchase real property in furtherance of the purposes of promoting economic development;

WHEREAS, pursuant to the provisions of Section 15.2-953 of the Virginia Code, the City is authorized to make gifts, donations, and appropriations of money to the Authority for the purposes of promoting economic development;

WHEREAS, the Authority has proposed to acquire the following parcels located within the City: Parcel Number 20204 (Patton Street), Parcel Number 22131 (Patton Street), Parcel Number 20219 (118-132 South Union Street), Parcel Number 21768 (508 Memorial Drive), Parcel Numbers 20218 and 20215 (530 Patton Street) (collectively, the “Property”) to [*describe economic development purposes*];

WHEREAS, the Authority has proposed to obtain a loan from _____ (the “Lender”), to issue a revenue bond (as further described herein, the “Bond”) as evidence of its repayment obligations under such loan, and to use the proceeds of such loan (i) to pay or reimburse itself for the costs incurred in connection with acquiring the Property and (ii) to pay related issuance and financing costs (collectively, the “Project”);

WHEREAS, at the request of the Authority, the City Council of the City of Danville (the “Council”) adopted on _____, 2025, a resolution approving financial assistance in connection with the Authority’s issuance of the Bond in an original aggregate principal amount not to exceed [\$_____] and authorizing the execution of an agreement providing for a non-binding undertaking of the Council to consider certain appropriations to the Authority in connection with payments due from the Authority on the Bond and related bond purchase and loan agreement (the “Loan Agreement”);

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. The Authority agrees to issue the Bond (the repayment terms of which are set forth on Schedule A attached hereto) and use the proceeds thereof, together with other available funds, to finance the Project.

2. In the annual budget and appropriation authorizations submitted to the Council for the City's fiscal year commencing [July 1, 2025,] and continuing for each fiscal year thereafter during which the Bond is outstanding, the City Manager is directed to request for Council consideration an appropriation to the Authority of an amount at least equal to the scheduled amount of debt service due on the Bond during such fiscal year, as set forth on Schedule A attached hereto, to be used by or for the benefit of the Authority for such purpose. Payment of such appropriation shall be subject to the provisions of paragraph 4. Within ten (10) days after the adoption of each such budget and related appropriation authorizations, but not later than July 15 of each year, the City Manager or the City's Finance Director shall inform the Authority in writing if the Council has failed to budget and authorize such appropriation.

3. If at any time during a City fiscal year, the Authority is required to make a payment under the Loan Agreement that exceeds the sum of (a) the amount budgeted and appropriated by the City under paragraph 2 above for such fiscal year [and (b) the amount of other revenues available to the Authority in respect of the Project for such fiscal year], the Chairman of the Authority shall notify the City Manager of the amount of the insufficiency and shall request a supplemental appropriation from the Council in an amount necessary to allow the Authority to make such payment. Upon receipt of a request from the Chairman of the Authority pursuant to this paragraph 3, the City Manager shall promptly present such request to the Council, and the Council shall consider such request, at its next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the City Manager shall notify the Authority whether the amount so requested was appropriated. Payment of such appropriation shall be subject to the provisions of paragraph 4. If the Council shall fail to make any such appropriation, the Authority shall add the amount of such requested appropriation to the scheduled amount of debt service requested for the City Manager's budget submission (as described in paragraph 2 above) for the City's next fiscal year.

4. The Council hereby undertakes a non-binding obligation to budget and appropriate to the Authority the amounts referenced in paragraphs 2 and 3 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Councils do likewise.

5. NOTHING HEREIN CONTAINED IS OR SHALL BE DEEMED TO BE A LENDING OF THE CREDIT OF THE CITY TO THE AUTHORITY, THE LENDER, OR ANY OTHER PERSON; AND NOTHING HEREIN CONTAINED IS OR SHALL BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE CITY. NOTHING HEREIN CONTAINED SHALL BIND OR OBLIGATE THE COUNCIL TO APPROPRIATE FUNDS TO THE AUTHORITY FOR THE PURPOSES DESCRIBED HEREIN.

6. The Council acknowledges that it is entering into this Agreement on behalf of the City in consideration for the Authority's undertaking the Project. The Council acknowledges that the Project provides for the public welfare of the City citizens and assists with the economic development of the City. Annual appropriations by the Council pursuant to this Agreement will be essential to enable the Authority to pay scheduled debt service due on the Bond.

7. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (a) if to the Authority, to P.O. Box 3300, Danville, Virginia 23543 (Attention: Chairman); and (b) if to the City, to 427 Patton Street, Municipal Building, Danville, Virginia 24541 (Attention: City Manager), with a copy to the City Attorney at 427 Patton Street, Municipal Building, Danville, Virginia 24541. Any party may designate any other address for receiving notices and requests by giving written notice to the other parties under this Agreement.

8. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

9. If any clause, provision, or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement.

10. While the Bond is outstanding, this Agreement shall not be supplemented or amended without the prior written consent of the holder of the Bond.

11. This Agreement shall remain in full force and effect until the Bond has been paid in full.

12. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement.

13. This Agreement may be executed in several counterparts each of which shall be an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed in their respective names as of the date first above written.

CITY OF DANVILLE, VIRGINIA

By _____
City Manager

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

By _____
Chairman

Schedule A

[Bond Payment Schedule]