INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

DAN RIVER FALLS BUILDING
420 MEMORIAL DRIVE, SUITE 200
ECONOMIC DEVELOPMENT EVENTS & TRAINING ROOM

July 14, 2026

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. MEETING MINUTES

1. Industrial Development Authority Regular Meeting Minutes June 9, 2026

D. FINANCIAL REPORT

1. IDA Financial Statement as of June 30, 2026

E. STAFF UPDATES

F. ACTION ITEMS

1. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the form of a condominium association action by unanimous written consent related to the assignment of certain general common elements at the White Mill property.

2. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the renewal of a lease agreement between the Industrial Development Authority of Danville, Virginia and Morrisette Paper Company, Inc. for property identified as 979 Lockett Drive, Danville , Virginia, and bearing tax parcel ID #75918.

3. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an assignment and assumption agreement between AAL Investor, LLC, North Union Master Tenant, LLC, and IDA Danville Manager, LLC.

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 of Danville, Virginia
Minutes of Meeting
June 9, 2026

Pursuant to a written notice, a copy of which is attached hereto, a regular meeting of the Board of Directors of the Industrial Development Authority of Danville, Virginia was held in the Events and Training Room, 420 Memorial Drive, Suite 200 on Tuesday, June 9, 2026, at 10:30 a.m.

The following members were present:

Present: T. Neal Morris, Chairman
Russell Reynolds, Vice Chairman
John Laramore, Secretary
James Bebeau
Phillip Hall
Robert Woodall III

Absent: Kristin Barker

Also present: W. Clarke Whitfield, Jr., City Attorney
Ken Larking, City Manager
Briana Evans, Assistant City Manager
Michael Adkins, Chief Financial Officer/Assistant City Manager
Kelvin Perry, Economic Development
Amy Chandler, Director of Finance
Jaime Pritchett, Assistant Director of Finance
Zachary Lovelace, Finance Accountant
Terri McDaniel, City Attorney's Office

T. Neal Morris, Chairman, called the meeting to order at 10:34 a.m.

Roll call

Kristin Barker was absent

Action Item

{In order to accommodate the schedule of Attorney Steven Gould and his visitor, Parker, Action Item #11 on the published agenda was considered after Roll Call.}

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an agreement whereby Caesars Virginia LLC waives it right of first refusal for Bishop Road, property ID #60539.

Motion was made by Mr. Woodall; seconded by Mr. Bebeau

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

Minutes

Minutes for the May 12, 2026, regular called meeting of the IDA were distributed to the members with their agenda packets. A motion was made by Mr. Bebeau to approve the minutes as presented. Mr. Hall seconded the motion with the members present voting as follows:

Mr. Morris	-Aye
Mr. Reynolds	-Aye
Mr. Laramore	-Aye
Mr. Bebeau	-Aye
Mr. Hall	-Aye
Mr. Woodall	-Aye

Finances

Assistant Finance Director Jaime Pritchett provided the members of the IDA Board with a packet of the current financial statements of the IDA. Ms. Pritchett pointed out that the statement shows the normal transfers of funds between accounts, Pittsylvania County paid their part for the shell building, a final payment on a bond, and normal invoice payments. The statement does not reflect Averett's payment on their loan due to a timing difference in the report date and payments made on the account.

A motion was made by Mr. Laramore to approve the financial report. The motion was seconded by Mr. Reynolds and carried with members present voting as follows:

Mr. Morris	-Aye
Mr. Reynolds	-Aye
Mr. Laramore	-Aye
Mr. Bebeau	-Aye
Mr. Hall	-Aye
Mr. Woodall	-Aye

Staff reports

Kelvin Perry of Economic Development shared that the project on the 1350 Barker Road project has been completed for RBW. Perry also reported that the Economic Development facilities hosted Ryan Adams from the Fire Department, who had 29 businesses represented by participants in an emergency preparedness workshop. Economic Development foresees many other workshops utilizing their meeting rooms. Secretary of Commerce for the Commonwealth of Virginia, Carrie H. Chenery, will be at the Southern Virginia Regional Alliance meeting being held at the Institute for Advanced Learning and Research in Danville on June 30, 2026, reception at 5:30pm and the program at 6:30pm. Tickets for the event for Board members may be obtained through the Office of Economic Development and Tourism.

Action Items

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an amendment to the River District Conditional Real Estate Tax Grant Agreement by and among the City of Danville, Virginia, a municipal subdivision of the Commonwealth of Virginia (the "City"); the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the "IDA"); and White Mill MT 3, LLC, a Virginia limited liability company.

Kelvin shared that this involves a reimbursement of historic tax monies to the IDA.

Motion was made by Mr. Hall; seconded by Mr. Bebeau

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a lease agreement between the Industrial Development Authority of Danville, Virginia and Mind Body Wellness Pilates LLC for the property identified as 206 North Union Street, Suite 203 and bearing tax parcel ID #24488.

Motion was made by Mr. Bebeau; seconded by Mr. Laramore

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Ms. Barker	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a contract between the IDA and Blair's Construction to provide required maintenance and repairs for the property identified as 317-319 Craghead Street.

Kelvin stated that this is for window repairs at the location.

Motion was made by Mr. Woodall; seconded by Mr. Reynolds

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an agreement of purchase and sale of two IDA-owned parcels of land at the corner of West Main Street and Bishop Road, Danville, Virginia (Parcels #54629 and #60585) to the Lester Group, Inc. for $500,000.

Mr. Woodall inquired as to whether the parcels had been appraised. Ken Larking affirmed that they had and that the sale price reflects the appraisal value.

Motion was made by Mr. Hall; seconded by Mr. Laramore

Mr. Morris	-Aye
Mr. Reynolds	-Aye
Mr. Laramore	-Aye
Mr. Bebeau	-Aye
Mr. Hall	-Aye
Mr. Woodall	-Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a change order associated with structural repairs to the rear masonry wall at 624-626 North Main Street, Danville, Virginia in an amount not to exceed $54,420.

Kelvin explained that it was discovered by the contractor that the wall might collapse while repairs are being made if it is not addressed. Mr. Woodall questioned the amount of money being put into this location when compared to the projected returns from any use the buildings might have in the future. Mr. Hall further asked that the Board be supplied the total amount of monies put into the refurbishment of these buildings to date. Kelvin will get that figure to the Board. Ken Larking reminded the Board that the goal is to get the buildings to a place where tenants will desire to be there, thus enhancing the neighborhood and promoting business even in the downtown area.

Motion was made by Mr. Woodall; seconded by Mr. Bebeau.

Mr. Morris	-Aye
Mr. Reynolds	-Aye
Mr. Laramore	-Aye
Mr. Bebeau	-Aye
Mr. Hall	-Aye
Mr. Woodall	-Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing tenant improvements to its commercial building at the tenant's expense located at 317-319 Craghead Street, Danville, Virginia.

Kelvin explained that this is for an awning on the side of the building at Links Coffee House

Motion was made by Mr. Bebeau; seconded by Mr. Laramore.

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing architectural work for improvements to its industrial building located at 206 North Union Street, Danville, Virginia in an amount not to exceed $30,000.

Kelvin noted that this is to create two commercial spaces within the building.

Motion was made by Mr. Reynolds; seconded by Mr. Hall.

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

The Industrial Development Authority of Danville, Virginia appoints Russell Reynolds to serve as a member of the Danville Development Council for a three-year term beginning July 1, 2026 and ending June 30, 2029. {This is the third and final term that Mr. Reynolds may serve on this Board}

Motion was made by Mr. Bebeau; seconded by Mr. Woodall

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a renewal of the existing, outstanding note with Atlantic Union Bank in the amount of $652,093.65 on property located at 500 Stinson Drive, Danville, Virginia.

Kelvin reported that the loan is one the IDA has concerning Overfinch and that Atlantic Union Bank was willing to refinance it.

Motion was made by Mr. Bebeau; seconded by Mr. Laramore

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the purchase of Nutrient Credit from Birch Creek Nutrient Bank for the Coleman project site.

Kelvin explained that this purchase is necessary per Virginia Environmental Quality requirements.

Motion was made by Mr. Hall; seconded by Mr. Reynolds

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

<u>Closed Meeting</u>

Mr. Reynolds moved the meeting be recessed and the board immediately reconvened in executive closed meeting for the purposes:

1. *Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made as permitted by subsection (a)(5) of section 2.2-3711 of the code of Virginia, 1950, as amended*.

2. *Discussion or consideration of the acquisition/disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the authority as permitted by subsection (*a)(3) of section 2.2-3711 of *the code of Virginia, 1950, as amended.*

Motion was made by Mr. Reynolds; seconded by Mr. Hall

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

Mr. Reynolds moved the meeting immediately reconvened into an open meeting. The motion was seconded by Mr. Bebeau and carried with the members present voting as follows:

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

Upon reconvening, Mr. Reynolds moved that the board adopt a resolution certifying that to the best of each member's knowledge that:

1. *Only public business matters lawfully exempted from open meeting requirements under section 2.2-3711; and*

2. *Only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting.*

Motion was made by Mr. Reynolds; seconded by Mr. Laramore

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Mr. Bebeau	- Aye
Mr. Hall	- Aye
Mr. Woodall	- Aye

Adjourned at 11:22am with Mr. Bebeau moving to do so, Mr. Hall seconding, and with all in favor.

