INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

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

September 8, 2026

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

1. Yearly Election Of Officers

C. MEETING MINUTES

1. Industrial Development Authority Regular Meeting August 11, 2026 Minutes

D. FINANCIAL REPORT

1. Industrial Development Authority Financial Statement of Accounts as of August 31, 2026

E. STAFF UPDATES

1. By-laws Discussion

F. ACTION ITEMS

1. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a change order for building improvements at 1350 Barker Road, Ringgold, Virginia in and amount not to exceed $8,500.

2. 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 Blue Cow, Inc. d/b/a Blue Cow Ice Cream, Co. for the property identified as 420 Memorial Drive and bearing Tax Parcel ID #21344.

3. 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 527 Bridge Street, Suite 221.

4. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a contract with CPL Architecture, Engineering, Planning in an amount not to exceed D $240,000 for architecture, engineering, and development services at the property identified as 231 Main Street, Danville, Virginia.

5. A resolution of the Industrial Development Authority of Danville, Virginia ratifying a prior action.

6. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an early access extension for Lynn Partners, LLC for the property located at 300 Loyal Street, commonly known as Parcel ID #25198, Parcel ID #22861, and Parcel ID #22862 from September 9, 2026 through October 1, 2026.

7. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a change order for contract services for the Coleman site in the amount of $24,000.00

8. A resolution of the Industrial Development Authority of Danville, Virginia authorizing and approving a proposal from Dewberry & Davis, Inc. for architectural services at 230 South Ridge Street, Danville, Virginia in an amount not to exceed $22,500.00.

9. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing Haven of the Dan to use property located at the corner of West Main Street and Community Way, and commonly known as parcel ID #60585 on both Saturday, October 3, and Sunday, October 4, 2026, for their annual auto show fundraiser.

10. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a reassignment of the rental lease from PLDR Law at 312 Main Street, Danville, Virginia, to Piedmont Law Group PLLC beginning September 12, 2026.

11. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing Norfolk Southern Railway to use the parking lot at 700 Lanier Avenue, Danville, Virginia, as a clean-up staging area.

12. A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the Three Sisters Marathon to use the parking lot at 230 South Ridge Street, Danville, Virginia, for participant parking.

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
August 11, 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, August 11, 2026, at 10:30 a.m.

The following members were present:

Present: T. Neal Morris, Chairman
Russell Reynolds, Vice Chairman
John Laramore, Secretary
Kristen Barker – arrived during Roll Call
Robert Woodall III

Absent: Phillip Hall
James Bebeau

Also present: W. Clarke Whitfield, Jr., City Attorney
Ken Larking, City Manager
Michael Adkins, Assistant City Manager and Chief Financial Officer
Briana Evans, Assistant City Manager
Michael Legg, Interim Director Economic Development
Kelvin Perry, Economic Development
Samantha Bagbey, Economic Development
Jaime Pritchett, Assistant Director of Finance
Zachary Lovelace, Finance Accountant
Erica McCauley, Public Works Project Manager
Steven Gould, Attorney
Terri McDaniel, City Attorney's Office

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

Roll call

Minutes

Minutes for the July 14, 2026, regular called meeting of the IDA were distributed to the members with their agenda packets. Terri McDaniel reported that Board Member Philip Hall found an error in the minutes regarding his being absent and that the error had been corrected on the meeting minutes copy that would be signed at the end of this meeting. A motion was made by Mr. Woodall to approve the corrected minutes. Mr. Laramore seconded the motion with the members present voting as follows:

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

Finances

Assistant Director of Finance, Jaime Pritchett, provided the members of the IDA Board with a packet of the current financial statements of the IDA. Ms. Pritchett reviewed the document with the Board members, reminding them of several items of income, in particular the second payback from Overfinch. Pritchett further noted that the first payout regarding the Masonic Temple renovations was made in June.

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
Ms. Barker	-Aye
Mr. Woodall	-Aye

Staff reports

Kelvin Perry of Economic Development shared that Yellow Belt Project Training would be offered by their department for members of the community who wish to better understand managing their business projects. The fee for this training is $350. Kelvin also reported that the renovations at 1350 Barker Road are coming to an end and that the prospective company is set to move in by the end of the year.
Interim Economic Development Director Michael Legg shared that bids are coming in for the prep work needed at the Coleman site. Mr. Woodall questioned the process of accepting bids from companies while not considering other companies. Public Works Project Manager Erica McCauley stated that some local companies have been pulled from the bidding process due to not having the equipment or personnel to handle the task at hand. Ken Larking stated that he would welcome any questions bidding companies might have and that he would like to hear from anyone having issues since Mr. Woodall stated that his questions came due to a local company speaking with him. Ms. Barker further stated that requiring prequalification was reasonable to ensure that the company can work within the necessary timeline

constraints; thus, rebidding can be avoided. Mr. Legg pointed out that an outside company, Hurt and Proffitt, was handling the bidding process.

Resolutions

(This resolution was listed last on the agenda, but was considered first as the attorney for one of the parties involved, Steven Gould, was present and needed to return to his workplace.)

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a Right of First Refusal Waive, Consent, and Project Acknowledgment by and among Caesars Virginia LLC, Bubba's Properties LLC, and the Industrial Development Authority of Danville, Virginia.

Samantha Bagbey, Economic Development, explained that this resolution gave Bubba's Properties LLC the go-ahead to have engineers and contractors inspect the prospective site for an ice cream shop on West Main Street near Caesars Danville Casino.

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

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

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.

Kelvin Perry, Economic Development, explained that this was a simple renewal of the lease with Morrisette Paper.

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

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

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a lease agreement with the City of Danville, Virginia for the property identified as 527 Bridge Street, Danville, Virginia, Suite 201, 221, and 310, and bearing Tax ID #26821.

Samantha stated that this was a standard lease agreement that brought all three suites under one document.

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

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

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the consolidation of certain real property.

Kelvin stated that this resolution would combine all six properties necessary for the construction of a parking garage.

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

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

A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the acceptance of certain real property from the Danville Redevelopment and Housing Authority.

Kelvin stated that this was one of the six properties to be consolidated in the previous resolution.

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

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

A resolution of the Industrial Development Authority of Danville, Virginia approving and au the acceptance of a deed for properties identified as Tax Parcel ID #24586 and #24587, located at 230 South Ridge Street, from the City of Danville, Virginia.

Kelvin shared that this was the former Galileo School property and that this resolution was needed in order for Public Works to begin prep work on the site for future business endeavors.

Motion was made by Ms. Barker; seconded by Mr. Woodall

Mr. Morris	-Aye
Mr. Reynolds	-Aye
Mr. Laramore	-Aye
Ms. Barker	-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. Laramore

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

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

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Ms. Barker	- 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 Ms. Barker

Mr. Morris	- Aye
Mr. Reynolds	- Aye
Mr. Laramore	- Aye
Ms. Barker	- Aye

Mr. Woodall - Aye

After closed session, City Attorney Clarke Whitfield, Jr. pointed out to the Board that new FOIA laws prevent adding new agenda items once a meeting has been called to order. This is to prevent any Board or Commission from adding new agenda items of critical importance without giving public notice. Mr. Reynolds informed the Board and City staff members present that his family owns four acres of property located in Pittsylvania County and near the Danville Airport that they are considering to sell. He wanted staff to have time to discuss whether they would desire to purchase the property before the sale gets assigned to a realtor.

Adjourned at 11:37 am with Mr. Reynolds moving to do so, Ms. Barker seconding, and with all in favor.

John Laramore
Secretary

T. Neal Morris
Chairman

Industrial Development Authority
Statement of Accounts
As of August 31, 2026

Regular Checking	$	729,390.31
USDA Loan Account	$	89,795.83
City Funded Loan Account	$	2,698,325.00
North Union Properties/Master Tenant	$	11,581.55
US Bank - 2025A Bond Account	$	13,952.06
US Bank - 2025B/C Bond Account	$	8,971,792.26
US Bank - 2025D Bond Account	$	-
First National Bank - Money Market	$	8,042.21
Reserve Account	$	8,486,021.23

Reserve Account Details

Hold for IDA Debt Svc	*1,679,241.66*
Hold for Enterprise Zone	*290,149.83*
Hold for Int'l. Recruitment	*54,062.83*
Hold for Coleman Site	*327,234.92*
Hold for Dan River Falls	*395,625.00*
Hold for Dewberry Upfit DRF	*385,382.97*
Hold for Barker Road	*305,720.02*
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	*500,000.00*
Hold for 217 N Union	*37,000.00*
Hold for 121/123 N Union	*425,368.75*
Hold for Infinity Global	*416,368.20*
Hold for 310-312 Main St	*290,798.00*
Hold for 624/626 North Main	*556,791.75*
Hold for TECHnista	*250,000.00*
Available (CDE Funds)	*76,732.60*
	8,486,021.23

City Funded Loans:

Beginning Balance July 31, 2026	$ 2,691,218.78
Uncle Al's Diner	-
LMG, LLC	7,037.50
Interest /Bank Fees	68.72
Ending Balance August 31, 2026	$ 2,698,325.00

Industrial Development Authority
Statement of Account - Regular Checking
For the month ended August 31, 2026

Beginning Balance at July 31, 2026		$226,843.28
RECEIPTS:		
Rent:		120,081.07
Utility/Insurance Reimbursement:		
DR Foundation	1,410.84	
Averett	4,232.53	5,643.37
City of Danville Support		42,937.95
VEDP Grant		304,950.20
VHDA Grant		20,000.00
Transfer in/to Reserve Account		(167,974.63)
Transfer In from Bond Accounts		1,922,968.56
Transfer from North Union Properties Account		-
Pittsylvania County IDA - Shell Bldg		6,169.90
Interest Income/Wire Fees/Checks		(125.03)
CDE Program Revenues		3,117.25
Payments Returned - (Falling Acorn)		24,875.00
DISBURSEMENTS:		
AUB Loan - Lockett Drive	(11,566.62)	
AUB - 500 Stinson Drive #1	(4,887.77)	
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	(3,136.83)	
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)	
White Mill MT 1 (DR Falls Lease)	(200,908.79)	
KTL Restorations - BPOL Enterprise Zone Rebate	(555.19)	
Link's Café - BPOL Enterprise Zone Rebate	(93.58)	
KG Graphics - BPOL Enterprise Zone Rebate	(156.00)	
Overfinch - BPOL Enteerprise Zone Rebate	(182.65)	
Hue by Nancy Parrish Interiors - BPOL Enterprise Zone Rebate	(207.41)	
Food Lion LLC #1252 - BPOL Enterprise Zone Rebate	(209.37)	
Solex Architecture - BPOL Enterprise Zone Rebate	(272.22)	
Overfinch - BPOL Enterprise Zone Rebate	(328.68)	
All-Virginia Title & Escrow - BPOL Enterprise Zone Rebate	(340.83)	
Robert Woodall Chevrolet Inc. - BPOL Enterprise Zone Rebate	(628.39)	
Piedmont Access to Health Services - BPOL Enterprise Zone Rebate	(1,139.90)	
Solex Architecture - 206 N Union Renovation	(5,000.00)	
Cherry Bekaert	(3,117.25)	
Shanks Associates - (Land surveying services for Lynn St Parking Deck)	(3,590.00)	
City of Danville - (IDA Property Maintenance)	(25,950.00)	
Blair Construction - (Barker Road)	(60,319.68)	
Kent Shelton - (Spring Street Parking Garage)	(2,784.00)	
Roundtable Ventures - (Spring Street Parking Garage)	(1,215,403.72)	
Atlantic Union Bank - (Loan Closing Fees for 500 Stinson Drive)	(11,282.00)	
Infinity Global - (Windsor Reimbursement)	(65,431.27)	
Falling Acorn Timber Frames - (Timber Frame Five Forks Payment Reissue)	(24,875.00)	
Utilities/Maintenance	(34,508.02)	
Insurance	(11,867.22)	
	-	
		(1,780,096.61)
PASS THROUGHS:		
	-	-
Ending Balance at August 31, 2026		
		$729,390.31

125 N Union	250.00	
600 Craghead - Pkg	4,704.00	
Alexander Group - Pkg	4,500.00	
Averett	11,390.00	
Barry Smith	260.00	
Belk	7,102.50	
City - Gang Prev.	3,682.00	
City - IT Dept.	25,874.00	
City - Parks&Rec	-	
City - Econ Dev	-	
DR Foundation	5,610.00	
Honey Bee - Parking	1,700.00	
Infinity Global	-	Paid 7/30
Launch Place	3,292.00	
Link's Café	3,000.00	
Lynn Street LLC-Pkg	10,080.00	
MEP	1,165.63	
Michael Cheek	-	
Morrisette Paper	6,725.77	
Overfinch	7,509.71	
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	-	Paid 7/31
Vintages	1,347.00	
Walraven	14,839.23	
	120,081.07	