John Laramore
Secretary

T. Neal Morris
Chairman

Industrial Development Authority
Statement of Accounts
As of June 30, 2026

Regular Checking		$	367,506.59
USDA Loan Account		$	89,789.73
City Funded Loan Account		$	2,687,585.75
North Union Properties/Master Tenant		$	11,581.55
US Bank - 2025A Bond Account		$	13,876.69
US Bank - 2025B/C Bond Account		$	12,496,168.76
US Bank - 2025D Bond Account		$	519,158.88
First National Bank - Money Market		$	29,034.64
Reserve Account		$	5,829,994.37
Reserve Account Details			
Hold for Enterprise Zone	*294,264.05*		
Hold for Int'l. Recruitment	*54,062.83*		
Hold for Coleman Site	*217,739.72*		
Hold for Dewberry Upfit DRF	*385,382.97*		
Hold for Barker Road	*366,039.70*		
Hold for Incentives	*2,053,930.00*		
Hold for 231 Main Street	*400,000.00*		
Hold for Schoolfield Acquisition	*41,614.70*		
Hold for VBAF Grant	*300,000.00*		
Hold for 217 N Union	*37,000.00*		
Hold for 121/123 N Union	*425,368.75*		
Hold for Infinity Global	*180,368.20*		
Hold for 310-312 Main St	*290,798.00*		
Hold for 624/626 North Main	*640,686.25*		
Hold for eBio Renovation	*99,420.53*		
Available (CDE Funds)	*43,318.67*		
	5,829,994.37		

City Funded Loans:

Beginning Balance May 31, 2026	$ 2,687,475.31
Uncle Al's Diner	-
LMG, LLC	
Interest /Bank Fees	110.44
Ending Balance June 30, 2026	$ 2,687,585.75

Industrial Development Authority
Statement of Account - Regular Checking
For the month ended June 30, 2026

Beginning Balance at May 31, 2026		$557,818.45
RECEIPTS:		
Rent:		342,203.34
Utility/Insurance Reimbursement:		
DR Foundation	-	
Averett	5,293.19	5,293.19
City of Danville Support		326,117.07
COV IRF Grant - Five Forks		20,000.00
Transfer in from Reserve		302,798.49
Transfer In from Bond Accounts		3,322,803.58
Transfer from North Union Properties Account		5,009.56
Pittsylvania County IDA - Shell Bldg		-
Interest Income/Wire Fees/Checks		(222.07)
Real Estate Tax Received		1,192.34
CDE Program Revenues		22,100.00
City of Danville Utility Refund		252.14
DISBURSEMENTS:		
AUB Loan - Lockett Drive	(11,566.62)	
AUB - 500 Stinson Drive #1	(4,887.77)	
AUB - 500 Stinson Drive #2	(5,726.93)	
AUB - 512 Bridge Street	(16,467.81)	
VSBFA Bank - 500 Cane Creek	(9,251.38)	
VSBFA - MEP	(1,065.63)	
VSBFA - Barker Rd Loan	(20,514.72)	
Locus Bank - Shell Building	(12,315.20)	
Locus Bank - Ecomnets Bldg	(21,870.52)	
First National - Gaither Rd Prop	(3,136.84)	
First National - 206/208 N Union Loan	(5,009.56)	
First National - 310-312 Main St	(2,208.16)	
Movement Bank - Monument	(2,651.24)	
US Bank - Bond Prin/Interest/Fees	(466,372.71)	
White Mill MT 1 (DR Falls Lease)	(200,908.79)	
Austal USA Advanced Technologies - Machine and Tool Rebate	(9,254.19)	
CBN Secure Technologies - Machine and Tool Rebate	(43.80)	
EBI - Machine and Tool Rebate	(965.92)	
EIT - Machine and Tool Rebate	(4,427.36)	
EPL America - Machine and Tool Rebate	(7,755.79)	
JTI Leaf Service - Machine and Tool Rebate	(47,620.71)	
Litehouse - Machine and Tool Rebate	(6,469.75)	
Riverside Roof Truss - Machine and Tool Rebate	(1,070.63)	
2 Witches Winery and Brewing - Machine and Tool Rebate	(52.50)	
Mountain Valley Public House and Brewery - Incentive Payment	(15,000.00)	
City of Danville - Real Estate Taxes (1st Half)	(85,487.96)	
Virginia Dept of Environmental Quality - VWP Surface Water Impacts (Coleman Site)	(2,401.00)	
Quality Construction - 624-626 N Main St	(57,878.75)	
Architectural Partners - Danville OED/Parks & Rec Relocation	(176.00)	
Kent Shelton - Parking Garage	(3,312.00)	
Deluxe - IDA Deposit Slips	(83.38)	
Solex Architecture - 624-626 N Main Rehabilitation	(1,200.00)	
RA Whitlow Painting & Floor Sanding - Work at 530 Patton Street	(11,730.00)	
Hurt & Proffitt - Coleman Site	(13,078.74)	
Hunton Andrews Kurth - Masonic Towers	(38,981.25)	
Cherry Bekaert - Litehouse Phase 1 & 2	(21,875.00)	
Commonwealth of VA-State Corporation Commission	(225.00)	
Power Signs - Initial Deposit for Sign at White Mill	(50,000.00)	
Infinity Global - Windsor Reimbursement	(755,057.17)	
Roundtable Ventures - Spring Street Parking Deck Req #9	(2,320,959.41)	
Infinity Global - Creative Contracting Reimbursement	(243,475.00)	
Utilities/Maintenance	(41,810.16)	
Insurance	(13,514.15)	
		(4,537,859.50)
PASS THROUGHS:		-
Ending Balance at June 30, 2026		**$367,506.59**

125 N Union	250.00	
Alexander Group - Pkg	4,500.00	
Averett	22,780.00	May & June
Barry Smith	260.00	
Belk	7,102.50	
City - Gang Prev.	1,841.00	
City - IT Dept.	14,514.00	
City - Parks&Rec		
City - Econ Dev	-	
DR Foundation	5,610.00	
Honey Bee - Parking	850.00	
Infinity Global	238,000.00	June & July
Launch Place	3,292.00	
Link's Café	3,000.00	
MEP	-	
Michael Cheek	-	
Mind Body Wellness	960.00	
Morrisette Paper	6,762.61	
Overfinch	6,870.77	
Revive Nutrition	600.00	
River District Assoc	1,664.25	
Riverside Running	2,812.48	
Robert Stephens	260.00	
Stephen Bass	1,712.50	
Sth VA Legal	1,575.00	
Vintages	1,347.00	
Walraven	14,839.23	
Willie Marable	800.00	
	342,203.34	

Industrial Development Authority
Statement of Account
USDA Loan Funds

For the month ended June 30, 2026

Beginning Balance at May 31, 2026			$ 85,288.82
RECEIPTS:			
	Dry Fork Fruit Dist.	4,481.79	
	River City Escapes	-	
	Interest	19.12	
			4,500.91
DISBURSEMENTS:		-	
			-
Ending Balance at June 30, 2026			**$ 89,789.73**

Reconciliation to original USDA grant of $99,000

ORIGINAL USDA FUNDS			$ 99,000.00
LESS OUTSTANDING LOANS:			
	River City Escapes	12,043.59	
	Dry Fork Fruit Dist.	-	(12,043.59)
INTEREST EARNED			22,242.37
DEFAULTED LOANS			(19,459.05)
PENALTIES EARNED			50.00
BALANCE IN ACCOUNT			**$ 89,789.73**

-

Industrial Development Authority of Danville

A/R Aging Summary Report

As of Jun 30, 2026

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Christine B Eanes, LLC	-600.00					-600.00
Danville Regional Foundation	1,764.40					1,764.40
J&W Associated LLC dba Links Cafe	-3,000.00					-3,000.00
Kevin Carter	-119,000.00					-119,000.00
Making Everything Possible, LLC	1,165.63	1,165.63				2,331.26
Mind Body Wellness Pilates LLC	-960.00					-960.00
Morrisette Paper	-6,762.61					-6,762.61
Overfinch North America	-6,870.77					-6,870.77
Pittsylvania County IDA	12.52					12.52
Robert Stephens		157.00				157.00
Southern Virginia Legal PLLC	-1,575.00					-1,575.00
The Launch Place	-3,292.00	978.58				-2,313.42
Walraven		-14,839.23	-14,839.23			-29,678.46
White Mill MT 2 c/o Alexander Company	-4,500.00					-4,500.00
TOTAL	**-143,617.83**	**-12,538.02**	**-14,839.23**			**-$170,995.08**

Industrial Development Authority of Danville

Balance Sheet

As of Jun 30, 2026

	TOTAL
Assets	
Current Assets	
Bank Accounts	
First National Bank - Money Market	29,034.64
Loans (City Funded)	2,687,585.75
North Union Master Tenant LLC	7,166.18
North Union Properties, LLC	4,415.37
Regular Checking	367,506.59
Reserve Account	5,829,994.37
US Bank - 2025A Project Fund	13,876.69
US Bank - 2025B&C Project Fund	12,496,168.76
US Bank - 2025D Project Funds	519,158.88
USDA Checking	89,789.73
Total for Bank Accounts	**$22,044,696.96**
Accounts Receivable	
Insurance Receivable	7,441.00
Real Estate Tax AR	-150,584.15
Rent Receivable	-33,510.33
Utilities Receivable	5,658.40
Total for Accounts Receivable	**-$170,995.08**
Other Current Assets	
Due from City/County	15,144,256.80
Lease Interest Rec. - GASB 87	28,721.94
ST Lease Rec. - GASB 87	833,210.90
Total for Other Current Assets	**$16,006,189.64**
Total for Current Assets	**$37,879,891.52**
Fixed Assets	**$100,893,219.63**
Other Assets	
Allowance for Doubtful Accounts	-26,237.10
LT Lease Rec. - GASB 87	3,422,542.54
Notes Receivable	
Eng Biopharmaceut Inc.	150,000.00
LMG, LLC Hyatt Loan	750,000.00
Masonic Temple Note Receivable	1,650,000.00
Note Rec - Uncle Al's Diner LLC	21,290.06
River City Escapes Note Receiva	12,043.59
Southside Ice	14,193.51
Total for Notes Receivable	**$2,597,527.16**
Total for Other Assets	**$5,993,832.60**
Total for Assets	**$144,766,943.75**

Industrial Development Authority of Danville

Balance Sheet

As of Jun 30, 2026

	TOTAL
Liabilities and Equity	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Interest	97,463.17
Retainage Payable	117,793.05
Security Deposits	101,255.78
Total for Other Current Liabilities	**$316,512.00**
Total for Current Liabilities	**$316,512.00**
Long-term Liabilities	
Bonds Payable	$1,223,000.00
2025A Master Lease Bonds	2,357,802.00
2025B Master Lease Bonds	8,325,000.00
2025C Master Lease Bonds	10,175,000.00
2025D Master Lease Bonds	23,250,000.00
Total for Bonds Payable	**$45,330,802.00**
Deferred Lease Rev - GASB 87	4,013,410.49
Deferred Revenue	70,124.92
Notes Payable	
AUB - 500 Stinson Drive	647,004.65
AUB - 512 Bridge Loan	1,139,960.65
AUB - Dan River Falls	20,732,407.23
AUB Loan - Locket Drive	782,180.09
FNB - Gaither Rd Parcels	444,989.69
FNB - 206/208 N Union Loan	577,124.04
FNB - 310-312 Main St	298,757.16
FNB - 527 Bridge Street Loan	1,169,588.46
Locus - Cyber Prk Shell Bldg	909,640.11
Locus Bank - 1 Ecomnets Way	1,248,516.49
Movement Bank - 816 Monument	431,413.04
VSBFA - 500 Cane Creek	1,238,441.15
VSBFA - Barker Road Loan	2,950,764.79
VSBFA - MEP Loan	77,758.29
Total for Notes Payable	**$32,648,545.84**
Revolving Loan Fund - USDA	99,000.00
Total for Long-term Liabilities	**$82,161,883.25**
Total for Liabilities	**$82,478,395.25**
Equity	
Contributed Capital	150,000.00
Opening Bal Equity	4,856,400.56
Retained Earnings	42,218,318.82
Net Income	15,063,829.12
Total for Equity	**$62,288,548.50**
Total for Liabilities and Equity	**$144,766,943.75**