Industrial Development Authority
Statement of Account
USDA Loan Funds

For the month ended August 31, 2026

Beginning Balance at July 31, 2026			$ 89,793.54
RECEIPTS:			
	River City Escapes	-	
	Interest	2.29	
			2.29
DISBURSEMENTS:		-	
			-
Ending Balance at August 31, 2026			**$ 89,795.83**

Reconciliation to original USDA grant of $99,000

ORIGINAL USDA FUNDS			$ 99,000.00
LESS OUTSTANDING LOANS:			
	River City Escapes	12,043.59	
			(12,043.59)
INTEREST EARNED			22,248.47
DEFAULTED LOANS			(19,459.05)
PENALTIES EARNED			50.00
BALANCE IN ACCOUNT			**$ 89,795.83**

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Industrial Development Authority of Danville

A/R Aging Summary Report
As of Aug 31, 2026

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	Total
Christine B Eanes, LLC	-600.00					-600.00
Danville Honey Bee LLC & Old Bee LLC		-850.00				-850.00
J&W Associated LLC dba Links Cafe	-3,000.00					-3,000.00
Making Everything Possible, LLC	1,165.63	1,165.63				2,331.26
Michael W Cheek		800.00		800.00		1,600.00
Morrisette Packaging	-6,725.77					-6,725.77
Overfinch North America	-7,509.71					-7,509.71
Robert Stephens		137.00				137.00
The Launch Place	-3,292.00					-3,292.00
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	**-24,461.85**	**-13,586.60**	**-14,839.23**	**800.00**		**-$52,087.68**

Industrial Development Authority of Danville

Balance Sheet

As of Aug 31, 2026

	Total
Assets	
Current Assets	
Bank Accounts	
First National Bank - Money Market	8,042.21
Loans (City Funded)	2,698,325.00
North Union Master Tenant LLC	7,166.18
North Union Properties, LLC	4,415.37
Regular Checking	729,390.31
Reserve Account	8,486,021.23
US Bank - 2025A Project Fund	13,952.06
US Bank - 2025B&C Project Fund	8,971,792.26
USDA Checking	89,795.83
Total for Bank Accounts	**$21,008,900.45**
Accounts Receivable	
Real Estate Tax AR	-53,864.60
Utilities Receivable	1,776.92
Total for Accounts Receivable	**-$52,087.68**
Other Current Assets	
Due from City/County	45,330,802.00
Lease Interest Rec. - GASB 87	28,721.94
ST Lease Rec. - GASB 87	833,210.90
Total for Other Current Assets	**$46,192,734.84**
Total for Current Assets	**$67,149,547.61**
Fixed Assets	**$103,155,460.77**
Other Assets	
Allowance for Doubtful Accounts	-47,527.16
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
Masonic Towers Receivable	736,977.41
Note Rec - Uncle Al's Diner LLC	21,290.06
Overfinch Incentive Repayment	150,000.00
River City Escapes Note Receiva	12,043.59
Southside Ice	14,193.51
Westmoreland and Schoolfield Senior Apts Note Receivable	400,000.00
Total for Notes Receivable	**$3,884,504.57**
Prepaid Expenses	32,442.60
Total for Other Assets	**$7,291,962.55**
Total for Assets	**$177,596,970.93**

Industrial Development Authority of Danville

Balance Sheet

As of Aug 31, 2026

	Total
Liabilities and Equity	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accounts Payable Other	43,709.50
Accrued Interest	261,567.24
Real Estate Purchase Down Payments	275,000.00
Retainage Payable	137,448.01
Security Deposits	101,255.78
Unearned Revenue	14,362.03
Total for Other Current Liabilities	**$833,342.56**
Total for Current Liabilities	**$833,342.56**
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	52,593.66
Notes Payable	
AUB - 500 Stinson Drive	641,878.94
AUB - 512 Bridge Loan	1,114,707.80
AUB - Dan River Falls	20,642,507.82
AUB Loan - Locket Drive	768,613.01
FNB - Gaither Rd Parcels	442,095.11
FNB - 206/208 N Union Loan	573,205.34
FNB - 310-312 Main St	297,501.24
FNB - 527 Bridge Street Loan	1,160,914.87
Locus - Cyber Prk Shell Bldg	903,864.84
Locus Bank - 1 Ecomnets Way	1,215,281.40
Movement Bank - 816 Monument	427,549.35
VSBFA - 500 Cane Creek	1,231,489.41
VSBFA - Barker Road Loan	2,937,264.92
VSBFA - MEP Loan	76,349.87
Total for Notes Payable	**$32,433,223.92**
Revolving Loan Fund - USDA	99,000.00
Total for Long-term Liabilities	**$81,929,030.07**
Total for Liabilities	**$82,762,372.63**

Industrial Development Authority of Danville

Balance Sheet

As of Aug 31, 2026

	Total
Equity	
Contributed Capital	150,000.00
Opening Bal Equity	4,856,400.56
Retained Earnings	86,791,178.63
Net Income	3,037,019.11
Total for Equity	**$94,834,598.30**
Total for Liabilities and Equity	**$177,596,970.93**

Industrial Development Authority of Danville

Profit and Loss

July-August, 2026

	Total
Income	
Grants	
Grants - City of Danville	2,961,262.98
Grants - Commonwealth of VA	45,000.00
Total for Grants	**$3,006,262.98**
Parking Space Rental Income	16,909.00
Program Fees	151,617.25
Rental Income	461,974.59
Total for Income	**$3,636,763.82**
Gross Profit	**$3,636,763.82**
Expenses	
Bank Service Charges	291.00
Incentive Payments	171,054.22
Insurance	51,185.24
Interest Expense	325,145.82
Loan Fees	4,184.00
Professional Fees	
Consulting	11,707.25
Legal Fees	23,868.52
Total for Professional Fees	**$35,575.77**
Rental Expense	92,607.14
Repairs	
Building Repairs	5,436.55
Total for Repairs	**$5,436.55**
Telephone	968.31
Utilities	12,667.02
Total for Expenses	**$699,115.07**
Net Operating Income	**$2,937,648.75**
Other Income	
Interest Income	99,370.36
Total for Other Income	**$99,370.36**
Net Other Income	**$99,370.36**
Net Income	**$3,037,019.11**

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM:

RE: By-laws Discussion

ATTACHMENTS

None

Industrial Development Authority

STAFF REPORT

DATE: September 8, 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 a change order for building improvements at 1350 Barker Road, Ringgold, Virginia in and amount not to exceed $8,500.

Summary
Staff requests approval of a work change order for tenant improvements at the IDA-owned property at 1350 Barker Road, Ringgold, VA. The work will be funded through a loan secured from The Virginia Small Business Finance Authority (VBSA).

Background
The Danville Industrial Development Authority (IDA) has secured financing from the Virginia Small Business Finance Authority (VSBFA) in the amount of $2,981,534 to support the renovation of the IDA-owned building located at 1350 Barker Road in Ringgold, Virginia. Upon completion, the building will serve as the U.S. headquarters for RBW, a UK company specializing in electric vehicle conversions.

The requested change order is to make final punch list improvements. Work to be done includes painting the columns and touching up the door frames. Installing additional lights in the paint booth and inspection areas.

Recommendation
Staff recommends approval of the change order.

ATTACHMENTS
1. Res - 2902 Change order 1350 Barker Road
2. Owner Change Order #007

PRESENTED: September 8, 2026
ADOPTED: September 8, 2026

RESOLUTION NO. 2026-____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A CHANGE ORDER FOR ADDITIONAL RENOVATIONS AND UPFITS AT 1350 BARKER ROAD, RINGGOLD, VIRGINIA IN AN AMOUNT NOT TO EXCEED $8,500.00

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes a change order for additional renovations and upfits in an amount not to exceed Eight Thousand Five Hundred and 00/100 dollars ($8,500.00) to 1350 Barker Road, Ringgold, Virginia; and

BE IT FINALLY RESOLVED, that the Chairman, or in his absence any Officer, be authorized to execute any and all documents necessary for this change order and such other documents as needed to complete this transaction.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

AIA® Document G741™ – 2024

Change Order for a Design-Build Project

PROJECT: *(name and address)* RBW Barker Road Upfit 1350 Barker Road Ringgold, VA	**DESIGN-BUILD CONTRACT INFORMATION:** Contract For: General Construction Date: 02-26-2025	**CHANGE ORDER INFORMATION:** Change Order Number: 007 Date: 08-07-2026
OWNER: *(name and address)* Industrial Development Authority of Danville 427 Patton Street, Room 421 Danville , VA 24541	**DESIGN-BUILDER:** *(name and address)* Blair Construction, Inc. P.O. Box 612 GRETNA, VA 24557	

THE DESIGN-BUILD CONTRACT IS CHANGED AS FOLLOWS:
(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Change Directives.)

1. Provide additional Painting - 9 columns up to 10' in green touch up existing door frames, bollards in Electrical Room.
2. Provide additional Two (2) lights - One (1) in Paint Booth and the (Second) in Inspection Cell

The original was	$	1,389,000.00
The net change by previously authorized Change Orders	$	497,891.74
The prior to this Change Order was	$	1,886,891.74
The will be increased by this Change Order in the amount of	$	6,494.40
The new including this Change Order will be	$	1,893,386.14

The Contract Time will be unchanged by (0) days.
The date of Substantial Completion as of the date of this Change Order therefore is N/A

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time, or Guaranteed Maximum Price that have been authorized by Change Directive until the cost and time have been agreed upon by both the Owner and Design-Builder, in which case a Change Order is executed to supersede the Change Directive.

When executing this Change Order, the Design-Builder represents that all changes to Project design implemented by this Change Order have been reviewed and approved in writing by the Architect or other licensed design professional(s) of record for the Project.

NOT VALID UNTIL SIGNED BY THE DESIGN-BUILDER AND OWNER.

DESIGN-BUILDER *(Signature)*	**OWNER** *(Signature)*
BY: Timothy J. Clark, President	BY: T. Neal Morris
(Printed name and title)	*(Printed name and title)*
Date	*Date*

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Samantha Bagbey, Project Manager

RE: 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 Blue Cow, Inc. d/b/a Blue Cow Ice Cream, Co. for the property identified as 420 Memorial Drive and bearing Tax Parcel ID #21344.

Item

This agenda item requests IDA approval of a commercial sublease agreement between the Industrial Development Authority of Danville, Virginia and Blue Cow, Inc. d/b/a Blue Cow Ice Cream, Co. for a portion of Unit 1 at 420 Memorial Drive, commonly known as the Guard Shack and Clinic Building at Dan River Falls. The proposed sublease would allow Blue Cow Ice Cream to establish an ice cream shop within the Dan River Falls development.

Background

The IDA currently leases Unit 1 of the White Mill Condominium from White Mill MT 1, LLC pursuant to an existing master lease and has the authority to sublease portions of the property to commercial tenants. The proposed sublease would allow the IDA to lease approximately 732 square feet within the Guard Shack and Clinic Building to Blue Cow Ice Cream.

Blue Cow Ice Cream proposes to operate an ice cream business within the space and will have exclusive protection against leasing other space within the property to another primary frozen-dessert operator during the lease term. The agreement also permits Blue Cow to utilize an ice cream truck on the property subject to the terms of the lease.

The initial lease term is five (5) years beginning June 27, 2027, with two additional five-year extension options available to the tenant. Base rent begins at $15,214.08 annually, payable in monthly installments of $1,267.84, with annual rent increases of 2%. In addition to base rent, the tenant will be responsible for applicable additional rent obligations, including certain taxes, condominium-related assessments, utilities, and other operating costs identified in the lease.

The lease requires compliance with historic preservation requirements associated with the Dan

River Falls redevelopment project and establishes responsibilities related to maintenance, insurance, permitted alterations, and operation of the business within the property.

Recommendation

Staff recommends that the IDA approve the commercial sublease agreement between the Industrial Development Authority of Danville, Virginia and Blue Cow, Inc. d/b/a Blue Cow Ice Cream, Co. for the Guard Shack and Clinic Building at 420 Memorial Drive, substantially in the form presented.

ATTACHMENTS

1. Res - 2912 Blue Cow Ice Cream Lease - 2026
2. Lease - Final - Blue Cow - Dan River Falls - 2026

PRESENTED: September 8, 2026

ADOPTED: September 8, 2026

RESOLUTION NO. 2026-____ . ____

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 BLUE COW, INC. D/B/A BLUE COW ICE CREAM, CO. FOR THE PROPERTY IDENTIFIED AT 420 MEMORIAL DRIVE AND BEARING TAX PARCEL ID #21344.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a lease agreement between the Industrial Development Authority of Danville, Virginia and Blue Cow, Inc. d/b/a Blue Cow Ice Cream, Co. substantially in the form attached hereto and made a part hereof, as if fully setout herein; 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

COMMERCIAL SUBLEASE

by and between

INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA,
a political subdivision of the Commonwealth of Virginia
("**Sublandlord**")

and

Blue Cow, Inc. d/b/a Blue Cow Ice Cream, Co.
a Virginia stock corporation
("**Subtenant**")

for

732 sq. ft.
Guard Shack and Clinic Building
420 MEMORIAL DRIVE
DANVILLE, VIRGINIA 24541
("**Premises**")

SEPTEMBER 9, 2026

COMMERCIAL SUBLEASE

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COMMERCIAL SUBLEASE

THIS COMMERCIAL SUBLEASE (this "**Sublease**") is made as of the **_9TH_** day of **_SEPTEMBER_**, 2026 ("**Effective Date**"), by and between INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("**Sublandlord**"), and Blue Cow, Inc., d/b/a Blue Cow Ice Cream, Co., a Virginia stock Corporation ("**Subtenant**") (collectively referred to herein as the "**Parties**" and each individually as a "**Party**").

RECITALS

This Sublease is made with reference to and is based on the following facts, circumstances, and intent of the Parties:

A. On or about December 15, 2022, White Mill MT 1, LLC, a Virginia limited liability company, as "**Master Landlord**," and Sublandlord, as "**Master Tenant**," entered into that certain Master Lease (Commercial) ("**Master Lease**"), pursuant to which Sublandlord leases from Master Landlord all of that certain real property situated in Danville, Virginia, commonly known as Unit No. 1 of the White Mill Condominium, 420 Memorial Drive, Danville, Virginia, 24541 owned by White Mill Shell & Commercial, LLC (the "Landlord") and more particularly described on Exhibit "A-1", attached hereto and incorporated herein by this reference, and as depicted on the survey on Exhibit "A-2", attached hereto and incorporated herein by this reference (the "**Property**"). All capitalized terms that are not otherwise defined herein shall have the meanings as set forth in the Master Lease, attached hereto and incorporated herein by this reference.

B. The Property is part of a larger condominium project comprised of 3 units within a mixed use condominium building located at 420 - 424 Memorial Drive, Danville, Virginia (the "**Building**"). The Building contains certain general common elements and limited common elements pertinent to Unit 1, as more particularly described on the condominium documents attached hereto as Exhibit "B" (the "**Condo Documents**"), together with common corridors, restrooms, mechanical spaces and elevator #3 within Unit 1, all of which areas are referred to herein as the "**Common Areas**".

C. Sublandlord, as tenant of the Property, desires to lease to Subtenant, and Subtenant desires to lease from Sublandlord, a portion of Unit No. 1, as more particularly described on Exhibit "A-1" (the "**Premises**").

D. Master Landlord and other owners of units in the Building have undertaken historic rehabilitation of the Building and pursuing federal and state historic rehabilitation tax credits (together, the "**Historic Tax Credits**") in connection therewith. The owners of all of the units within the Building have placed certain restrictions on the use, modification, alteration, and development of the Building, as more particularly set forth in that certain Declaration of Restrictions and Covenants Regarding Historic Compliance recorded against the Building on or about the December 15, 2022 (the "**Historic Declaration**").

E. Pursuant to Section 11 of the Master Lease, Sublandlord may sublease all or a portion of the Property without Master Landlord's approval or consent, subject to the conditions set forth in Section 1.3 hereof.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Sublandlord and Subtenant hereby agree as follows:

SECTION 1. SUBLEASE OF PREMISES; OPTION TO PURCHASE

1.1 Conveyance Language. Effective as of the Effective Date, Sublandlord hereby leases to Subtenant, and Subtenant hereby leases and takes from Sublandlord, the Premises pursuant to the terms and upon the agreements, covenants and conditions set forth in this Sublease.

1.2 Permitted Exceptions. This Sublease is subject to (a) all easements, covenants, conditions, restrictions, reservations, rights-of-way and other matters of record that are listed on Exhibit "C", attached hereto and incorporated herein by this reference; (b) the Master Lease, as referenced in that certain recorded Memorandum of Lease; (c) all matters that are discoverable by physical inspection of the Premises; and (d) all matters known to Subtenant or of which Subtenant has actual notice, (collectively, "**Permitted Exceptions**").

1.3 Use of the Premises.

1.3.1 *Permitted Use.* Subtenant shall have the right to use the Premises for any purpose permitted under applicable federal, state, county and municipal laws, ordinances, rules and regulations ("**Permitted Use**"), subject to the following:

(a) In no event shall the Premises be used for any purpose or use (nor shall any activity be carried on upon the Premises) which in any manner causes, creates or results in a public or private nuisance.

(b) The Premises may not be used for the following purposes: the operation of any facility used for gambling, such as off track betting (provided that state sponsored lottery tickets shall not be prohibited), or a store the principal business of which is the sale of alcoholic beverages for consumption off-premises (excluding holders of any of the following issued by the Virginia Alcoholic Beverage Control Authority: Marketplace License, Solicitor Salesman (Wine and Beer) Permit, Solicitor Tasting Permit, or equivalent permits); shooting gallery; adult bookstore or facility selling or displaying pornographic books, literature, or videotapes (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for sale or rental to children under eighteen (18) years because they explicitly deal with or depict human sexuality); bingo or similar games of chance, but lottery tickets and other items commonly sold in retail establishments may be sold as an incidental part of business.

(c) In no event shall the Premises be used for any Prohibited Uses identified in Exhibit "D" or any purpose or use expressly prohibited by the Historic Declaration and Condo Documents.

(d) In no event shall the Premises be used for any purpose not permitted by the City of Danville, the general plan, any specific plan, River District Design Commission Special Use Permit, TW-C Tobacco Warehouse Commission or other zoning ordinances, rules or regulations, or any conditions of, or terms of any agreements governing, the zoning approval for the Building.

1.3.2 *Violation of Permitted Use.* As further described in Section 12.1 below, any violation of Section 1.3.1(b) through (d), above, shall constitute a material Event of Default by Subtenant, giving Sublandlord a right to claim an immediate right to terminate this Sublease, after failure of the Subtenant to cure as set forth in Section 12.1.3.

1.3.3 *Effective Date*. Commencing upon the Effective Date, Sublandlord shall make the Premises available for Subtenant to undertake the Subtenant Improvements, if any, to be undertaken by Subtenant prior to the Commencement Date (as defined in Section 3.1), subject to the terms of Section 3.3 hereof. On the Effective Date, all terms, conditions and provisions of this Sublease shall become effective, valid and fully enforceable.

1.3.4 *Exclusive Use.*

(a) Provided Subtenant is not in Default, throughout the Term, Sublandlord shall not lease any space in the Property (including any expansion thereof) to another tenant for the primary use as a purveyor of frozen treats in the center (ice cream, frozen yogurt, gelato, ice pops and related products, including milk shakes and the like) (the "**Exclusive Use**"). Primary use shall mean that such tenant's sales at the Property generated from the Exclusive Use exceed 10% of such tenant's overall gross sales at the Property.

(b) If Landlord executes a lease for other premises in the Property in violation of Subtenant's Exclusive Use set forth in Section 1.3.4(a) above (an "**Exclusive Use Violation**"), then, Subtenant shall have the right to pay, in lieu of Base Rent, an alternative rent ("**Alternative Rent**") equal to fifty percent (50%) of the Base Rent otherwise payable hereunder from the date that is thirty (30) days after Subtenant provides Sublandlord written notice of such violation until the Exclusive Use Violation is cured. If such Exclusive Use Violation continues for more than one (1) year after the date of delivery of Subtenant's notice, Subtenant shall have the right to terminate this Sublease within sixty (60) days after the occurrence of such one (1) year anniversary by delivering written notice thereof to Sublandlord. If Subtenant does not exercise its rights to terminate this Sublease within such sixty (60) day period, such termination right shall be deemed null and void and Tenant will revert back to paying full Base Rent.

(c) Notwithstanding the foregoing and except as otherwise expressly set forth herein, Subtenant shall have no right to pay the Alternative Rent or impose any other remedy for an Exclusive Use Violation if another tenant or occupant in the Property violates a provision of its lease or license agreement regarding its premises, which either does not permit or specifically prohibits such occupant from using its premises in violation of the Exclusive Use as set forth above. Sublandlord, after receipt of notice from Subtenant advising of such violation, shall use good faith efforts to enforce its rights under such lease or license agreement. In the event that Sublandlord breaches its obligations under this Section 1.3.4(c) and such breach is not cured within thirty (30) days after written notice from Subtenant, Tenant shall have the remedies set forth in Section 1.3.4(b) above.

(d) Subtenant's Exclusive Use restrictions shall terminate and be of no further force or effect in the event that Subtenant ceases using the Premises for the Exclusive Use (whether by closure or change of use) for a period of 60 (sixty) consecutive days.

1.3.5 *Mobile Unit*; *Ice Cream Truck*. Subtenant shall have the right of park its ice cream truck in Unit 1's parking lot in such location determined by the Sublandlord. ln the event Subtenant needs to provide 30–50-amp electric power 24/7 to its ice cream truck, Subtenant at its cost and expense, shall have the right to install a submeter on a parking lot light fixture determined by the Sublandlord.

1.4 Quiet Enjoyment. Sublandlord covenants that Subtenant upon performance and observance by Subtenant of the agreements, covenants and conditions herein contained on the part of Subtenant to be performed and observed, and subject to the Permitted Exceptions set forth in Exhibit "C" attached hereto, shall peaceably hold and quietly enjoy the Premises during the entire Term, without hindrance, molestation or interruption by Sublandlord or by anyone lawfully or equitably claiming by, through or under Sublandlord.

1.5 Memorandum of Commercial Sublease. Subtenant shall have the right to record a memorandum of this Sublease with the appropriate recording officer. Sublandlord shall execute and deliver each such memorandum, for no additional consideration, promptly upon Subtenant's request. However, all recordation filing fees and taxes, if any, shall be at the sole cost and expense of the party recording such memorandum.

SECTION 2. STATUS OF PROPERTY; CONDITION OF PREMISES; SUBTENANT IMPROVEMENTS

2.1 Acknowledgment of Premises' Historic Preservation Status. The Parties agree and acknowledge that Master Landlord has undertaken expense and burden to obtain and maintain the status of the Premises, as part of the Building, as a Certified Historic Structure. In connection therewith, Master Landlord has renovated the Building to comply with the Standards for Rehabilitation established by the U.S. Secretary of the Interior set forth at 36 C.F.R. § 67.7 (the "**Secretary's Standards**"), and will qualify for historic rehabilitation tax credits available in connection with such rehabilitation work, which shall provide an important economic benefit to Master Landlord, which is passed through the Master Lease to Sublandlord.

2.1.1 Except for Alterations (as defined below) permitted to be undertaken by Subtenant without

Sublandlord's consent pursuant to Section 6.1.1, which must comply with all other provisions of this Section 2.1, Subtenant agrees and acknowledges that it will not make any change to the interior or exterior of the Premises without Sublandlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, Sublandlord's consent shall not be unreasonably withheld, conditioned, or delayed if Master Landlord's or any debt or equity party's consent is required, if such alteration is prohibited by the Condo Documents or Historic Declaration, if Master Landlord or any other party is required to verify compliance of such alterations with the Secretary's Standards, SHPO, or NPS, or if such alterations would violate the terms the following sentence. Subtenant also agrees and acknowledges that it will not make any Alterations to the Premises or take any actions that will have the effect of or cause any impairment to the use of or any recapture, reduction or loss of any federal, state or local tax credits applicable to the Building or any renovations thereof.

2.1.2 Subtenant expressly agrees and acknowledges that any change or Alteration Subtenant intends to make to the Premises during the Historic Compliance Period (following Sublandlord's written approval, if applicable), including any Alterations not requiring Sublandlord approval pursuant to Section 6.1.1, shall comply with any and all requirements of the Virginia Department of Historic Resources (the "**State Historic Preservation Office**" or "**SHPO**") and the National Park Service of the U.S. Department of the Interior ("**NPS**"). Subtenant shall be responsible for any and all costs related to any such change or Alteration, including, but not limited to, Sublandlord's costs, if any, to ascertain whether such change or alteration meets the Secretary's Standards.

2.1.3 If Sublandlord grants consent, any such Alterations shall be performed in a good and workmanlike manner in accordance with all applicable legal and insurance requirements, including, but not limited to, any and all requirements, standards, and approvals required by SHPO and NPS (including the standards set forth in Section 2.1.4 below), and only after consultation with, and approval by, Sublandlord's and/or Master Landlord's historic consultant, all at Subtenant's expense.

2.1.4 *Standards for Rehabilitation.* The Parties acknowledge and agree that the State Historic Preservation Office, by and through its designated officer, is responsible for making substantive judgments as to whether a structure meets the criteria for listing in the National Register of Historic Places or the "Secretary's Standards for Evaluating Structures within Registered Historic Districts," whether the rehabilitation of a certified historic structure meets the Secretary's Standards, and for forwarding the recommendations to the Secretary of the Interior within the prescribed time period. Under applicable United States Treasury regulations, the NPS, by and through its designated officer, is responsible for the same activities delineated in the preceding sentence. The Parties further acknowledge and agree:

(a) The SHPO and NPS interpret the Secretary's Standards to require that the quality of materials and craftsmanship used in a rehabilitation project must be commensurate with the quality of materials and craftsmanship of the historic building in question.