Industrial Development Authority of Danville

Profit and Loss

July 1, 2025-June 30, 2026

	TOTAL
Income	
Grants	
Grants - City of Danville	16,466,534.64
Grants - Commonwealth of VA	417,219.72
Total for Grants	**$16,883,754.36**
Parking Space Rental Income	36,321.50
Program Fees	427,849.00
Rental Income	3,901,178.73
Total for Income	**$21,249,103.59**
Gross Profit	**$21,249,103.59**
Expenses	
Bank Service Charges	1,138.00
Bond Issue Costs	281,496.50
Dues and Subscriptions	7,665.00
Incentive Payments	1,342,891.88
Insurance	239,920.04
Interest Expense	3,509,245.85
Licenses and Permits	7,184.15
Loan Fees	63,304.86
Office Supplies	303.36
Professional Fees	$678,980.33
Accounting	91,811.60
Consulting	656,572.77
Legal Fees	39,251.25
Total for Professional Fees	**$1,466,615.95**
Rental Expense	523,467.71
Repairs	-$560.00
Building Repairs	203,883.43
Equipment Repairs	25,150.00
Total for Repairs	**$228,473.43**
Supplies	
Marketing	76.59
Total for Supplies	**$76.59**
Taxes	90,494.39
Telephone	4,384.89
Utilities	219,732.49
Total for Expenses	**$7,986,395.09**
Net Operating Income	**$13,262,708.50**
Other Income	
Gain on Disposal	885,500.00

Industrial Development Authority of Danville

Profit and Loss

July 1, 2025-June 30, 2026

	TOTAL
Interest Income	915,620.62
Total for Other Income	**$1,801,120.62**
Net Other Income	**$1,801,120.62**
Net Income	**$15,063,829.12**

Industrial Development Authority

STAFF REPORT

DATE: July 14, 2026

TO: Industrial Development Authority

FROM: Samantha Bagbey, Project Manager

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the form of a condominium association action by unanimous written consent related to the assignment of certain general common elements at the White Mill property.

As members of the White Mill Condominium Association, the IDA is asked to consider approval of a Condominium Association action to assign certain general common elements within the Dan River Falls building for exclusive use by specific unit owners and tenants.

Dan River Falls is co-owned by multiple owners in an arrangement governed by the White Mill Condominium Association ("the Condo Association"). The Condo Association agreement grants access to shared general common elements to all unit owners unless otherwise assigned. The attached action item reallocates specific portions of these common elements for exclusive use in support of current building operations and tenant needs.

The action assigns a portion of the lower-level general common element (loading dock area) to the commercial unit (Unit 1), allowing for controlled access and use. Exclusive use of the loading dock space will support an IDA sublease with a commercial tenant.

Additionally, general common elements located on the third and fourth floors are assigned to the residential unit owners for exclusive access and maintenance responsibility. These areas include hallways, entry points, and elevators which may be secured to maintain restricted access for residential occupants.

This action is intended to better align the building operations, tenant access, and maintenance responsibilities outlined in the condominium agreement with the current use of the property.

Staff recommends that the IDA approve the Condo Association action assigning general common elements at White Mill to specific purposes to support operational needs and tenant use of the building.

ATTACHMENTS

1. Res - 2847 Assignment of General Common Areas DRF
2. White Mill - Condo Association - Board Consent - Assignment of General Common Elements-2 (1)
3. Draft Exhibits A&B-033126

PRESENTED: July 14, 2026

ADOPTED: July 14, 2026

RESOLUTION NO. 2026-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A CONDOMINIUM ASSOCIATION ACTION BY UNANIMOUS WRITTEN CONSENT RELATED TO THE ASSIGNMENT OF CERTAIN GENERAL COMMON ELEMENTS AT THE WHITE MILL PROPERTY.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves an action by Unanimous Written Consent of the Unit Owners and Directors of the White Mill Condominium Association, Inc., substantially in the form attached hereto and made a part hereof, as if fully set out herein; and

BE IT FURTHER RESOLVED, that the IDA acknowledges that the purpose of this action is to assign certain general common elements within the White Mill Condominium for exclusive use and maintenance responsibility by specific unit owners, including portions of the lower level and upper floor common areas, in order to support building operations and tenant use; and

BE IT FINALLY RESOLVED, that the Chairman, or in his absence any Officer, is hereby authorized to approve such further revisions as may be necessary and consistent with this Resolution, provided, however, that the IDA shall not be a signatory to the Condominium Association action and that execution of such document shall be carried out by the appropriate authorized party in their respective capacity.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____

City Attorney

ACTION BY UNANIMOUS WRITTEN CONSENT OF THE UNIT OWNERS AND DIRECTORS OF THE WHITE MILL CONDOMINIUM ASSOCIATION, INC.

-SPECIAL MEETING-

THE UNDERSIGNED, constituting all of the unit owners of the White Mill Condominium (the "Unit Owners") and all the members of the White Mill Condominium Association, Inc., a Virginia non-profit corporation (the "Association") do hereby consent in writing, pursuant to the provisions of chapter 19 of Title 55.1 of the Code of Virginia, and the Bylaws of the Association (the "Bylaws") as set forth in the Declaration of White Mill Condominium recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia (the "Clerk's Office"), on December 7, 2022, as Instrument No. 220005004, does hereby consent to the adoption of, and does hereby adopt, the following resolutions, without a meeting, such actions to have the same effect as if taken at a duly constituted special meeting of the Unit Owners, such actions being taken on ______________, 2026:

WHEREAS, White Mill Shell & Commercial, LLC ("Commercial") is the fee simple owner of Unit 1, White Mill Condominium, by virtue of that certain Special Warranty Deed recorded in the Clerk's Office on January 9, 2023, as Instrument No. 230000089;

WHEREAS, White Mill Apartments, LLC ("Apartments") is the fee simple owner of Unit 2, White Mill Condominium, by virtue of that certain Special Warranty Deed recorded in the Clerk's Office on January 9, 2023, as Instrument No. 230000090;

WHEREAS, White Mill Unit 3, LLC ("Unit 3", and together with Commercial and Apartments, the "Unit Owners") is the fee simple owner of Unit 3, White Mill Condominium, by virtue of that certain Special Warranty Deed recorded in the Clerk's Office on January 9, 2023, as Instrument No. 230000091;

WHEREAS, each Unit Owner and Director has determined that it is in the best interest of the Association, to assign certain portions of the Condominium General Common Elements to Unit 1 and Unit 3 for their exclusive use.

NOW THEREFORE, BE IT RESOLVED, that Commercial shall have exclusive rights and responsibilities for that certain portion of the 3,859 Sq, Ft. General Common Element located on the Lower Level of the building, further described as XXXX SF of the rear portion of that General Common Element and may construct, or cause to be constructed, a chain link fence to define and control access to that area as depicted in Exhibit "A" and hereby subleases that space to the Industrial Development Authority of Danville, VA (the "IDA") during the term that the IDA's sublease with White Mill MT 1, LLC. remains in effect.

RESOLVED FURTHER, that Apartments and Unit 3 shall have exclusive rights of access and responsibilities for the 2,235 Sq, Ft. General Common Element and the 2,533 Sq. Ft.

General Common Element located on the Third and Fourth Floors of the building, respectively as depicted in Exhibit “B” and may install access control devices on doors and the elevator leading to those General Common Elements to maintain that exclusive access.

RESOLVED FURTHER, that these resolutions shall constitute a Special Meeting and are deemed to be effective on the date hereof.

RESOLVED FURTHER, that any and all notices to take any action in adopting the following resolutions is hereby waived by the undersigned pursuant to the Bylaws.

RESOLVED FURTHER, that all actions previously taken by any Unit Owners, director, officer, agent or attorney of the Association relating to the above resolutions and the transactions contemplated in connection therewith, are hereby adopted, ratified, confirmed and approved in all respects as to the acts and deeds of the Association.

RESOLVED FURTHER, that the Unit Owners and Directors of the Association, be, and they hereby are, authorized and directed, for and on behalf of the Association, to take such further action and execute such additional documents as they may deem necessary or appropriate to conduct the purposes of the foregoing resolutions.

RESOLVED FURTHER, that this written consent may be executed in any number of counterparts, including by signature pages provided by facsimile or other electronic transmission, each of which will be deemed an original, but all of which together will constitute the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned, being all of the Unit Owners of the White Mill Condominium and all of the Directors of the White Mill Condominium Association, Inc., do hereby execute this Unanimous Written Consent Action effective as of the date first set forth above.