(b) The SHPO and NPS shall evaluate applications for certifications of rehabilitation pursuant to the Secretary's Standards of Rehabilitation as provided in 36 C.F.R. 67.7(a)-(d) and (f). The Secretary's Standards shall apply to interior and exterior features, related landscape features, the building's site and environment, as well as attached, adjacent or related new construction. The SHPO and NPS shall also consult the NPS Guidelines for Rehabilitating Historic Building and the NPS Preservation Briefs during review of applications. Both publications are available for inspection with the SHPO. The SHPO shall also consider the economic and technical feasibility of application of the Secretary's Standards to the project under consideration.

2.2 Condition of Premises.

2.2.1 Subtenant accepts the Premises in its AS-IS, WHERE-IS condition, without representation or warranty except as otherwise expressly set forth herein.

2.2.2 Sublandlord, to the extent assignable, will assign any representations and warranties of Sublandlord's contractors for Sublandlord's Work required herein that conform with the plans, drawings, and specifications submitted by Sublandlord or Master Landlord in connection with the Historic Preservation Project and approved by the City of Danville, Virginia (the "**Historic Rehab Plans**").

2.2.3 Sublandlord has not placed, installed or stored in, at, on, or under the Premises any Hazardous Materials (as defined below) in violation of any Environmental Laws (as defined below). However, subtenant recognizes the existence of encapsulated lead-based paint on the concrete ceilings, walls and columns of the original structure and shall take necessary precautions and environmental notices in the event that any of the subtenant's activities cause disturbance or require removal of the encapsulant or lead based paint.

(a) "**Hazardous Materials**" means "Hazardous Material," "Hazardous Substance," "Pollutant or Contaminant," and "Petroleum" and "Natural Gas Liquids," as those terms are defined or used in the Comprehensive Environmental Response Compensation and Liability Act ("**CERCLA**") and any other substances regulated because of their effect or potential effect on public health and the environment, including PCBs, lead paint, asbestos, urea formaldehyde, radioactive materials, putrescible materials, and infectious materials.

(b) "**Environmental Laws**" means, without limitation, the Resource Conservation and Recovery Act, CERCLA and other federal, state, county, municipal and other local laws governing or relating to Hazardous Materials or the environment, together with their implementing regulations, ordinances and guidelines.

2.2.4 Subtenant shall not, and shall not permit any Subtenant Parties (as defined in Section 8.2.1) to, use, store, release, or transport any Hazardous Materials at, in, over, under or across the Premises except for such de minimis amounts of Hazardous Materials in amounts customary in connection with Subtenant's Permitted Use of the Premises and in strict compliance with all Environmental Laws. Subtenant also recognizes the existence of encapsulated lead-based paint on the concrete ceilings, walls and columns of the original structure and shall take necessary precautions and environmental notices in the event that any of the subtenant's activities cause disturbance or require removal of the encapsulant or lead based paint. Subtenant shall indemnify, defend, and hold harmless Sublandlord, Master Landlord, and the Lien Holders from and against any violations of Subtenant's obligations under this Section 2.2.4 or any release of any Hazardous Materials by any of the Subtenant Parties in, at, under, or over the Premises. The indemnity by Subtenant set forth in this Section 2.2.4 shall survive the expiration or earlier termination of this Sublease.

2.3 Maintenance.

2.3.1 *Subtenant Maintenance.* Except as provided in Section 2.4.2 below, Subtenant shall, at Subtenant's sole cost and expense, keep the interior and exterior of the Premises, and the fixtures and equipment therein, including the Subtenant Improvements, permitted Alterations, all partitions, doors, and all equipment, fixtures, including MEP and HVAC systems located exclusively within and serving only the Premises and personal property located at or within the Premises, in clean, safe and sanitary condition and in good condition and repair consistent with the condition of the Historic Preservation Project, and suffer no waste or injury thereto.

2.3.2 *Sublandlord Maintenance*. Sublandlord shall be responsible, at Sublandlord's sole cost and expense (but subject to reimbursement therefor by Subtenant as set forth in Section 4.2.1 below), for any and all repairs, maintenance and replacements to all windows, structural elements, and the roof of the Premises and other maintenance and repair obligations expressly included as part of the Additional Rent and subject to reimbursement from Subtenant.

(a) Sublandlord shall be responsible for all landscaping and lawn maintenance related to the Property, and shall maintain all access drives and parking areas at the Property in good condition, including the removal of rubbish, ice, snow and other accumulating precipitation from the surface thereof.

(b) In addition to Subtenant's payment obligations pertaining to Additional Rent, in the event that any such repairs or replacements are required due to the negligent or intentional acts of Subtenant or any of the Subtenant Parties (as defined below), Subtenant shall immediately reimburse Sublandlord, on demand, for Sublandlord's actual and reasonable costs and expenses incurred in making such repairs and replacements.

(c) Subtenant shall promptly notify Sublandlord for any items or conditions requiring repair or maintenance for which Sublandlord is responsible under this Sublease.

(d) In the event that Subtenant fails to undertake any of its maintenance obligations with respect to its exclusive use of any limited common elements, Subtenant acknowledges that the condominium association has the right pursuant to the Condo Documents to undertake such maintenance, repair, or replacement obligations and levy an assessment against the Premises for the cost of such work, payment for which shall be the responsibility of Subtenant as Additional Rent.

SECTION 3. TERM; OPTIONS TO EXTEND TERM; RIGHT TO INSPECT; HOLDING OVER

3.1 Initial Term of Sublease. The initial term of this Sublease shall be five (5) (the "**Initial Term**") commencing on **June 27, 2027** (the "**Commencement Date**"), and, unless sooner terminated or extended as herein provided, terminating on five (5) years thereafter.

3.2 Options to Extend Term. Provided that an uncured Event of Default by Subtenant is not then in existence under this Sublease, either at the time of the exercise of the options set forth herein or at the time of the commencement of the Extension Periods (as defined below) contemplated hereunder, Subtenant may elect to extend the Initial Term of this Sublease ("**Extension Option(s)**") for all of the Premises for two (2) additional periods of five (5) years (collectively, the "**Extension Periods**"), by delivering to Sublandlord not later than three (3) months before the end of the Initial Term of this Sublease or the applicable Extension Period, as applicable, a written notice (the "**Extension Notice**") of such election. In the event the Extension Notice is not delivered, the Subtenant shall be deemed to not have delivered the respective Extension Notice and the Term shall be automatically terminate at the end of the then current Term. The Initial Term, together with any exercised Extension Periods, is hereinafter referred to as the "**Term**."

3.2.1 *Commencement of Extension Period*. The first Extension Period shall commence on the day immediately following the last day of the Initial Term and each succeeding Extension Period (as applicable) shall commence on the day immediately following the last day of the previous Extension Period, and shall be subject to all the terms and conditions of this Sublease, except that the Minimum Rent for the applicable Extension Period shall be determined in accordance with Section 3.2.3 below.

3.2.2 *Extension Options Not Personal*. The Extension Options set forth herein are not personal to Subtenant and may be exercised by any assignee of the Sublease permitted under the terms of the Sublease. However, (a) no such Extension Option is assignable separate and apart from the Sublease, and (b) no subtenant or sublessee of Subtenant shall have the right to exercise any Extension Option.

3.2.3 *Minimum Rent during Extension Periods*. Minimum Rent shall increase by Two Percent (2%) on an aggregate basis each year during each Extension Period, with the Minimum Rent during the first year of the first Extension Period being one hundred and Two Percent (102%) of the Minimum Rent in effect during the prior lease year, and the Minimum Rent increasing by Two Percent (2%) each year thereafter, all as shown on Schedule "2" attached hereto.

3.2.4 *Term shall not exceed length of term of Master Lease*. Notwithstanding anything herein to the contrary, including without limitation the terms of Section 3.1 or 3.2 hereof, the Term shall not exceed the length of the term of the Master Lease (twenty (20) years), and shall be deemed to expire one (1) day prior to the expiration of the term of the Master Lease.

3.3 Occupancy. As of the Effective Date, Subtenant (which for purposes of this Section 3.3, includes Subtenant's contractors) shall have the right to enter into the Premises, subject to the following terms and conditions:

3.3.1 Subtenant's entry prior to the Commencement Date may not interfere with the construction of any improvements (including performance of the Sublandlord's Work or Subtenant Improvements) or cause labor difficulties;

3.3.2 Subtenant's entry prior to the Commencement Date must be on all the terms and conditions of this Sublease;

3.3.3 [Intentionally left blank.]

3.3.4 Subtenant must indemnify, defend and hold harmless Sublandlord and Sublandlord's agents, employees and contractors against all claims, liabilities and damages arising from Subtenant's entry prior to the Commencement Date; and

3.3.5 Unless and until a valid certificate of occupancy is issued with respect to such portion of the Premises occupied by Subtenant for its intended business use thereof, Subtenant shall not occupy the Premises to conduct any business operations from the Premises.

3.4 Sublandlord's Right of Inspection. Sublandlord may, and may allow Master Landlord or any Lien Holders to, at any reasonable time and from time to time during the Term, with twenty-four (24) hours written notice delivered to Subtenant as set forth herein (except in the event of an emergency), enter upon the Premises for the purpose of inspecting the Buildings or improvements now or hereafter located thereon and for such other purposes as may be necessary or proper for the reasonable protection of their respective interests.

3.5 Title to Premises and Subtenant Improvements.

3.5.1 *Title to Premises, Buildings and Other Structures.* Fee simple title to the Premises, Buildings, structures and capital improvements, including Subtenant capital improvements made by or on behalf of Subtenant ("**Subtenant Capital Improvements**") that now, or may from time to time constitute a part of the Premises, shall be and remain in Master Landlord at all times during the Term of this Sublease. Sublandlord shall retain the primary leasehold title to the Premises, Buildings, structures and improvements that now, or may from time to time constitute a part of the Premises, during the term of the Master Lease and the Term of this Sublease pursuant to the terms of the Master Lease. Subtenant's rights to use the Premises and rights under this Sublease shall be subject and subordinate in all respects to the terms and conditions of the Master Lease.

(a) Fee simple title and the like to all equipment, furnishings and trade fixtures placed by Subtenant on the Premises and are not capital improvements shall remain with Subtenant, including all replacements, substitutions and modifications thereof. During the Term of this Sublease, Subtenant shall not remove, modify, alter or dispose of any portion of the Subtenant Capital Improvements without Sublandlord's advance written consent, which consent may be withheld or conditioned in Sublandlord's sole and absolute discretion.

3.6 Holding Over and Sublease Termination; Restoration of Premises.

3.6.1 *Surrender the Premises to Sublandlord upon the Expiration or Termination*. Subtenant shall surrender the Premises to Sublandlord upon the expiration or termination of this Sublease in accordance with Section 3.6.2 below.

3.6.2 Notwithstanding any rights of Subtenant under Section 1.6, this Sublease shall terminate without further notice upon the expiration of the Term or any Extension Period validly exercised by Subtenant, and any holding over by Subtenant after the expiration of the Term or any Extension Period validly exercised by Subtenant, as applicable, shall not constitute a renewal hereof or give Subtenant any rights hereunder or in or to the Premises, it being understood and agreed that this Sublease cannot be renewed, extended or in any manner modified (except in writing signed by Sublandlord and Subtenant) and it is further agreed to between the Parties that Subtenant, on termination of this Sublease, shall execute and deliver any and all deeds, bills of sale, assignments and other documents, which in Sublandlord's sole judgment may be necessary or appropriate to transfer, to evidence or to vest in Sublandlord clear title to any of the property located on the Premises at the time of such termination.

3.6.3 Except as otherwise set forth herein, in the event that Subtenant continues in possession of the Premises after the expiration of the Term, Subtenant shall be deemed to be occupying the Premises as a month-to-month tenant, and Subtenant during such tenancy shall pay Minimum Rent in the amount of One Hundred and Fifty Percent (150%) of the amount of Minimum Rent for the year of the Term in effect prior to such holdover.

3.6.4 Such month-to-month tenancy may be terminated at the end of any calendar month by either Sublandlord or Subtenant giving the other at least thirty (30) days prior written notice. The foregoing provisions shall not affect or impair, and shall be in addition to, Sublandlord's rights to pursue any and all remedies for Subtenant's default resulting from such holdover available under this Sublease, at law or in equity.

3.6.5 Upon expiration or earlier termination of the Term or Subtenant's right to possession of the Premises, Subtenant shall return the Premises to Sublandlord in good order and condition, ordinary wear, tear, and insured casualty loss excepted.