UNIT OWNERS:

WHITE MILL SHELL & COMMERCIAL, LLC

By: 424 Memorial Drive, LLC
Its: Sole Member

By: 424 Memorial Drive Managing Member, LLC
Its: Manager

By: The Alexander Company, Inc.
Its: Manager

By: ____
Joseph M. Alexander, President

WHITE MILL APARTMENTS, LLC

By: 424 Memorial Drive, LLC
Its: Sole Member

By: 424 Memorial Drive Managing Member, LLC
Its: Managing Member

By: The Alexander Company, Inc.
Its: Manager

By: ____
Joseph M. Alexander, President

WHITE MILL UNIT 3, LLC

By: 424 Memorial Drive, LLC
Its: Sole Member

By: 424 Memorial Drive Managing Member, LLC
Its: Manager

By: The Alexander Company, Inc.
Its: Manager

By: ____
Joseph M. Alexander, President

DIRECTORS:

By: ____
Ken Larking,
Director of Condominium Unit 1

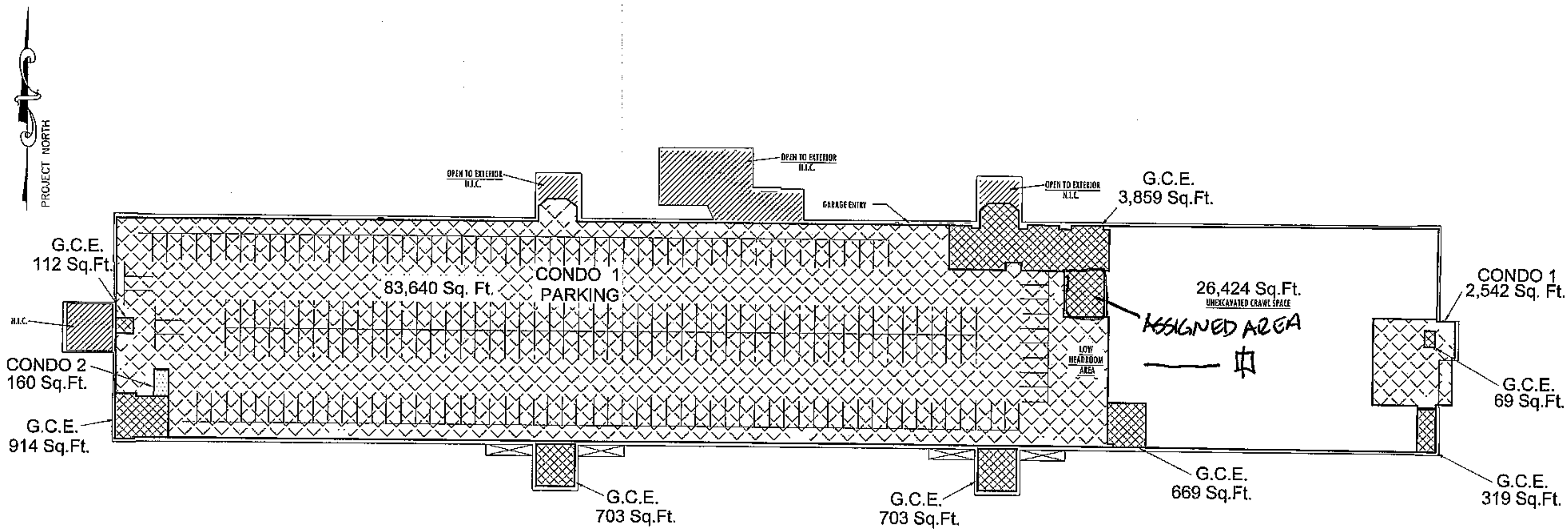
By: ____
Joseph M. Alexander
Director of Condominium Unit 2

By: ____
David G. Vos
Director of Condominium Unit 3

EXHIBIT “A”

EXHIBIT “B”

EXHIBIT "A"



AREA TABULATION-LOWER LEVEL

GENERAL COMMON ELEMENT (G.C.E.):	7,348 Sq.Ft.
CONDO 1 :	86,182 Sq. Ft.
CONDO 2 :	160 Sq. Ft.
UNEXCAVATED CRAWL SPACE :	26,424 Sq. Ft.

0 30 60 90

OVERALL PROJECT AREA TABULATION:

EXTERIOR GENERAL COMMON ELEMENT (G.C.E.):	1,453 Sq. Ft.
GENERAL COMMON ELEMENT (G.C.E.):	150,538 Sq. Ft.
CONDO 1 :	232,796 Sq. Ft.
CONDO 1 LIMITED COMMON ELEMENT (L.C.E.) :	1,141 Sq. Ft.
CONDO 2:	244,312 Sq. Ft.
CONDO 2:LIMITED COMMON ELEMENT (L.C.E.) :	991 Sq. Ft.
CONDO 3 :	72,657 Sq. Ft.
EXTERIOR LIMITED COMMON ELEMENT (L.C.E.) :	335 Sq. Ft.
UNEXCAVATED CRAWL SPACE :	26,424 Sq. Ft.

NOTES:

1. THIS INTERIOR WALL MEASUREMENT SURVEY WAS PERFORMED BY DEWBERRY ON FEBRUARY 24, 2022.
2. COLUMNS, BUMPOUTS AND WALL THICKNESSES WERE NOT ADDRESSED AS A PART OF THIS SURVEY.
3. SOME INTERIOR WALLS EXIST WITHIN THIS BUILDING WHICH ARE TO BE REMOVED, AND ARE NOT SHOWN ON THESE DRAWINGS.

COMMONWEALTH OF VIRGINIA
P. CRAIG BROWN
Lic. No. 002464
6/27/2025
LAND SURVEYOR

DATE: 08/20/2021
LAST REVISED: 06/27/2025

HORIZONTAL SCALE
1" = 30'

SHEET 2 OF 9

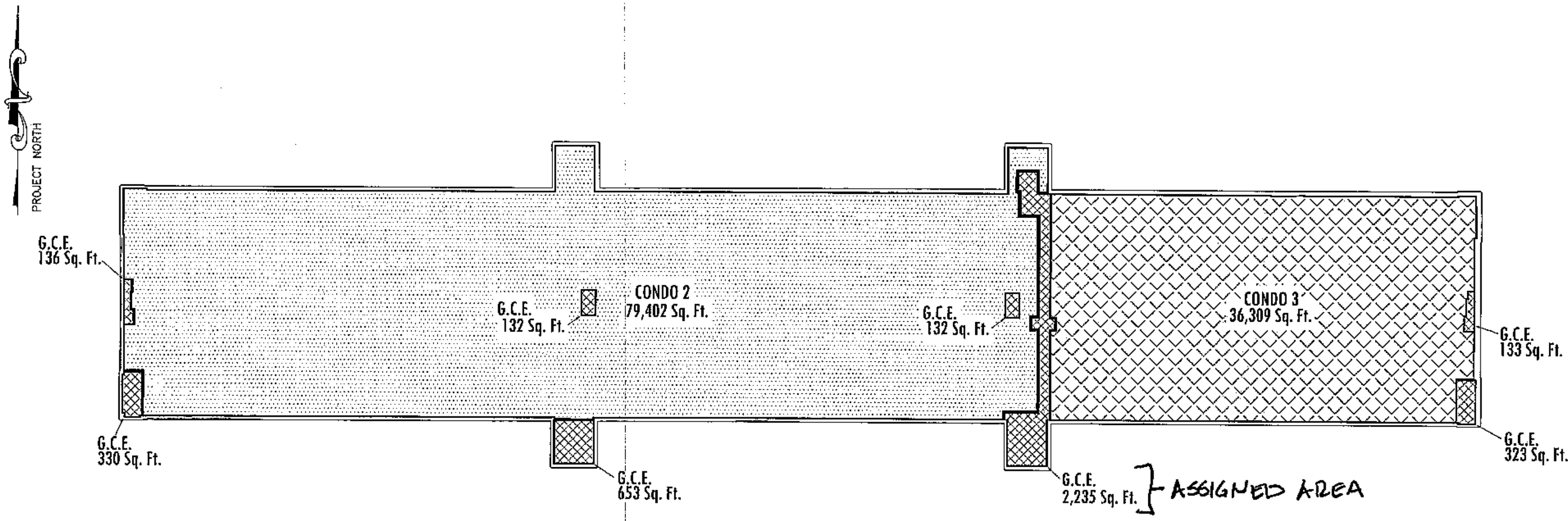
PLAN SHOWING:
LOWER LEVEL CONDOMINIUM AREAS
ON BUILDING AT
424 MEMORIAL DRIVE
KNOWN AS
"WHITE MILL"
DANVILLE, VIRGINIA

DRAWING PREPARED BY:

Dewberry®
Dewberry Engineers Inc.
4805 LAKE BROOK DRIVE, SUITE 200
GLEN ALLEN, VA 23060-9278
PHONE: 804.290.7957 / 804.205.3355
FAX: 804.290.7928
WWW.DEWBERRY.COM

DEWBERRY JOB NO.: 50141823

EXHIBIT "B" 1 OF 2



FLOOR TO CEILING HEIGHT = 16.4'

AREA TABULATION-THIRD FLOOR

GENERAL COMMON ELEMENT (G.C.E.):	4,372 Sq.Ft.
CONDO 2 :	79,402 Sq. Ft.
CONDO 3 :	36,309 Sq. Ft.

0 30 60 90

HORIZONTAL SCALE
1" = 30'

SHEET 5 OF 9

PLAN SHOWING:
THIRD FLOOR CONDOMINIUM AREAS
ON BUILDING AT
424 MEMORIAL DRIVE
KNOWN AS
"WHITE MILL"
DANVILLE, VIRGINIA

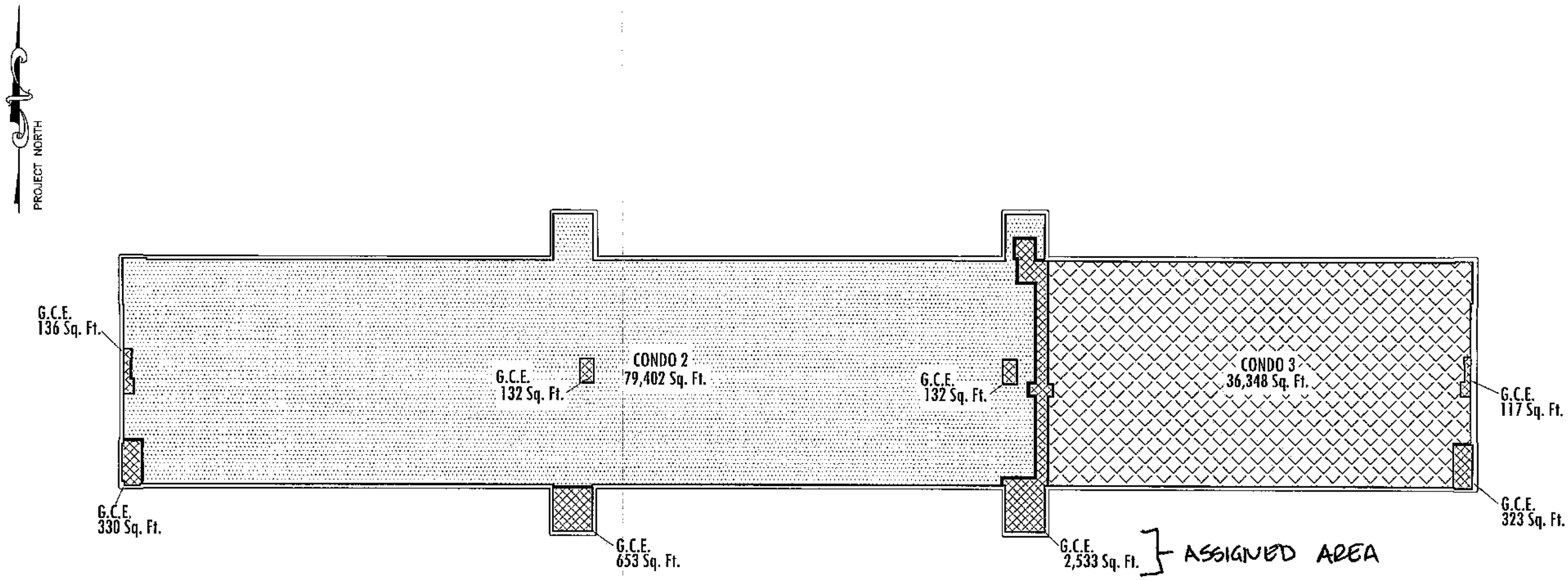
COMMONWEALTH OF VIRGINIA
P. CRAIG BROWN
Lic. No. 002464
6/27/2025
LAND SURVEYOR

DATE: 08/20/2021
LAST REVISED: 06/27/2025

DRAWING PREPARED BY:
Dewberry®
Dewberry Engineers Inc.
4805 LAKE BROOK DRIVE, SUITE 200
GLEN ALLEN, VA 23060-9278
PHONE: 804.290.7957 / 804.205.3355
FAX: 804.290.7928
WWW.DEWBERRY.COM

DEWBERRY JOB NO.: 50141823

EXHIBIT "B" 2 OF 2



FLOOR TO CEILING HEIGHT = 16.4'

AREA TABULATION-FOURTH FLOOR

GENERAL COMMON ELEMENT (G.C.E.):	4,356 Sq.Ft.
CONDO 2 :	79,402 Sq. Ft.
CONDO 3 :	36,348 Sq. Ft.

0 30 60 90

HORIZONTAL SCALE
1" = 30'

SHEET 6 OF 9

PLAN SHOWING:
FOURTH FLOOR CONDOMINIUM AREAS
ON BUILDING AT
424 MEMORIAL DRIVE
KNOWN AS
"WHITE MILL"
DANVILLE, VIRGINIA

COMMONWEALTH OF VIRGINIA
F. CRAIG BROWN
Lic. No. 002464
6/27/2025
LAND SURVEYOR

DATE: 08/20/2021
LAST REVISED 06/27/2025

SURVEY PREPARED BY:

Dewberry®
Dewberry Engineers Inc.
4805 LAKE BROOK DRIVE, SUITE 200
GLEN ALLEN, VA 23060-9278
PHONE: 804.290.7957 / 804.205.3355
FAX: 804.290.7928
WWW.DEWBERRY.COM

DEWBERRY JOB NO.: 50141823

Industrial Development Authority

STAFF REPORT

DATE: July 14, 2026

TO: Industrial Development Authority

FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the renewal of a lease agreement between the Industrial Development Authority of Danville, Virginia and Morrisette Paper Company, Inc. for property identified as 979 Lockett Drive, Danville , Virginia, and bearing tax parcel ID #75918.

This agenda item requests IDA approval of a lease agreement for Morrisette Paper, Inc. for the property located at 979 Lockett Drive, Danville, Virginia. The lease term will be effective August 1, 2026, and will end May 31, 2029 and require a monthly rent of $6,799.45.

The attached lease agreement renews Morrisette Paper Inc.'s lease with the Industrial Development Authority of Danville, Virginia for approximately 49,500 square feet of IDA-owned warehouse space at 979 Lockett Drive. Morrisette Paper has leased the space since April 1, 2017 and uses it to store and distribute corrugated packaging for industrial and manufacturing customers. The renewed term will begin August 1, 2026 and end May 31, 2029, with monthly rent of $6,799.45 due in advance on the first day of each month. The lease also outlines repair and maintenance responsibilities for both Morrisette Paper, Inc. and the IDA.

Staff recommends approval of the lease agreement for Morrisette Paper, Inc. for 979 Lockett Drive, with the term ending May 31, 2029.

ATTACHMENTS

1. Res - 2849 Lease Agreement Morrisette Paper 979 Lockett Dr
2. Morisette Paper -Lockett Dr Lease 2026 - Corrected - Copy2 (1)

PRESENTED: July 14, 2026

ADOPTED: July 14, 2026

RESOLUTION NO. 2026-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A GROUND LEASE RENEWAL BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND MORRISETTE PAPER COMPANY, INC FOR THE PROPERTY IDENTIFIED AS 979 LOCKETT DRIVE, DANVILLE, VIRGINIA, AND BEARING TAX PARCEL ID #75918.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia (IDA) that it hereby approves and authorizes a ground lease between the IDA and Morrisette Paper, Inc., for 979 Lockett, Drive, Danville, Virginia, substantially in the form attached hereto; and

BE IT FURTHER RESOLVED, by the IDA that it hereby approves and authorizes the lease for Thirty-four (34) months at a lease rate of Six Thousand Seven Hundred Ninety-nine and 45/100 Dollars ($6,799.45) per month with an option to renew; and

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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

LEASE

THIS LEASE ("Lease") is entered into and effective as of August 1, 2026 between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE,** a political subdivision of the Commonwealth of Virginia ("Landlord"), and **MORRISETTE PAPER COMPANY, INC.,** a state of North Carolina corporation ("Tenant").

RECITALS:

This Lease is made with reference to the following facts:

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

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

ARTICLE 1-TERM OF LEASE

1.1 Agreement to Lease. Landlord shall lease to Tenant, and Tenant shall rent, hire, and take from Landlord, for the Term and upon the terms, covenants, and conditions set forth in this Lease, the Rental Building.

1.2 **Commencement Date.** The "Commencement Date" shall be August 1, 2024.

1.3 **Delivery Date.** On the Commencement Date, the Landlord shall deliver possession of the Rental Building to Tenant is such condition as Tenant has maintained said building with the added requirement that openings in the lower walls of the Rental Building shall have been sealed to prevent easy access to rodents, snakes or other wildlife. All rents and fees described by this Lease shall commence on the "Commencement Date."

1.4 **Term.** The term of this Lease shall begin as of the Commencement Date and shall end thirty-four (34) months after the Commencement Date. The tenant shall have an option to renew the lease for an additional thirty-six (36) months under the same terms and conditions with the exception that the rental rate may be increased no more than the percentage increase in the

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

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

ARTICLE 2-RENT AND SPACE

2.1 **Rent.** The monthly rent for the Rental Building shall be Six Thousand Seven Hundred Ninety-Nine Dollars and Forty-Five Cents ($6,799.45). Throughout this lease, this monthly rental charge is referred to as "Base Rent." Tenant shall be liable for all utilities for the rental building.

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

ARTICLE 3-USE

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

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

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

ARTICLE 4-HAZARDOUS MATERIALS

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

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

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

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

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

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

ARTICLE 5-ALTERATIONS, MAINTENANCE, AND REPAIRS

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

5.1.1 "Major Alteration" means any Alterations with a cost of Twenty-five Thousand Dollars ($25,000.00) or more on an Alteration which materially alters the parking area on the Land exclusive of the Building, the exterior walls or skin of the Building, the foundation of the Building or the roof of the Building. Prior to commencing work on any Major Alteration, tenant shall first submit to Landlord plans for the proposed Major Alteration and a written request that Landlord shall consent thereto, which consent shall not be unreasonably withheld or delayed. Landlord may withhold its consent to any such Alteration to the exterior of the Building structure, foundation or roof of the building or the parking areas, if Landlord, in its sole discretion, determines that such Alteration will be materially detrimental to the integrity of the structure of the Building, the fair market value of the Premises or the exterior appearance of the Property.

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

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

i. Construction of the Alteration shall not be commenced until ten (I 0) business days after Tenant has received written consent from Landlord so that Landlord can post an appropriate notice of non-responsibility.

ii. Tenant shall procure all applicable construction permits and authorizations required by law before commencement of construction of any Alterations.

iii. All Alterations shall be performed in a good and workmanlike manner and shall be completed with due diligence in accordance with all applicable laws.

iv. During the period of any construction work by Tenant on the Premises, if requested by Landlord, Tenant shall procure, or cause Tenant's contractor to procure, at no expense to Landlord, builder's "all risk" insurance and worker's compensation insurance with an insurance company satisfying the Landlord.

v. Tenant shall procure, or cause Tenant's contractor to procure, at no expense to Landlord, a performance bond and a payment bond to secure completion of said alteration. Tenant shall keep the Premises and the Property at all times free from any liens.

vi. Tenant shall provide Landlord with "as built" plans for any Major Alteration performed by Tenant.

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

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

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

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

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

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

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

ARTICLE 6 EXCULPATION, INDEMNITY, AND INSURANCE

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

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

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

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

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

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

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

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

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

6.7 **Waiver of Subrogation.** All policies of insurance required hereunder or otherwise obtained by either party shall include a clause or endorsement waiving, on behalf of the insurer, any rights of subrogation against the other party. Notwithstanding anything to the contrary herein, Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, directors, shareholders, partners, employees, agents and representatives of the other, on account of loss or Damage occasioned to such waiving party or its property or the property of owners under its control to the extent that such loss or Damage is caused by or results from a risk which is actually insured against, which is actually insured against, which is required to be insured against under this Lease, or which would normally be covered by all risk property insurance, without regard to the negligence or willful misconduct of the entity so released. All of Landlord's and Tenant's repair and indemnity obligations under this Lease shall be subject to the waiver contained in this paragraph. Landlord and Tenant shall each give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

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

ARTICLE 7-DAMAGE OR DESTRUCTION

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

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

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

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

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

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

ARTICLE 8-TAXES

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

ARTICLE 9-UTILITIES

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

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

ARTICLE IO-ASSIGNMENT AND SUBLETTING

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

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

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

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

ARTICLE 11-DEFAULTS, REMEDIES

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

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

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

11.2.2 The Failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or perforn1ed by Tenant, other than as described in Section 11.2.1 hereof, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant (or such longer period as may be reasonably necessary to cure such failure, as long as Landlord continues to exercise reasonable efforts to cure same).

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

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

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

11.4 **Landlord Defaults.** If Landlord fails to perform any obligation under this lease and such failure continues for a period of thirty (30) days following the date of Tenant's written notice to Landlord specifying such failure (or such longer period as may be reasonably necessary to cure such failure, as long as Landlord continues to exercise reasonable efforts to cure same) then in such event tenant may in addition to exercising any and remedies available at law or in equity, perform such obligations on behalf of Landlord. If Landlord has not cured such default, Landlord will reimburse Tenant for all third party costs actually incurred by Tenant to sure such default. Tenant may act sooner in the event of an emergency involving imminent risk of death, personal injury or property damage as long as Tenant has first taken reasonable measures to notify Landlord, and once the emergency has come under control, permits Landlord to control any remaining corrective measures.