(a) If Subtenant does not, on or before the expiration or termination of the Term or Subtenant's right to possession of the Premises, remove all personal property or other items which Subtenant has either the option to remove or which Subtenant is required to remove, then Subtenant shall be conclusively presumed to have conveyed the same to Sublandlord without further payment or credit by Sublandlord to Subtenant, or at Sublandlord's sole option, with respect to items which Subtenant is required to remove, and without limiting any other rights or remedies available to Sublandlord, such items shall be deemed abandoned, in which event Sublandlord may cause such items to be removed and disposed of and the Premises to thereupon be repaired to the condition required herein, all at Subtenant's expense, which shall be One Hundred Ten Percent (110%) of Sublandlord's actual cost of removal, disposal and repair of damage caused by the installation or removal of such items, without notice to Subtenant and without obligation to compensate Subtenant (provided Subtenant shall receive a credit for any compensation actually received by Sublandlord for such items, if any), and Subtenant shall pay such amounts to Sublandlord promptly following Sublandlord's demand therefor from time to time. All Subtenant Capital Improvements shall remain at the Premises following expiration or termination of the Term of this Lease without disturbance, molestation or injury.

SECTION 4. MINIMUM RENT; ADDITIONAL RENT; OTHER PAYMENTS; UTILITIES

Subtenant shall pay to Sublandlord as rental for the use and occupancy of the Premises, at the times and in the manner hereinafter provided the following sums of money:

4.1 Minimum Rent Amounts. Subtenant shall pay to Sublandlord annual minimum rent (the "**Minimum Rent**") in the following amounts:

4.1.1 Subject to the provisions of Section 13.17 below, from the Commencement Date, Subtenant shall pay Minimum Rent in the amount of **FIFTEENTEEN THOUSAND TWO HUNDRED FOURTEEN AND 08/100 DOLLARS ($15,214.08)**, payable in equal monthly installments of **ONE THOUSAND TWO HUNDRED SIXTY SEVEN AND 84/100 DOLLARS ($1,267.84)** commencing on the Commencement Date and the first day of each month thereafter. The annual Minimum Rent set forth in this Section 4.1.2 shall increase by TWO Percent (2%) annually on an aggregate basis, as shown on Schedule "2" attached hereto. No Minimum Rent shall be due between the Effective Date and Commencement Date.

4.2 Additional Rent. Commencing on the Commencement Date and continuing thereafter during the Term, Subtenant shall pay its prorated share to Sublandlord, or to the applicable third parties to whom such amounts are payable, at Sublandlord's election, as "**Additional Rent**" (together with the applicable Minimum Rent, collectively "**Rent**"), all Insurance and Taxes, as defined herein, levied or assessed against the Premises during the Term, all condominium association dues, levies, assessments, or charges levied or assessed against the Premises during the Term pursuant to the Condo Documents, and the costs of Common Area management, maintenance, trash collection and utilities levied or assessed against the Premises during the Term; all of which are itemized in the Common Area Maintenance ("**CAM**") Budget attached as Exhibit "J", however for avoidance of doubt, any such assessments for cleaning or maintaining the Common Areas of the Property, exclusive of the Premises shall be excluded from the Subtenant's responsibilities. The Sublandlord shall update, and provide to the Subtenant, the budget for each year's Additional Rent by December 1 of the preceding year.

4.3 Rent Payment.

4.3.1 Subject to Section 13.17 below, Rent payable pursuant to Section 4.1 and Section 4.2 shall be paid in advance, without notice, demand, abatement, deduction, counterclaim, set-off, defense or otherwise, in lawful money of the United States, to Sublandlord at such address as Sublandlord shall notify Subtenant from time to time, in equal monthly installments of **ONE THOUSAND TWO HUNDRED SIXTY SEVEN AND 84/100 DOLLARS ($1,267.84)** due and payable on the first (1st) day of each month, provided that if the Commencement Date is not the first day of a month, Minimum Rent for the month in which the Commencement Date occurs shall be due within five (5) days of the Commencement Date and Minimum Rent shall be prorated for such month. In the event the annual Minimum Rent and Additional Rent changes pursuant to Section 4.1 and Section 4.2 above, the monthly installments under this Section 4.3 shall automatically adjust to equal monthly installments of newly calculated annual Rent amount.

4.4 Utilities. Subtenant shall pay, directly to the appropriate utility supplier thereof, all utility bills relating to services specially or exclusively supplied and/or metered exclusively to the Premises or otherwise relating to Subtenant's use or occupancy thereof, including, but not limited to, water, sewer, gas, electricity, fuel, garbage collection, and sanitary services (collectively, "**Utilities**").

SECTION 5. TAXES AND ASSESSMENTS

5.1 From and after the Commencement Date, Sublandlord shall pay (or cause Master Landlord to pay, to the extent payable by Master Landlord under the Master Lease) all Taxes (as defined in Section 5.1.1 hereof) which shall be included in the CAM Budget.

5.1.1 As used in this Sublease, "**Tax**" or "**Taxes**" shall mean and include any form of federal, state, county or local government or municipal taxes, fees, charges or other impositions of every kind (whether general, special, ordinary, or extraordinary) related to the ownership, leasing or operation of the Premises by Sublandlord, including, without limitation, the following: (a) all real estate taxes or personal property taxes levied, payable or imposed against the Premises, as such property taxes may be reassessed from time to time; (b) other taxes, charges and assessments which are levied with respect to this Sublease, and any improvements, fixtures, and equipment and other property of Sublandlord; (c) all assessments and fees for public improvements, services, and facilities and impacts thereon, including, without limitation, arising out of any community facilities district, special improvement district, or similar assessment districts, and any traffic impact mitigation assessments or fees; (d) any tax, surcharge or assessment which shall be levied in addition to or in lieu of real estate or personal property taxes; (e) taxes based on the receipt of rent (including gross receipts or sales taxes applicable to the receipt of rent); and (f) costs and expenses incurred in contesting the amount or validity of any Tax by appropriate proceedings. Notwithstanding the foregoing, Subtenant shall not be required to pay any franchise, capital levy or transfer tax of Sublandlord, or any net income tax measured by the income of Sublandlord from all sources, or any tax which may, at any time during the Term, be required to be paid on any gift or demise, deed, mortgage, descent or other alienation of any part of all of the estate of Sublandlord in and to the Premises or any buildings or improvements which are now or hereafter located thereon, except as hereinafter provided.

5.1.2 Notwithstanding anything herein to the contrary, Sublandlord shall not be required to pay: (a) any franchise tax or tax on the revenues or income of Subtenant at the Premises, (b) any net income tax measured by the income of Subtenant from any source, (c) any special, ordinary, or extraordinary assessments against or impacting the Property which become due or payable in connection with public or private improvements installed by any governmental authority at or proximate to the Property at the request of Subtenant or as a result of Subtenant's use of or operations at the Premises, (d) any taxes on the use or ownership of any furniture, fixtures, equipment, or other personal property owned by Subtenant and located at the Premises, or (e) any documentary transfer tax assessed or levied upon the creation of a leasehold interest in the Premises under this Sublease. Subtenant shall be responsible for payment of all charges, expenses, invoices, and bills for any items described in this Section 5.1.2.

5.1.3 If Subtenant shall be required by law to pay, and pursuant thereto does pay, any Tax or Taxes set forth in Section 5.1.1, Sublandlord shall, immediately upon request, reimburse Subtenant for any such payments. If such immediate reimbursements are not forthcoming, Subtenant shall receive a credit against the Additional Rent next due hereunder for the full amount of such delinquent reimbursements. If Sublandlord shall be required by law to pay, and pursuant thereto does pay, any amount set forth in Section 5.1.2, Subtenant shall, promptly following demand therefor by Sublandlord, reimburse Sublandlord for any such payments made by Sublandlord.

SECTION 6. ALTERATIONS; PERMITS; LIENS

6.1 Alterations.

6.1.1 Except as provided in the Approved Alterations included on Exhibit "G", Subtenant shall not make or allow to be made any alterations, additions or improvements in or to the interior or exterior of the Premises (collectively, "**Alterations**"; a attached hereto and incorporated herein by this reference) without first obtaining Sublandlord's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Subtenant shall be required to provide Sublandlord with prior written notice, but Sublandlord's consent will not be required if:

(a) the proposed Alterations will not affect the MEP or other building systems or the structural components, exterior walls, windows, doors, or roof of the Premises;

(b) the total cost to acquire and install the proposed Alterations will be no more than Ten Thousand Dollars **($10,000.00)**;

(c) the proposed Alterations comply with the requirements set forth in Section 2.1 hereof, provided that Subtenant, as part of the notice to be provided to Sublandlord, shall provide evidence of compliance of such Alterations with Section 2.1 and provide Sublandlord with periodic updates as to the compliance with Section 2.1 during the pendency of such Alterations; and

(d) the proposed Alterations are permitted pursuant to the Master Lease and the documents evidencing the indebtedness held by any Lien Holder (the "**Project Documents**"), to be determined following consultation with Sublandlord (and Master Landlord, if necessary).

6.1.2 If at any time Sublandlord has reason to believe such Alterations do not or will not comply with Section 2.1, Sublandlord shall notify Subtenant of the same in writing, and Subtenant will discontinue such Alterations promptly following receipt of such notice. For avoidance of doubt, Sublandlord will not be considered to have unreasonably withheld, conditioned, or delayed its consent if:

(a) Sublandlord requires as a condition to such Alterations the consent of the Master Landlord and any Lien Holders of Sublandlord or Master Landlord;

(b) such Alterations are inconsistent with Section 2.1, any other term of this Lease, or in any way jeopardize the issuance of, or would cause or result in the recapture of, any tax credits issued or to be issued in connection with the Historic Preservation Project; or

(c) such Alterations are prohibited by the Master Lease or the Project Documents.

6.1.3 Any and all Alterations (other than changes or alterations of movable trade fixtures and equipment) shall be undertaken in all cases subject to the following additional conditions, which Subtenant covenants to observe and perform:

(a) No improvement, change or alteration shall be undertaken until Subtenant shall have procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Sublandlord agrees to join in the application for such permits or authorizations whenever such action is necessary.

(b) All work done in connection with any Alteration shall be done promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof, including all requirements set forth in Section 2.1 of this Sublease. All such work shall be at the sole cost and expense of Subtenant.

(c) In addition to the insurance coverage referred to in Section 8 below, Workers' Compensation Insurance covering all persons employed in connection with the work and with respect to whom death or injury claims could be asserted against Sublandlord, Subtenant or the Premises, and a general liability policy coverage, naming Sublandlord with limits of not less than Two Million Dollars **($2,000,000.00)**, shall be maintained by Subtenant, at Subtenant's sole cost and expense, at all times when any work is in process in connection with any Alteration. All such insurance shall be obtained and kept in force as otherwise provided in Section 8 below.

6.2 Permits, Licenses, Etc. Sublandlord will, from time to time, during the Term, at no cost to Sublandlord, execute and deliver all applications for permits, licenses or other authorizations relating to the Premises required by any municipal, county, state, or federal authorities, in connection with the Subtenant Improvements or required in connection with Subtenant's use and occupancy of the Premises for the Permitted Use, provided such permit, license or other authorization is consistent with the terms of this Sublease. Sublandlord will, from time to time, during the Term, to the extent permissible under the Master Lease and approved by Master Landlord and the Lien Holders, execute, acknowledge and deliver any and all instruments required to grant rights-of-way and easements in favor of municipal and other governmental authorities or public utility companies incident to the installation of water lines, fire hydrants, sewers, electricity, telephone, gas, steam and other facilities and utilities reasonably required for the use and occupancy of the Premises. For avoidance of doubt, Subtenant shall not be authorized to, and Sublandlord shall not be required to join in any efforts to, change the zoning or permitting related to the Premises or take any action which would result in a breach of the covenants of Sublandlord or Master Landlord under the Master Lease or the Project Documents, or in any way jeopardize the issuance of, or would cause or result in the recapture of, any tax credits issued or to be issued in connection with the Historic Preservation Project.

6.3 Mechanics' and Other Liens. In the event a mechanics', materialmen's and/or laborers' lien shall be filed against the Premises or Subtenant's interest therein as a result of any work undertaken by Subtenant, Subtenant shall, within thirty (30) days of receiving notice of such lien, discharge the same either by payment of the indebtedness due to the lien claimant or by filing a bond for the benefit of Sublandlord as security for such lien. The amount of the bond shall be one and one half (1.5) times the amount of the claimed lien, and such bond shall be executed by a solvent insurance carrier acceptable to Sublandlord. In the event Subtenant shall fail to discharge such lien, Sublandlord shall have the right, but not the obligation, to procure such discharge, and Subtenant shall immediately pay the cost of discharging such lien to Sublandlord, with interest thereon at a rate of ten percent (10%) per annum, upon written demand by Sublandlord. Such cost of discharging the lien shall include without limitation the cost of a bond which Sublandlord shall procure, any amounts paid to the lien claimant and attorneys' fees.

6.4 Signs. Any signs desired by Subtenant at the exterior of the Premises shall be considered Alterations regardless of whether or not such signs or modified signs meet the conditions of Section 6.1.1(a)-(d) above.