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

ARTICLE 12-CONDEMNATION

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

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

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

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

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

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

12.2 **Taking.** If, at any time prior to the expiration of the Term, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation, this Lease shall terminate as to the portion of the Premises being condemned. Tenant may recover costs and losses incurred by Tenant which are compensable to Tenant under the laws of the Commonwealth. Such recovery shall only be made against Landlord if Landlord is responsible for said taking. Landlord shall be entitled to receive, subject to the rights of any mortgagee of the Property, the compensable value of Landlord's fee interest in the Property and such other compensation generally available to Landlord under the laws of the Commonwealth.

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

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

ARTICLE 13-EXTERIOR AND SIGN REGULATION

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

ATRICLE 14-WARRANTIES

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

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

ARTICLE IS-SURRENDER

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

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

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

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

ARTICLE 17-QUIET ENJOYMENT

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

ARTICLE 18-GENERAL PROVISIONS

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

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

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

18.4 **Notices.** Any notice, request, approval or other communication required or permitted under this Lease shall be in writing and will be deemed to have been duly delivered upon personal delivery, or on the second business day after deposit with Federal Express or other overnight courier service, or as of the third business day after mailing by United Stated 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
Clo The City Attorney's Office
P. 0. Box 3300
Danville, VA 24543-3300
(434) 799-5122

With a copy to:

The City Attorney
P. 0. Box 3300
Danville, VA 24543-3300

Tenant:

Morrisette Paper Company, Inc.
Attn: Mr. Brian Hubers-
5925 Summit Avenue
Browns Summit, NC 27214

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18.20 **Force Maieure.** After the Commencement Date, and except for payment of rent, neither party shall be responsible to the other for any losses resulting from the failure to perform any terms or provisions of this Lease if the party's failure to perform is attributable to war, riot, action of God or the elements or any other unavoidable act not within the control of the party whose performance in interfered with and which by reasonable diligence such party is unable to prevent. However, neither party shall be excused from the timely performance of its obligations under this Lease for a period of time greater than ninety (90) days on account of forced majeure.

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

(Remainder of page intentionally left blank.)

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

LANDLORD:

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

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

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

____
Notary Public

TENANT:

Morrisette Paper Company, Inc.
A company incorporated in the state of North Carolina

By: ________________________________

Name: __________________________

Title: ___________________________

STATE OF NORTH CAROLINA
GUILFORD COUNTY

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

____
Notary Public

EXHIBIT "A"

Legal Description of the Land

PROPERTY IDENTIFICATION NUMBER 75918

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

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

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

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

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

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

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

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

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

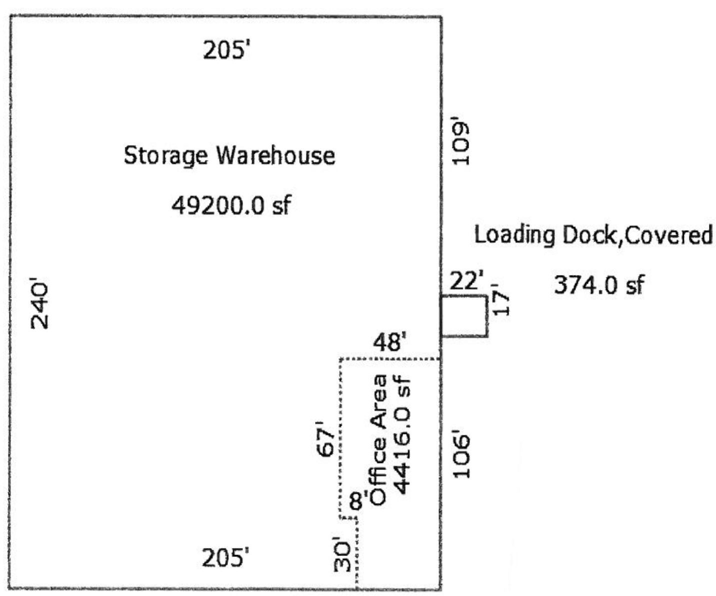
THENCE continuing with the southern margin of Lockett Drive North 54 degrees 20 minutes 38 seconds East for a distance of 88.19 feet to an iron rod set on same;

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

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

EXHIBIT "B"

Sketch of Rental Building



23

Industrial Development Authority

STAFF REPORT

DATE: July 14, 2026

TO: Industrial Development Authority

FROM: Samantha Bagbey, Project Manager

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an assignment and assumption agreement between AAL Investor, LLC, North Union Master Tenant, LLC, and IDA Danville Manager, LLC.

This agenda item requests IDA approval of an Assignment and Assumption Agreement under which IDA Danville Manager, LLC would acquire the investor-member interest of AAL Investor, LLC in North Union Master Tenant, LLC. Approval of the agreement would allow AAL Investor, LLC to exit the ownership structure and transfer its interest in the company to IDA Danville Manager, LLC.

North Union Master Tenant, LLC was formed in 2020 to lease and rehabilitate the North Union property as part of a historic redevelopment project utilizing federal historic rehabilitation tax credits. Under the current ownership structure, IDA Danville Manager, LLC serves as the managing member and AAL Investor, LLC serves as the investor member. The investor member has received the federal historic tax credits associated with the project and now seeks to transfer its interest in the company.

Under the proposed Assignment and Assumption Agreement, AAL Investor, LLC would transfer all of its membership interest in North Union Master Tenant, LLC to IDA Danville Manager, LLC for $16,868.52. Upon completion of the transaction, AAL Investor, LLC would withdraw from the company and IDA Danville Manager, LLC would assume the interests and obligations associated with that membership position. The agreement also includes provisions related to releases, indemnification, tax-credit compliance, and protection of the former investor member from future liabilities associated with its ownership interest. The transaction remains subject to all required approvals, executed signatures, payment of the purchase price, and any required lender or third-party consents.

Staff recommends that the IDA approve the Assignment and Assumption Agreement substantially in the form presented, allowing IDA Danville Manager, LLC to acquire the investor-member interest of AAL Investor, LLC in North Union Master Tenant, LLC, subject to satisfaction of all closing conditions and required approvals.

ATTACHMENTS

1. Res - 2853 Assignment and Assumption N Union
2. North Union - Assignment and Assumption Agreement

PRESENTED: __JULY 14, 2026__

ADOPTED: __JULY 14, 2026

RESOLUTION NO. 2026- _____ . _____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN AAL INVESTOR, LLC, NORTH UNION MASTER TENANT, LLC, AND IDA DANVILLE MANAGER, LLC.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes an Assignment and Assumption Agreement between AAL Investor, LLC, North Union Master Tenant, LLC, and IDA Danville Manager, LLC, substantially in the form attached hereto and made a part hereof, as if fully set out herein; and

BE IT FURTHER RESOLVED, that the IDA approves the acquisition by IDA Danville Manager, LLC of the investor-member interest of AAL Investor, LLC in North Union Master Tenant, LLC, pursuant to the Assignment and Assumption Agreement; and

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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

ASSIGNMENT AND ASSUMPTION AGREEMENT

This MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "***Agreement***"), dated as of July 14th, 2026, is made and entered into by and among NORTH UNION MASTER TENANT, LLC, a Virginia limited liability company (the "***Company***"), AAL INVESTOR, LLC, a Virginia limited liability company ("***Investor***" and "***Seller***"), and IDA DANVILLE MANAGER, LLC, a Virginia limited liability company (the "***Managing Member***" and "***Purchaser***").

RECITALS:

A. The Company is governed by its Operating Agreement, dated as of November 20, 2020 (the "Operating Agreement"), pursuant to which the Managing Member is the managing member of the Company, and the Seller is the investor member of the Company.

B. North Union Properties, LLC, a Virginia limited liability company (the "Lessor" and "Landlord"), holds a leasehold interest in certain buildings and the tracts of land upon which the buildings are located (together, the "Property").

C. The Company was formed to lease and rehabilitate the Property from Landlord to help ensure the preservation and protection of a historic Property through the restoration of the historic interior and exterior of the buildings through a Master Lease dated as of November 20, 2020 (the "Master Lease").

D. The Lessor's interest in the Property is encumbered by various mortgage loans ("Mortgage Indebtedness").

E. Each of the Lessor and the Company have executed that certain Federal Historic Tax Credit Pass-Through Agreement (the "Pass-Through Agreement") dated November 20, 2020, pursuant to which the Lessor elected under Section 50 of the Internal Revenue Code to pass-through to the Company the Tax Credits to which the Lessor was otherwise entitled as a result of the rehabilitation of the building.

F. The Seller has received or been allocated by the Company certain federal historic rehabilitation tax credits under Section 47 of the Internal Revenue Code (the "Tax Credits").

G. The Seller desires to transfer and convey all of its right, title, and interest in and to the Company as an investor member to the Purchaser, and the Purchaser desires to acquire the Company Interests (as defined below). The Purchaser and the Seller would not enter into this Agreement but for the representations, warranties, and covenants of the parties as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the undertaking of the parties set forth herein and other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

Section 1. Assignment and Assumption. Except as otherwise provided in this Agreement, the Seller hereby sells, transfers, conveys, and assigns to the Purchaser, effective upon satisfaction of the conditions set forth in Section 4, all of its right, title, and interest in the Company and all of its rights under the Operating Agreement, including, without limitation, (a) all rights of the Seller to receive moneys, fees, distributions, and other property or assets due and/or to become due to the Seller under the Operating Agreement and all other agreements or instruments relating to the Property or under which the Company is bound (collectively, "Property Documents") and (b) all rights of the Seller to compel performance, vote, or otherwise exercise all remedies under the Operating Agreement and other Property Documents (collectively, the "Company Interests"). The Purchaser hereby acquires the Company Interests effective as of the Closing Date and assumes all obligations of the Seller under the Operating Agreement and related documents.

Section 2. Price and Payment. The Purchaser shall pay or cause to be paid to the Seller the amount of Sixteen Thousand and Eight Hundred Sixty Eight 52/100 Dollars ($16,868.52) (the "Agreed Value"). Each party shall pay or cause to be paid all of its closing costs and legal fees associated with this Agreement. The Agreed Value, together with other agreements and covenants of the Purchaser and the Company set forth herein, including but not limited to, the agreement to indemnify and hold the Seller harmless from any allocation to the Seller of unamortized historic rehabilitation tax credit income and from any Mortgage Indebtedness and other liabilities of the Company and/or the Lessor, and any additional payment should closing occur after the Closing Date, shall constitute payment in full for the Company Interests and the parties agree that Purchaser and Guarantor owe no other obligation to Seller.