SECTION 7. REPRESENTATIONS AND WARRANTIES

7.1 Sublandlord's Representations and Warranties. Sublandlord represents and warrants to Subtenant on and as of the Effective Date of this Sublease, as follows:

7.1.1 Sublandlord is a political subdivision of the Commonwealth of Virginia duly formed, validly existing and in good standing under the laws of the Commonwealth of Virginia and has the requisite power and authority to enter into this Sublease and the instruments referenced herein, and to consummate the transactions contemplated hereby.

7.1.2 The execution, delivery and performance of this Sublease by Sublandlord and all agreements, instruments and documents herein provided to be executed by Sublandlord: (a) do not violate any contract, agreement, commitment, lease, order, judgment or decree to which Sublandlord is a party; and (b) have been duly authorized by the consent of Master Landlord, to the extent necessary. The individual(s) executing this Sublease and the instruments referenced herein on behalf of Sublandlord have the legal power, right and actual authority to bind Sublandlord to the terms and conditions hereof and thereof. This Sublease is valid and binding upon Sublandlord, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally.

7.1.3 Neither the execution, delivery or performance of this Sublease, nor the consummation of the transactions contemplated hereby, is prohibited by, or requires Sublandlord to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree, which is binding upon Sublandlord that has not been previously obtained.

7.1.4 Sublandlord is not a "foreign person," as such term is defined in Section 1445 of the Internal Revenue Code or any regulations promulgated thereunder, as amended.

7.1.5 A list of all leases, including the Master Lease, affecting the Premises on the date of this Sublease is attached to this Sublease as Exhibit "H," true, correct and complete copies of which have been delivered to Subtenant. Except as otherwise provided for in Exhibit "H," (i) the leases are in good standing and in full force and effect in accordance with their respective terms; (ii) the leases have not been modified, amended, terminated, renewed or extended, except as set forth in the applicable lease; and (iii) to Subtenant's actual knowledge, none of the parties to any lease is in default of any of its obligations thereunder and no event has occurred that, with the giving of notice or passage of time, or both, would constitute a default thereunder.

7.1.6 There is no litigation, arbitration or other legal or administrative suit, action, proceeding or investigation pending or threatened against or involving Sublandlord or the ownership or operation of the Premises.

7.1.7 Sublandlord has received no notice from any public authority of any eminent domain or condemnation proceedings conceding the Premises or any part thereof. Sublandlord further warrants that in the event it receives any such notice, it will promptly provide said notice to Subtenant.

7.1.8 Attached hereto as Exhibit "F" is a list of all contracts binding against the Buildings, Premises, or Property as of the date hereof, compliance with which Subtenant shall be responsible.

7.1.9 Sublandlord has not received notice of any material violation of any law or municipal ordinance, order or requirement noted or issued against the Premises by any governmental authority having jurisdiction over the Premises, that has not been cured, corrected or waived as of the Effective Date.

7.1.10 Sublandlord is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

7.1.11 The representations and warranties of Sublandlord set forth in this Section 7.1 shall survive throughout the Term of this Sublease and will not be affected by any investigation, verification or approval by any Party or anyone on behalf of any Party to this Sublease.

7.2 Subtenant's Representations and Warranties. Subtenant represents and warrants to Sublandlord on and as of the Effective Date of this Agreement as follows:

7.2.1 Subtenant is a stock corporation duly formed, validly existing and in good standing under the laws of the state of Virginia, is qualified to conduct business in the Commonwealth of Virginia and has the requisite power and authority to enter into this Sublease and the instruments referenced herein, and to consummate the transactions contemplated hereby.

7.2.2 The execution, delivery and performance of this Sublease by Subtenant and all agreements, instruments and documents herein provided to be executed by Subtenant on the Effective Date: (a) do not violate the articles of incorporation, bylaws, or other similar governance documents of Subtenant, or any contract, agreement, commitment, lease, order, judgment or decree to which Subtenant is a party; and (b) have been duly authorized by the consent of the Members of Subtenant and the appropriate and necessary action has been taken by such Members on the part of Subtenant. The individual(s) executing this Sublease and the instruments referenced herein on behalf of Subtenant have the legal power, right and actual authority to bind Subtenant to the terms and conditions hereof and thereof. This Sublease is valid and binding upon Subtenant, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally.

7.2.3 Neither the execution, delivery or performance of this Sublease, nor the consummation of the transactions contemplated hereby, is prohibited by, or requires Subtenant to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree, which is binding upon Subtenant that has not been previously obtained.

7.2.4 Subtenant is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations OFAC (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

7.2.5 During the Historic Compliance Period, no part of the Premises shall be used in such a manner that would cause: (a) the Premises to be treated as "tax-exempt use property," pursuant to Section 47(c)(2)(B)(v) of the Internal Revenue Code of 1986, as amended from time to time, and/or (b) the amount of Historic Tax Credits available to the Premises to be reduced, recaptured or disallowed in any amount.

7.2.6 During the Historic Compliance Period, no part of the Premises shall be subleased to a Developer Entity or an Affiliate of a Developer Entity.

7.2.7 The representations and warranties set forth in this Section 7.2 shall survive throughout the Term of this Sublease and will not be affected by any investigation, verification or approval by any party or anyone on behalf of any party to this Sublease.

SECTION 8. INSURANCE COVERAGE; INDEMNITY

8.1 **Insurance**.

8.1.1 *Subtenant's Insurance*.

(a) *Liability Insurance*. Subtenant shall obtain and keep in force a Commercial General Liability policy of insurance protecting Subtenant and Sublandlord as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the leasehold interest, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than One Million Dollars **($1,000,000.00)** per occurrence with an annual aggregate of not less than Two Million Dollars **($2,000,000.00)**. Subtenant shall add Sublandlord, Master Landlord, and the Lien Holders as an additional insured by means of an endorsement reasonably acceptable to Sublandlord, Master Landlord, and the Lien Holders, and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Sublease as an "insured contract" for the performance of Subtenant's indemnity obligations under this Sublease. The limits of said insurance shall not, however, limit the liability of Subtenant nor relieve Subtenant of any obligation hereunder. Subtenant shall provide an endorsement on its liability policy(ies), which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Sublandlord or Master Landlord.

(b) *Property Damage*. Subtenant shall procure at its cost and expense, and keep in effect, insurance coverage for all risks of physical loss or damage insuring the full replacement value of the Subtenant Improvements, Alterations and all items of Subtenant-owned property and trade fixtures. Such insurance shall be full replacement cost coverage with a deductible not to exceed One Thousand Dollars **($1,000.00)** per occurrence. Coverage shall include all perils found in the ISO "special" form or its equivalent, with no coinsurance and other endorsements deemed advisable by Sublandlord. The proceeds from any such insurance shall be used by Subtenant for the replacement of the Subtenant Improvements, Alterations and all items of Subtenant-owned personal property and trade fixtures.

(c) *Builder's Risk*. At any time during the pendency of the Subtenant Improvements or any Alterations, Subtenant shall maintain, or cause the contractor undertaking the Subtenant Improvements or Alterations to maintain, builder's risk insurance meeting the requirements set forth in Schedule "1".

(d) *Umbrella Policy*. Subtenant shall procure at its cost and expense, and keep in effect during the Term, umbrella liability coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) annual policy aggregate (or such higher amounts as may be reasonably consistent with the Permitted Use as Sublandlord shall from time to time determine). The umbrella policy shall name the Master Landlord, Sublandlord, Lien Holders, and any other parties in interest designated by Sublandlord, as additional insureds on a primary, non-contributory basis and not contributing with or in excess of any coverage which Master Landlord or Sublandlord may carry. The additional insured provision shall include premises and operations coverage per ISO form GC 2037 or equivalent.

(e) *Worker's Compensation*. Subtenant shall cause, or cause any affiliate which employs employees at the Premises, to the extent Subtenant does not employ any employees, to procure at its cost and expense, and maintain in effect during the Term, worker's compensation insurance in the amount required by applicable statutes.

(f) *Plate Glass*. Subtenant shall procure at its own cost and expense, Plate Glass Insurance, where applicable, naming the Master Landlord, Sublandlord, Lien Holders, and any other parties in interest designated by Sublandlord, as additional insureds.

(g) *Other Insurance*. Subtenant shall procure at Sublandlord's cost and expense, and keep in effect, any other insurance required by Master Landlord under the Master Lease (except for insurance covered by Sublandlord's Insurance noted below), any Lien Holders under the Project Loan Documents or otherwise reasonably required by Master Landlord or the Lien Holders.

8.1.2 *Sublandlord's Insurance*. Sublandlord shall, or shall cause Master Landlord to, maintain the following insurance during the Term of this Sublease (collectively referred to herein as "**Sublandlord's Insurance**"). All references to "Sublandlord" are replaced with "Master Landlord" as the context requires below, to the extent such insurance is carried by Master Landlord rather than Sublandlord:

(a) *Liability Insurance*. Sublandlord shall maintain liability insurance as described in Paragraph 8.1.1(a), in addition to, and not in lieu of, the insurance required to be maintained by Subtenant. Subtenant shall not be named as an additional insured therein.

(b) *Property Insurance*. Sublandlord shall obtain and keep in force a policy or policies of insurance in the name of Sublandlord, with loss payable to Sublandlord, Master Landlord and/or to any Lien Holder (as the Master Lease or Project Loan Documents may require) insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time (less the amount of the Subtenant Improvements or Alterations), or the amount required by any Lien Holder, but in no event more than the commercially reasonable and available insurable value thereof. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any applicable requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed Twenty-Five Thousand Dollars **($25,000.00)** per occurrence.

8.1.3 *Insurance Policies*. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide," or such other rating as may be required by Sublandlord. Neither Sublandlord nor Subtenant shall do or permit to be done anything which invalidates the insurance policies required hereunder. The Parties shall, prior to the Effective Date, deliver to the other Party certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification, except after ten (10) days prior written notice to Sublandlord or Subtenant, as applicable. Each Party shall, at least thirty (30) days prior to the expiration of such policies, furnish the other Party with evidence of renewals or "insurance binders" evidencing renewal thereof; in the event either Party fails to provide such evidence of renewal, the other Party may increase its liability insurance coverage and charge the cost thereof to the failing Party, which amount shall be payable by upon demand. Subtenant's policies shall be effective beginning no later than the day before the Commencement Date if neither the Subtenant nor their employees, contractors, or other agents (such employees, contractors, subcontractors, or other agents to be referred to hereafter as "**Subtenant's Affiliates**") intend to be physically present at the Premises prior to the Commencement Date. If Subtenant or Subtenant's Affiliates do intend to be physically present at the Premises prior to the Commencement Date , Subtenant's policies shall be effective beginning no later than one day before the Effective Date. The policies shall continue for a term of at least one (1) year, or the length of the remaining Term of this Sublease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same. Subtenant shall provide certificates of all insurance required to be carried by Subtenant no less than five (5) business days prior to the Commencement Date (or prior to the Effective Date, if Subtenant intends to be physically present at the Premises prior to the Commencement Date).

8.1.4 *Waiver of Subrogation*. Each of Sublandlord and Subtenant hereby releases the other, its respective officers, directors, employees, affiliated companies and agents, from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property covered by insurance which either party is required to maintain under this Sublease, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible. However, this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's insurance policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair such policies or prejudice the right of the releasor to recover thereunder. Each of Sublandlord and Subtenant agrees that any fire and extended coverage insurance policies shall include such a clause or endorsement as long as the same shall be obtainable without extra cost, or, if extra cost shall be charged therefor, so long as the other party pays such extra cost. If extra cost shall be chargeable therefor, each party shall notify the other party of the amount of the extra cost, and the other party, at its election, may pay the same, but shall not be obligated to do so.

8.2 Indemnity.

8.2.1 To the fullest extent permitted by applicable law, Subtenant covenants and agrees that Sublandlord shall not at any time or to any extent whatsoever be liable, responsible or in any way accountable for any loss, injury, death, or damage to persons or property which, at any time may be suffered or sustained by Subtenant or by any person who may at any time be using, occupying, or visiting the Premises or be in, on or about the Premises, from any cause whatsoever, except when such loss, injury, death or damage shall be caused by or in anywise result from or arise out of the gross negligence, recklessness, or intentional acts or omissions of Sublandlord. Furthermore, Subtenant shall forever indemnify, defend, hold and save Sublandlord free and harmless of, from and against any and all claims, liability, loss, damage, expenses and fees (including, without limitation, court costs and reasonable attorneys' fees) whatsoever caused by, related to, or on account of: (a) any loss, injury, death or damage occasioned by any cause other than Sublandlord's intentional or negligent acts or omissions; (b) Subtenant's breach of any of the terms or any of its obligations or representations or warranties under this Sublease (or any such breach caused by Subtenant's agents); and (c) any acts or omissions of Subtenant at the Premises, which are not permitted or prohibited pursuant to this Sublease. Subtenant hereby waives all claims against Sublandlord for damages to the Buildings and improvements now or hereafter located on the Property and to the property of Subtenant in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligence or intentional acts or omissions committed by Sublandlord. Subtenant's indemnity obligation set forth in this Section 8 shall survive the termination or expiration of this Sublease with respect to any claims or liabilities arising out of injury or damage to person or property which occurs during the Term or any time prior thereto during which Subtenant or its contractors, agents, employees, guests, or invitees (the "**Subtenant Parties**") are present at the Premises.