Section 3. Withdrawal. The Seller hereby withdraws from the Company effective on the Closing Date. Except as provided herein, from and after the Closing Date, neither the Seller nor its affiliates, members, directors, officers, employees, designees, assignees, or beneficiaries shall have any right to any distributions, allocations, or other payments or benefits from the Company or its members nor shall they have the right to the return of any capital contributions or advances. The execution hereof shall constitute the consent of the Company and the Seller to the assignment and withdrawal by the Seller.

Section 4. Closing Date; Closing Conditions. Subject to the conditions set forth in this Section 4 and each of the other conditions set forth in this Agreement, the Closing Date shall be effective as of June 19th, 2026 (the "Closing Date"). Notwithstanding the signature of the Seller below, the Closing Date shall not occur until (a) receipt by the Seller of the Agreed Value and (b) receipt by the Seller and the Purchaser of executed signatures by each of the parties to this Agreement. In the event the above conditions to closing do not occur for any reason on or before June 19th, 2026 (such date may be reasonably extended as necessary in order for Purchaser to obtain any and all necessary Approvals, as provided in Section 6(a)(xiii) hereof), this Agreement shall be null and void, and nothing contained herein shall constitute a waiver or defense of any duty or obligation by any party under the Operating Agreement or under any of the Property Documents, and Purchaser shall be responsible for any additional costs, including unpaid Priority Return, in addition to the Agreed Value if the conditions to closing do not occur for any reason on or before June 30th, 2026.

Section 5. Mutual Release and Discharge. Except as otherwise provided herein, (a) each of the Purchaser, Guarantor and the Company hereby release and forever discharge the Seller and each of its past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, designees, assignees, and beneficiaries, and (b) the Seller hereby releases and forever discharges the Purchaser, Guarantor, and the Company and each of their respective past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, designees, assignees, and beneficiaries from any and all claims, demands, damages, losses, liabilities, actions, causes of action, or suits of any kind or nature whatsoever, arising from or relating in any way to (i) the Company and the operation and activities thereof of the Company, (ii) the Operating Agreement and each of the other documents executed in connection with the Operating Agreement (other than the survival of the Compliance and/or Recapture Provisions of the Operating Agreement described in Section 8 of this Agreement) and (iii) any advances, capital contributions, or loans made to, or to be made to, the Company, including without limitation any future Capital Contributions (as defined in the Operating Agreement); provided, however, that each party remains responsible for any claims, demands, actions, losses, or damages arising or resulting from the terms and conditions of this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, the Seller will retain all of its rights, indemnities, privileges, and immunities as an investor member that were available to it under the Operating Agreement immediately prior to the Closing Date. Each party represents that it has not assigned or transferred any claim that is the subject of the release in the preceding sentence.

Section 6. Representations, Warranties, and Covenants of the Purchaser, the Guarantor, and the Company; Indemnification.

(a) ***Representations, Warranties, and Covenants***. The Purchaser, the Guarantor, and the Company, each represent, warrant, and covenant to the Seller, as to itself, as follows:

(i) Each of the Purchaser, Guarantor, and Company are each duly organized, validly existing and in good standing under the laws of the State of Virginia, and each has the right, power, legal capacity, and authority to execute and enter into this Agreement and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement.

(ii) Each of the Purchaser, Guarantor, and Company represent, warrant, and covenant that the execution, delivery, and performance of this Agreement do not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction, or decree now in effect of any government, governmental instrumentality, or court or tribunal having jurisdiction over it or any contractual restriction binding on or affecting it, or there are no facts or circumstances of any kind or nature whatsoever of which it is aware that could in any way impair or prevent it from performing its obligations under this Agreement.

(iii) Each of the Purchaser, Guarantor, and Company has made such investigation of the facts pertaining to this Agreement, and all of the matters pertaining thereto, as it deems necessary and has received independent tax and legal advice from attorneys of its choice with respect to the advisability of executing this Agreement.

(iv) Except as expressly provided herein, no person has made any statement or representation to the Purchaser, Guarantor, or Company regarding any fact relied upon by it in entering into this Agreement, and none of them specifically does not rely upon any statement, representation or promise of any other person in executing this Agreement.

(v) On or before ninety (90) days after the Closing Date (subject to extension in the reasonable discretion of the Seller), Seller shall have caused to be prepared and delivered to the Seller, at no expense to the Seller, the Company's final 2026 federal, state, and local tax return(s) for the period of Seller's ownership and all accompanying schedules and account work papers. All such tax returns shall be prepared based on a closing of the Company's books as of the Closing Date.

(vi) The Purchaser represents that it is acquiring the Company Interests for its own account, for investment, and not with a view toward the resale or distribution thereof in violation of applicable securities laws.

(vii) The Purchaser understands that the Company Interests are not registered under the Securities Act of 1933, as amended (the "Securities Act"), or any applicable state securities laws, and may not be resold unless subsequently registered under the Securities Act and such other laws or unless an exemption from such registration is available.

(viii) The Purchaser has the ability to bear the economic risks of the investment in the Company Interests for an indefinite period of time. The Purchaser further acknowledges that it has reviewed the Operating Agreement and has had the opportunity to ask questions of, and receive answers from, Seller with respect to the Company Interests and the business and financial condition of the Company and to obtain additional information necessary to verify such information. Except as expressly provided herein, neither the Investor Member nor any of its members, partners, employees, officers, or agents have made any statements or representations to the Purchaser, or any of its employees, members, partners, agents, or affiliates, that have been relied upon by the Purchaser in executing this Agreement.

(ix) The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Company Interests.

(x) No state or local transfer tax, excise tax, or similar tax will arise, accrue, or be payable by any party as a result of any of the transactions contemplated by this Agreement, including but not limited to the transfer of the interests of the Seller. In addition, the Company shall not allocate any unamortized historic rehabilitation tax credit income to Seller in connection with the sale of its Company Interests and the Purchaser shall be obligated to report and include as income all unamortized historic rehabilitation tax credit income.

(xi) Each of the Purchaser, Guarantor, and Company shall promptly notify the Seller upon learning of any breach or violation of any of the provisions of this Agreement and, as of the Closing Date, it has no knowledge of any Tax Credit Recapture Event (as defined in the Operating Agreement), any existing or threatened IRS audit of the Company or any other violation of or default under the Operating Agreement.

(xii) The Purchaser is not a "foreign person" or a "foreign partnership" or a "foreign corporation," as those terms are defined in Section 7701 of the Code.

(xiii) Notwithstanding anything contained in this Agreement to the contrary, the Seller and the Purchaser acknowledge and agree that the Company and/or the Purchaser has or will obtain all approvals and/or consents (the "Approvals"), both on their behalf and on behalf of the Seller, in such form as may be acceptable to the Seller, that are or may be deemed to be necessary to effectuate the transaction contemplated herein (including any required approval of any lenders). The Purchaser shall use commercially reasonable efforts to obtain the Approvals in a timely manner.

(xiv) On and after the Closing Date, the Seller shall have no further obligations to Purchaser (or any of its members or affiliates) or to the Company or any of its members with respect to any purchase option or right of first refusal or other matter, whether set forth in the Operating Agreement, the Purchase Option Agreement dated as of November 20, 2020, or otherwise.

(b) ***Indemnification***. The Purchaser, Guarantor, and the Company shall jointly and severally indemnify, defend, and hold harmless the Seller and its past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees, and beneficiaries (the "Seller Entities") from and against, and shall upon demand reimburse the Seller Entities for, any and all losses, claims, liabilities, damages, injunctive relief, injuries to person, property, or natural resources, costs, actions, or causes of action, fines, penalties, judgments, taxes, charges, assessments, damages (including consequential damages suffered by a third-party claimant), costs, and expenses (including reasonable attorneys' fees and expenses), of every kind and nature whatsoever, whether direct or indirect, whenever arising, realized, suffered, or incurred by or imposed upon the Seller Entities arising in whole or in part from, (i) the breach of any of the representations, warranties, or covenants of this Section 6 or any other provision of this Agreement, (ii) the Company's or the Purchaser's failure to pay and discharge all obligations and liabilities of the Company, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, or any claim made by any secured or unsecured creditor of the Company or the Purchaser seeking to hold the Seller liable for any amounts owed by the Company or the Purchaser, including but not limited to, any claim that would require the Seller Entities to repay or return all or any part of the Agreed Value, (iii) the development, ownership, operation, or activities of the Property or the Company whether occurring prior to, or on or after the Closing Date, (iv) any act or failure to act of the Purchaser or the Company with respect to the Property or Company, whether occurring prior to, or on or after, the Closing Date, and (v) the failure to obtain the consent of any lender or agency whose consent is required to the assignment and assumption of the Company Interests from the Seller to the Purchaser or to any other provision of this Agreement, and (vi) any tax, penalties and interest, if any, resulting from an assessment by the Internal Revenue Service based on any allocation to the Seller of unamortized historic rehabilitation tax credit income.

Section 7. Representations, Warranties, and Covenants of the Seller.

(a) ***Representations, Warranties, and Covenants***. The Seller represents, warrants, and covenants to the Purchaser and the Company as follows:

(i) It (A) is duly organized, validly existing and in good standing under the laws of the State of Virginia, (B) has the right, power, legal capacity, and authority to execute and enter into this Agreement, having received all consents from its affiliates needed in connection with the transaction contemplated by this Agreement, and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement, and (C) has the full power, capacity, authority, and the unrestricted right to convey, transfer, and assign the Company Interests pursuant hereto, other than restrictions that may be imposed by any secured or mortgage loan indebtedness encumbering the Property and recorded regulatory or similar agreements.

(ii) The execution, delivery, and performance of this Agreement by the Seller does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction, or decree now in effect of any government, governmental instrumentality, or court or tribunal having jurisdiction over it or any contractual restriction binding on or affecting it, or there are no facts or circumstances of any kind or nature whatsoever of which it is aware that could in any way impair or prevent it from performing its obligations under this Agreement.

(iii) It owns its Company Interests free and clear of all mortgages, pledges, liens, security interests, claims, rights of first refusal, covenants, or any other restrictions (other than restrictions that may be imposed by any secured or mortgage loan indebtedness encumbering the Property and recorded regulatory or similar agreements), and has the legal capacity to transfer ownership of its Company Interests to Purchaser as contemplated hereby.

(iv) It shall promptly notify the Purchaser of any breach or violation of any of the provisions of this Section 7.

Section 8. Continuing Tax Credit Recapture Liability. Notwithstanding (a) the execution of this Agreement, (b) the withdrawal of the Seller from the Company, and/or (c) any future dissolution or termination of the Company, the provisions of the Operating Agreement relating to a Tax Credit Recapture Event and any ancillary or related provisions of the Operating Agreement or any related guaranty and indemnity that may be necessary to interpret or enforce such provisions of the Operating Agreement (collectively, the "Compliance and/or Recapture

Provisions") shall survive and remain fully enforceable by the Seller (its successors and assigns and its members) against the Purchaser and Guarantor and their respective successors and assigns, for so long as the IRS may be legally permitted to assess tax liability against the Seller (its successors and assigns and its members) in connection with a Tax Credit recapture. The Compliance and/or Recapture Provisions are hereby incorporated as a part of this Agreement.

Section 9. Reports and Notices; Record Retention and Review.

(a) ***Reports and Notices***. The Purchaser shall promptly notify the Seller in writing of any event or circumstance which might reasonably result in a Tax Credit recapture and, without limitation, shall promptly deliver to the Seller copies of (i) all notices, reports, inquiries, correspondence, and other documents delivered to or received from the IRS or any other party with respect to matters of Tax Credit compliance; and (ii) any letter or notice of audit, inquiry, or investigation from the IRS or other regulatory or governmental body which pertains to matters of Tax Credit compliance and copies of all subsequent correspondence with respect to such audit, inquiry, or investigation.

(b) ***Record Retention and Review***. The Company, and in the event of the dissolution of the Company, the Purchaser, shall retain all Tax Credit records for at least six years after the due date (with extensions) for filing the federal income tax return for the year of the sale of the Seller's interest. Upon reasonable notice to the Company and the Purchaser, the Seller, at its sole cost and expense, shall have the right to review and obtain copies of all such records, together with any other books and records relating to the operation of the Company or the Property prior to the Closing Date which are in the possession or control of the Company or the Purchaser.

Section 10. Miscellaneous.

(a) ***Costs and Attorneys' Fees***. Each party shall be responsible for its own costs and attorneys' fees, regardless of which party is the prevailing party in any dispute. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST EACH OTHER PARTY HERETO, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY OTHER AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(b) ***Notices***. All notices, demands, or other communications hereunder shall be in writing and shall be deemed to have been given when the same are (i) delivered to a nationally recognized overnight courier service, service prepaid, which requires written acknowledgement of receipt or (ii) when delivered personally and signed by an authorized signatory, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to other parties:

If to the Seller:	AAL Investor, LLC c/o Brian Wishneff & Associates, L.L.C. 30 Franklin Road, Suite 503 Roanoke, VA 24011 E-mail: erik@wishneff.com
With a copy to:	Spencer Fane LLP 1 North Brentwood Blvd., Suite 1000 St. Louis, MO 63105 Attn.: Carl R. Desenberg, Esq. E-mail: desenberg@spencerfane.com
If to the Purchaser or Company:	IDA Danville Manager, LLC 427 Patton Street, Room 421 Danville, VA 24541 E-mail: kelvin.perry@discoverdanville.com
With a copy to:	City Attorney The City Attorney's Office P.O. Box 3300 Danville, VA 24543 E-mail: WhitfCC@danvilleva.gov

(c) ***Entire Agreement***. This Agreement constitutes the entire agreement among the parties and supersedes any prior agreement or understanding among them respecting the subject matter of this Agreement.

(d) ***Consents and Approvals***. Under any circumstance in which a provision of this Agreement requires or otherwise contemplates the approval, consent, election, requirement, or determination of the Seller with respect to any matter, except as otherwise expressly set forth herein, such approval, consent, election, requirement, or determination shall be at the sole and absolute discretion of the Seller and shall be effective only if given or made in writing, unless otherwise expressly provided to the contrary in this Agreement.

(e) ***Headings***. All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or Section.

(f) ***Saving Clause***. If any provision of this Agreement or the application of such provision to any person or circumstance shall be held invalid, neither the remainder of this Agreement nor the application of such provision to persons or circumstances other than those as to which it is held invalid shall be affected thereby.

(g) ***Pronouns and Plurals***. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

(h) ***Binding Agreement***. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, and personal representatives, except as otherwise provided herein, provided the Purchaser, Guarantor, or the Company shall not be permitted to assign any of its recapture obligations or delegate any of its duties under this Agreement without the prior written consent of the Seller.

(i) ***Counterparts***. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart. Any counterpart which has attached to it separate signature pages, which altogether contain the signatures of all parties whose signature thereon are required, shall for all purposes be deemed a fully executed instrument.

(j) ***Defined Terms***. Terms not otherwise defined in this Agreement shall have the meanings set forth in the Operating Agreement.

(k) ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of Virginia without regard to the conflict of law provisions of Virginia law. Each of the undersigned irrevocably (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any of the transactions contemplated hereby shall be brought in the courts of the State of Virginia or the district courts of the United States of America for the State of Virginia, (ii) consents to the jurisdiction of each such court in any suit, action or proceeding and (iii) waives any objection which he or it may have to the laying of venue of any such suit, action or proceeding in each of such courts.

(l) ***"As Is" Acquisition of the Interest***. Notwithstanding any other terms and conditions of the Agreement, except as set forth in Section 7 of this Agreement, the Seller disclaims the making of any representations or warranties, express or implied, regarding the Company, the Purchaser, Guarantor, the Company Interests, matters affecting the Company, the Company Interests, or the Property, including, without limitation, the physical condition of the Property, title to or boundaries of the Property, pest control matters, soil condition, hazardous waste, toxic substances, or other environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, structural and other engineering characteristics, traffic patterns, and all other information pertaining to the Property. The Purchaser, moreover, acknowledges, represents, and warrants to the Seller, (i) that it is a sophisticated investor, knowledgeable and experienced in the financial and business risks attendant to an investment in real property of this type and subject to restrictions of Section 47 of the Internal Revenue Code, (ii) it is capable of evaluating the merits and risks of entering into this Agreement and acquiring ownership of a portion of the Property (through the acquisition of the Company Interests), (iii) that it has entered into this Agreement with the intention of making and relying upon its own (or its experts') investigation of the physical, environmental, economic and legal condition of the Property, including, without limitation, the compliance of the Property with laws and governmental regulations and (iv) except as specifically set forth in this Agreement, that it is not relying upon any representations and warranties made by the Seller or anyone acting or claiming to act on its behalf concerning the Company, the Purchaser, the Guarantor, the Company Interests or the Property, except as explicitly provided in this Agreement. The Purchaser further acknowledges that it has not received from the Seller any accounting, tax, legal architectural, engineering, property management, or other advice with respect to this transaction and is relying upon the advice of its own accounting, tax, legal, architectural, engineering, property management, and other advisors. The Purchaser assumes the risk that adverse physical, environmental, economic, or other legal conditions may not have been revealed by its investigations. The Seller is not required to make any disclosure not otherwise required in the Agreement. The Seller shall have no liability for any subsequently discovered defects, whether latent or patent. THE PURCHASER HEREBY ACKNOWLEDGES THAT IT IS PURCHASING A PORTION OF THE PROPERTY (THROUGH THE ACQUISITION OF THE COMPANY INTERESTS) "AS IS," "WITH ALL FAULTS" AND WITH A FULL AND COMPLETE ASSUMPTION OF ANY AND ALL RISKS AND LIABILITIES ARISING OUT OF THE ACQUISITION AND OWNERSHIP OF THE PROPERTY WITH NO RECOURSE WHATSOEVER AGAINST THE SELLER OR ANY OF ITS OFFICERS, EXCEPT AS EXPLICITLY PROVIDED TO THE CONTRARY ELSEWHERE IN THIS AGREEMENT.

(m) ***Additional Assurance***. The Seller and the Purchaser, at the Closing Date, or at any time or from time to time thereafter, upon request of either party, shall execute such additional instruments, documents or certificates as either party deems reasonably necessary to convey, assign, and transfer the interest to the Purchaser hereunder.

(n) ***No Broker or Finder***. The Seller and the Purchaser each hereby represent and warrant to the other that neither has dealt with any broker or finder in connection with the transaction contemplated hereby. The Seller and the Purchaser each hereby agree to indemnify, defend and hold the other harmless from any and all manner of claims, liabilities, loss, damage, attorneys' fees, and expenses, incurred by either party and arising out of, or resulting from, any claim by any broker or finder in contravention of its representation and warranty herein contained.

(o) ***Waiver of Jury Trial***. PURCHASER, COMPANY, GUARANTOR, AND SELLER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS HEREIN.

(p) ***Confidentiality***. Purchaser and Seller shall consult with each other regarding any public announcement or statement with respect to this Agreement or the transactions contemplated hereby and no party shall issue any public announcement or other statement with respect to the existence of this Agreement or the transactions contemplated hereby without the prior consent of the other party, which shall not be unreasonably withheld, unless required by applicable law or regulation or order of a court of competent jurisdiction. After the Closing Date, the parties (i) shall maintain the confidentiality of all proprietary information relating to the Company and any assets owned by the Company, (ii) shall not, directly or indirectly, disclose or permit the disclosure of any such information (except as may be required by applicable law, rule, or regulation), (iii) shall not make any use of or permit the use of such information for the benefit of the parties and/or others, and (iv) shall maintain the confidentiality of this Agreement and the transactions hereunder.

(q) ***Time of Essence***. All times, wherever specified herein for the performance by the Seller or the Purchaser of their respective obligations hereunder, are of the essence of this Agreement.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the Company has hereunto set its signature to this Assignment and Assumption Agreement as of the date first above written.

COMPANY:

North Union Master Tenant, LLC, a Virginia limited liability company

By: ___________________________

IDA Danville Manager, LLC, Managing Member

IN WITNESS WHEREOF, the Seller has hereunto set its signature to this Assignment and Assumption Agreement as of the date first above written.

SELLER:

AAL Investor, LLC, a Virginia limited liability company

____
Morgan Anderson, member

IN WITNESS WHEREOF, the Purchaser has hereunto set its signature to this Assignment and Assumption Agreement as of the date first above written.

PURCHASER:	**IDA Danville Manager, LLC**, a Virginia limited liability company
	______________________________
	T. Neal Morris, Chairman