SECTION 9. DAMAGE AND DESTRUCTION (CASUALTY)

9.1 If the Premises or Buildings are destroyed or damaged by fire or other casualty so that Subtenant is unable to occupy or access the Premises and, (a) in Sublandlord's judgment reasonably exercised within thirty (30) days after the destruction or damage, repairs cannot be made within sixty (60) days after the date of the damage or destruction, (b) such fire or other casualty results in a termination of the Master Lease, or (c) the proceeds of the insurance carried by Sublandlord or Master Landlord under this Sublease (or the Master Lease, as applicable) are insufficient to restore the Premises to the condition required under this Sublease or any Lien Holder requires such proceeds be paid to such Lien Holder and are not released for restoration of the Premises, then Sublandlord may terminate this Sublease effective as of the date of the damage or destruction by giving Subtenant written notice within thirty (30) days of the date of the damage or destruction.

9.2 If Sublandlord does not terminate this Sublease as provided in Section 9.1 above, and provided that such event of casualty was not caused by the negligent or intentional acts of Subtenant or the Subtenant Parties, Sublandlord shall:

9.2.1 provide notice to Subtenant of the time Sublandlord reasonably expects such restoration to take, taking into consideration the severity of such casualty, the time for adjustment of loss and receipt of such insurance proceeds based on the involvement of the Master Landlord, Investor Member, and Lien Holders in such process (the "**Restoration Target Date**"), and

9.2.2 promptly thereafter, commence to rebuild, repair and restore the Premises and Buildings to the condition the same existed following completion of Sublandlord's Work (excluding any of the Subtenant Improvements and furniture, fixtures, equipment, personal property and Alterations undertaken by Subtenant, all of which shall be restored at Subtenant's sole cost and expense with the proceeds of the insurance carried at Section 8.1.1(b) above); provided, however,

(a) that if Sublandlord has not completed such restoration within thirty (30) days of the Restoration Target Date, subject to delays for Force Majeure Causes, Subtenant may, at its option, terminate this Sublease upon written notice to Sublandlord provided no later than sixty (60) days after the Restoration Target Date, but in no event after the actual restoration of the Premises by Sublandlord.

(b) Notwithstanding the foregoing, in the event Sublandlord has not taken commercially reasonable steps towards the commencement of rebuilding, repairing and restoring the Premises to its former condition within ninety (90) days of the date of the destruction or damage, subject to Force Majeure Causes, Subtenant shall have the right to terminate this Sublease by prior written notice to Sublandlord.

9.3 If the Premises shall be damaged in whole or in part such that during the last six (6) months of the Term Subtenant is unable to occupy or access the Premises or Building for its Permitted Use, then each of Sublandlord and Subtenant may, at its option, terminate this Sublease upon written notice to the other Party, provided that Subtenant shall not have such termination right if the damage was the result of the recklessness or intentional act of the Subtenant or any Subtenant Parties.

9.4 If the damage or destruction renders all or part of the Premises untenantable, Minimum Rent shall proportionately abate commencing on the date of the damage or destruction and ending on the date the Premises are delivered to Subtenant with Sublandlord's restoration obligation substantially complete. The extent of the abatement shall be based upon the portion of the Premises rendered untenantable, inaccessible or unfit for the Permitted Use.

SECTION 10. EMINENT DOMAIN

10.1 If Sublandlord receives notice of a proposed taking by eminent domain of any part of the Premises or twenty five percent (25%) or more of the Common Areas (including parking areas), Sublandlord will notify Subtenant of the proposed taking within ten (10) days of receiving said notice and Subtenant will have the option to: (i) declare this Sublease null and void and thereafter neither party will have any liability or obligation hereunder; or (ii) remain in possession of that portion of the Premises that will not be taken, in which event there shall be an equitable adjustment in Rent on account of the portion of the Premises so taken. With either option Subtenant shall have the right to pursue all available remedies at law or equity.

10.1.1 If this Sublease is not terminated as a result of any taking, Sublandlord shall restore the Premises to an architecturally whole unit to the extent permitted pursuant to the Project Documents (and if not permitted, this Sublease shall terminate effective as of the date of such taking); provided, however, that Sublandlord shall not be obligated to expend on such restoration more than the amount of condemnation proceeds actually received by Sublandlord or made available to Sublandlord.

10.2 Sublandlord shall be entitled to the entire award for any taking, including, without limitation, any award made for the value of the leasehold estate created by this Sublease. No award for any partial or entire taking shall be apportioned, and Subtenant hereby assigns to Sublandlord any award that may be made in any taking, together with any and all rights of Subtenant now or hereafter arising in or to such award or any part thereof; provided, however, that nothing contained herein shall be deemed to give Sublandlord any interest in or to require Subtenant to assign to Sublandlord any separate award made to Subtenant for its relocation expenses, the taking of personal property and fixtures belonging to Subtenant, the unamortized value of improvements made or paid for by

Subtenant or the interruption of or damage to Subtenant's business.

10.3 In the event of a partial taking that does not result in a termination of this Sublease as to the entire Premises, Minimum Rent shall be equitably adjusted in relation to the portions of the Premises and Buildings taken or rendered unusable by such taking.

SECTION 11. ASSIGNMENT AND SUBLETTING

11.1 Assignment and Subletting.

11.1.1 Subtenant may assign this Sublease, or any interest therein, at any time provided that:

(a) No Event of Default exists in the performance or observance of any agreement, covenant or condition of this Sublease on the part of Subtenant to be performed or observed as of the date of such assignment;

(b) The assignment shall be in writing, duly executed and acknowledged by Subtenant and the assignee, in form reasonably satisfactory to Sublandlord, providing that the assignee assumes and agrees to perform and observe all agreements, covenants and conditions of this Sublease on the part of Subtenant to be performed and observed;

(c) An executed original of such assignment shall be delivered to Sublandlord;

(d) As a condition to such assignment, unless the credit of such assignee is satisfactory to Sublandlord in Sublandlord's sole discretion, Subtenant shall require the assignee to provide financial security or a guarantor acceptable to Sublandlord, in Sublandlord's sole discretion;

(e) Such assignment shall be subject to the prior written approval of Master Landlord, Investor Member, and the Lien Holders; and

(f) The named Subtenant herein shall remain liable for the performance of all obligations of the Subtenant hereunder, unless otherwise consented to by Sublandlord in writing.

11.1.2 Subtenant shall have the right, in the regular and ordinary course of its business of maintaining and operating the Premises and improvements now or hereafter located on the Premises, to sub-sublease any offices, stores, spaces or related facilities of the Premises and improvements for any use permitted hereunder; provided, however, that: (i) each such sub-sublease shall be subject and subordinate to this Sublease and the rights of Sublandlord hereunder, (ii) each such sub-sublease shall state that, in the event of a termination of this Sublease, Sublandlord, at Sublandlord's sole election, may elect to treat such sub-sublease as a direct lease between Sublandlord and such sub-subtenant, and such sub-subtenant shall attorn to Sublandlord thereafter, (iii) Subtenant shall remain liable for all obligations of the Subtenant hereunder notwithstanding such other sub-sublease(s), and (iv) such sub-sublease shall be subject to the prior consent of Sublandlord. No sub-sublease may extend beyond the term of this Sublease. Subtenant hereby assigns all rents and proceeds of the sub-subleases payable to Subtenant pursuant to the sub-subleases (the "**Sub-Sublease Rent**"), as a present assignment; provided, however, that prior to an Event of Default Subtenant shall have the right to receive and retain all Sub-Sublease Rent, and use the Sub-Sublease Rent to pay Rent, vendors, managers, and investors and other distributions and or pay-out all amounts collected as is in the normal course of business and is in reasonable and/or good faith custom and practice based on the then current circumstances, and/or as otherwise permitted in law or equity. Following an Event of Default, in addition to all other remedies of Sublandlord hereunder, Sublandlord may deliver written notice to each sub-subtenant, directing such sub-subtenant(s) to remit payments directly to Sublandlord, in which case Subtenant's right to collect, apply, utilize, or distribute Sub-Sublease Rent shall terminate.

SECTION 12. DEFAULT; REMEDIES OF THE PARTIES

12.1 Subtenant's Defaults. It shall be an event of default hereunder (each an "**Event of Default**") if:

12.1.1 default shall be made by Subtenant in the punctual payment of any Rent or other monies due hereunder and shall continue for a period of ten (10) days after written notice thereof to Subtenant, provided that Sublandlord shall not be required to provide written notice to Subtenant more than one (1) time per calendar year;

12.1.2 default shall be made by Subtenant in the performance or observance of any of the other agreements, covenants or conditions of this Sublease on the part of Subtenant to be performed and observed, or any of Subtenant's representations or warranties set forth herein is discovered to be materially false or untrue, and such default or misrepresentation shall continue for a period of thirty (30) days after written notice thereof to Subtenant, or, in the case of a default which cannot be cured by the payment of money and cannot be cured within thirty (30) days, shall continue for an unreasonable period after such written notice;

12.1.3 default shall be made by Subtenant under Section 1.3.1(b)-(d) herein, which default shall give Sublandlord an immediate right to terminate this Sublease under Section 12.1.2 below, provided, however, that if the documents or requirements referenced in Section 1.3.1(b)-(d) provide for a notice and cure period for Sublandlord, then Sublandlord shall provide any notice received by Sublandlord in connection with such default and afford Subtenant the same cure period afforded to Subtenant in connection therewith, less ten (10) days, it being the express intent of the Parties that if such defaults result in immediate damages, losses, costs, or expenses to Sublandlord without notice or cure rights from any Party, Subtenant shall not have any notice or cure rights with respect to such defaults;

12.1.4 Subtenant shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to, or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises;

12.1.5 a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Subtenant or of the whole or any substantial part of the Premises, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside;

12.1.6 a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Subtenant under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or

12.1.7 under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Subtenant or of the whole or any substantial part of the Premises, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

Notwithstanding any of the foregoing notice and cure periods to the contrary, to the extent such default by Subtenant results in or causes a Sublandlord default under the Master Lease or a default of Sublandlord under any Project Documents, the applicable notice and cure period shall be five (5) days less than the corresponding notice and cure period in the Master Lease, Project Documents. Upon the occurrence of any Event of Default by Subtenant hereunder, Sublandlord shall have the remedies set forth in Section 12.2, in addition to all other rights and remedies of Sublandlord provided hereunder or by law or equity.

12.2 Sublandlord's Remedies.

12.2.1 In the event of a Subtenant Event of Default, Sublandlord may elect to terminate this Sublease or, without terminating this Sublease, terminate Subtenant's right to possession of the Premises:

(a) Upon any such termination, Subtenant shall immediately surrender and vacate the Premises and deliver possession thereof to Sublandlord in the condition required for surrender as provided herein. Subtenant grants to Sublandlord the right to enter and repossess the Premises and to expel Subtenant and any others who may be occupying the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass and without relinquishing Sublandlord's rights to Rent, other amounts due to Sublandlord from Subtenant, or any other right given to Sublandlord hereunder or by operation of law.

(b) If Sublandlord terminates Subtenant's right to possession of the Premises without terminating this Sublease, Sublandlord may relet the Premises or any part thereof.

(c) In such case, Sublandlord shall use reasonable efforts to mitigate Subtenant's damages and to relet the Premises on such terms as Sublandlord shall reasonably deem appropriate.

(d) Subtenant shall reimburse Sublandlord for the reasonable costs and expenses of reletting the Premises, including, but not limited to, all brokerage, advertising, legal, alteration, repairs and other expenses incurred to secure a new tenant for the Premises, which shall include any tenant improvement work for a replacement tenant or tenants for the Premises or a portion thereof.

(e) If: (i) the consideration collected by Sublandlord upon any such reletting, after payment of the expenses of reletting the Premises which have not been reimbursed by Subtenant, together with any rent payable by any sub-sublessees which will remain at the Premises and attorn to Sublandlord following termination of this Sublease pursuant to Section 11.1.2 above, is insufficient to pay monthly the full amount of the Rent, or (ii) Sublandlord is during any time unable to relet the Premises or any part thereof, then, Subtenant shall pay to Sublandlord the amount of each monthly deficiency as it becomes due (which, for avoidance of doubt, will be the full amount of the Rent if the Premises are not relet at such time). If such consideration is greater than the amount necessary to pay the full amount of the monthly Rent, the full amount of such excess shall be retained by Sublandlord and shall in no event be payable to Subtenant.

12.2.2 In the event Sublandlord terminates this Sublease, Sublandlord may recover from Subtenant and Subtenant shall pay to Sublandlord, on demand, as and for liquidated damages, an accelerated lump sum equal to the amount by which Sublandlord's reasonable estimate of the aggregate amount of Rent owing and actually unpaid from the date of such termination through the stated expiration date of the Term hereof plus Sublandlord's estimate of the aggregate expenses of reletting the Premises; provided that the foregoing amount shall be decreased by the amount of rent payable by any sub-sublessees which will remain at the Premises and attorn to Sublandlord following termination of this Sublease pursuant to Section 11.1.2 above.

12.2.3 If any Event of Default of Subtenant may be cured by the taking of an action or payment of an amount by Sublandlord, Sublandlord shall have the right, but not the obligation, to take such action or pay such amount necessary to cure the Event of Default at the expense of Subtenant, in which case Subtenant shall reimburse Sublandlord for Sublandlord's actual and reasonable out of pocket costs and expenses incurred in curing such Event of Default, within thirty (30) days of receipt of documentation of such out of pocket costs and expenses.

12.2.4 Any and all remedies in favor of Sublandlord as set forth in this Sublease: (i) shall be in addition to any and all other remedies Sublandlord may have at law or in equity; (ii) shall be cumulative; and (iii) may be pursued successively or concurrently as Sublandlord may elect. The exercise of any remedy by Sublandlord shall not be deemed an election of remedies or preclude Sublandlord from exercising any other remedies in the future.

12.2.5 In the event Sublandlord elects to terminate this Sublease, Subtenant shall be automatically and forever, released from liability hereunder, if:

(a) the total amount collectable from Subtenant's business activities, which activities are legally transferred and assigned to Sublandlord and Sublandlord agrees to accept and assume the same, together with the Sub-Sublease Rent is in excess of Rent as defined herein; and

(b) Subtenant surrenders possession of the Premises to Sublandlord and vacates the Premises in the conditions required as set forth herein; and

(c) all sub-subleases contain provisions requiring the sub-subtenants to attorn to Sublandlord, Subtenant sends notices to such sub-subtenants to pay rent to Sublandlord, and the sub-subtenants remain at the Premises and agree to attorn to and make Sub-Sublease payments to Sublandlord.

12.3 Late Charge. Subtenant acknowledges that Subtenant's failure to pay any installment of Rent or any other amounts due under this Sublease as and when due may cause Sublandlord to incur costs not contemplated by Sublandlord when entering into this Sublease, the exact nature and amount of which would be extremely difficult and impracticable to ascertain. Accordingly, if any installment of Rent or any other amount due under the Sublease is not received by Sublandlord as and when due, then, without any notice to Subtenant, Subtenant shall pay to Sublandlord an amount equal to Two and One Half Percent (2.5%) of the past due amount, which the Parties agree represents a fair and reasonable estimate of the costs incurred by Sublandlord as a result of the late payment by Subtenant, and shall not be considered a penalty or punitive damages.

12.4 Default Interest. In the event that Subtenant shall fail to pay any amount of Minimum Rent, Additional Rent, or any other monetary obligations owed to Sublandlord hereunder within ten (10) days of the date that such amounts are due and payable, Subtenant shall pay to Sublandlord, in addition to such amounts, interest thereon at Two Percent (2%) above the "**prime rate**" of interest announced to the public from time to time by the Wall Street Journal, or the maximum interest rate permitted by law, whichever is less ("**Interest Rate**"), from the first day of the month in which such monetary obligation was payable to the date of actual payment thereof by Subtenant to Sublandlord.

12.4 Subtenant's Remedies.

12.4.1 Sublandlord's Defaults. Sublandlord shall be in default in the performance of any obligation required to be performed by Sublandlord under this Sublease if Sublandlord has failed to perform such obligation within thirty (30) days after the receipt of written notice from Subtenant specifying in detail Sublandlord's failure to perform; provided, however, that if the nature of Sublandlord's obligation is such that more than thirty (30) calendar days are required for its performance, Sublandlord shall not be deemed in default if it shall commence such performance within thirty (30) days and thereafter diligently pursues the same to completion.

12.4.2 Subtenant Remedies. Upon any such default by Sublandlord, Subtenant shall have the right, but not the obligation, to cure the default at the expense of Sublandlord, in which case Sublandlord shall reimburse Subtenant for Subtenant's actual and reasonable out-of-pocket costs and expenses incurred in curing such default, within thirty (30) days of receipt of documentation of such out-of-pocket costs and expenses. If Sublandlord fails to reimburse Subtenant for such amount within such thirty (30) day period, Subtenant shall be entitled to collect interest at the Interest Rate from the date the costs were incurred by Subtenant until paid by Sublandlord.

SECTION 13. GENERAL PROVISIONS

13.1 Estoppel Certificates. Subtenant or Sublandlord, as the case may be, will execute, acknowledge and deliver to the other and/or to Master Landlord and any Lien Holder, as applicable, promptly upon request, an estoppel certificate certifying:

13.1.1 The Sublease is unmodified and in full force and effect (or, if there have been modifications, that the Sublease is in full force and effect, as modified, and stating the modifications);

13.1.2 The dates, if any, to which the Minimum Rent, Additional Rent, and other monetary obligations have been paid;

13.1.3 Whether there are then existing any charges, offsets or defenses against the enforcement by Sublandlord of any agreement, covenant or condition hereof on the part of Subtenant to be performed or observed (and, if so, specifying the same);

13.1.4 Whether there are then existing any defaults by Sublandlord or Subtenant, as applicable, in the performance or observance of any agreement, covenant or condition hereof on the part of Sublandlord or Subtenant, as applicable, to be performed or observed and whether any notice has been given to Sublandlord or Subtenant, as applicable, of any default which has not been cured (and, if so, specifying the same); and

13.1.5 Any such certificate may be relied upon by Master Landlord, any Lien Holder and a prospective purchaser, mortgagee or trustee under a deed of trust of the Premises or any part thereof.

13.2 Third Party Rights. Nothing herein is intended to nor shall be construed to create any rights of any kind whatsoever in third persons or entities not parties to this Sublease.

13.3 No Partnership. It is expressly understood and agreed that Sublandlord does not, in any way or for any purpose by executing this Sublease, become a partner of Subtenant in the conduct of Subtenant's business, or otherwise, or a joint-venturer or a member of a joint enterprise with Subtenant.

13.4 Successors. The provisions herein contained to be performed, fulfilled, observed and kept shall be binding upon the successors and assigns of the Parties hereto, and the rights hereunder, and all rights, privileges, and benefits arising under this Sublease and in favor of either Party shall be available in favor of the successors and assigns thereof, respectively; provided that no assignment by or through Subtenant in violation of the provisions of this Sublease shall vest any rights in such assignee or successor.

13.5 Real Estate Brokers. Subtenant and Sublandlord each represent that it has not had dealings with any real estate broker, finder or other similar person with respect to this Sublease in any manner. To the extent permitted by law, Subtenant and Sublandlord each shall indemnify the other from all claims that may be asserted against the other by any broker, finder or other similar person with whom it has or purportedly has dealt.

13.6 Notices. Except as otherwise provided hereunder, any notice or communication to Sublandlord, Subtenant or Lender shall be in writing and be mailed by: (i) certified mail, postage prepaid, or (ii) reputable overnight courier, postage prepaid.

13.6.1 Notices or communications shall be addressed to Sublandlord at the address set forth on Schedule "4" hereto or such other address or addresses as Sublandlord shall from time to time designate, or to such agent of Sublandlord as it may from time to time designate, by notice in writing to Subtenant.

13.6.2 Notices or communications shall be addressed to Subtenant at these address set forth on Schedule "4" hereto or such other address or addresses as Subtenant shall from time to time designate, or to such agent of Subtenant as it may from time to time designate, by notice in writing to Sublandlord. Notices or communications to Lender shall be addressed to Lender at such address as Lender shall from time to time designate by notice in writing to Sublandlord.

13.6.3 Any notice mailed in the manner above set forth shall be deemed to have been received: (a) on the third business day following deposit with the United States Postal Service by certified mail, postage prepaid; or (b) on the next business day following deposit with reputable overnight courier for overnight delivery, postage prepaid.

13.7 Severability. In case any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Sublease, but this Sublease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

13.8 Time of the Essence. Time is of the essence of each and all of the agreements, covenants and conditions of this Sublease.

13.9 Consents. Whenever in this Sublease the consent or approval of either Sublandlord or Subtenant is required or permitted, except where a different standard is expressly set forth herein, the Party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval.

13.10 Attorney's Fees. Except as otherwise provided in this Sublease, in the event of any action or proceeding at law or in equity between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Party hereunder, each of the Parties shall be solely responsible for payment of its respective costs, expenses, and attorneys' fees.

13.11 Integration. This instrument constitutes the entire agreement between Sublandlord and Subtenant with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written. This Sublease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Sublandlord and Subtenant.

13.11.1 No representation, covenant or other matter, oral or written, that is not expressly set forth in this Sublease, or in documents expressly referred to in this Sublease, shall be a part of, modify or affect this Sublease; provided, however, that this Sublease may be modified at the sole discretion of each of Sublandlord and Subtenant if the modification is in writing, executed by Sublandlord and Subtenant.

13.11.2 It is expressly acknowledged, understood and agreed that neither Sublandlord nor Subtenant shall have any obligation whatsoever to amend or revise any term or condition of this Sublease, including, without limitation, any amendment or revision to the Permitted Use or to the Term or Rent, or that may in any respect modify any rights or obligations of Sublandlord or Subtenant under the provisions of this Sublease.

13.12 Amendments. This Sublease may be modified only in writing and if only signed by the Parties at the time of the modification.

13.13 Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Danville, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to, this Lease, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts (except for appeals thereof, which shall be heard or determined in the applicable appellate courts). The parties agree that a final, non-appealable judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other matter provided by applicable law related to the enforcement of judgments.

13.14 Non-Waiver. If any action or proceeding is instituted or if any other steps are taken by Sublandlord or Subtenant, and a compromise part payment or settlement thereof shall be made, either before or after judgment, the same shall not constitute or operate as a waiver by Sublandlord or Subtenant of any agreement, covenant or condition of this Sublease or of any subsequent breach thereof.

13.14.1 No waiver of any Event of Default under this Sublease shall constitute or operate as a waiver of any subsequent Event of Default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Sublease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege or option hereunder. No waiver of any provision hereof by Sublandlord or Subtenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by Sublandlord or Subtenant, as the case may be.

13.14.2 The receipt by Sublandlord of Rent with knowledge of any Event of Default under this Sublease shall not constitute or operate as a waiver of such Event of Default. Payment by Subtenant or receipt by Sublandlord of a lesser amount than the stipulated Rent or other sums due Sublandlord shall operate only as a payment on account of such Rent or other sums.

13.14.3 No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is approved in writing by Sublandlord, and Sublandlord may accept such check, remittance or payment without prejudice to its right to recover the balance of any Rent or other sums due by Subtenant and pursue any remedy provided under this Sublease or by law.

13.15 No Merger.

13.15.1 There shall be no merger of the leasehold estate created by this Sublease with any other estate in the Premises, including the fee estate, by reason of the fact that the same person may own or hold the leasehold estate created by this Sublease, or an interest in such leasehold estate, and such other estate in the Premises, including the fee estate, or any interest in such other estate; and no merger shall occur unless and until Sublandlord, Subtenant and any Lender shall join in a written instrument effecting such merger and shall duly record the same.

13.15.2 No termination of this Sublease shall cause a merger of the estates of Sublandlord and Subtenant, unless Sublandlord so elects and any such termination shall, at the option of Sublandlord, either work a termination of any sublease in effect or act as an assignment to Sublandlord of Subtenant’s interest in any such sublease.

13.16 Force Majeure. In the event that Subtenant or Sublandlord is delayed, directly or indirectly, from the performance of any act required under the terms hereof (other than the payment of Rent or other money due from one Party to the other) by acts of God, accidents, fire, floods, inclement weather, governmental action, restrictions, priorities, or allocations of any and all kinds, strikes or labor difficulties of any and all kinds, shortages of or delay in the delivery of material, acts of war, riot and civil commotion, or by any similar cause reasonably beyond the control of Subtenant or Sublandlord ("**Force Majeure Causes**"), as the case may be, such failure shall not be deemed to be a breach of this Sublease or a violation of any such covenants and the time within which Subtenant or Sublandlord must perform any said act shall be extended by a period of time equal to the period of delay arising from Force Majeure Causes.

13.16 Severability. If any part of this Sublease is determined to be unenforceable, the remainder of the Sublease shall be unaffected and remain valid, enforceable and in full force and effect.

[signature page follows]

IN WITNESS WHEREOF, intending to be bound by the terms, conditions, and provisions contained herein, the Parties have executed this COMMERCIAL SUBLEASE as of the Effective Date.

SUBLANDLORD:

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

By: ______________________________
Name: ______________________________
Title: ______________________________

SUBTENANT:

BLUE COW, INC.,
a Virginia stock corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT "A-1"

LEGAL DESCRIPTION OF PREMISES; PROPERTY

Premises: A portion of Unit No. 1, identified in the “White Mill” Condominium Plat as “10’x12’ Conc. Bldg.” and 17’x36’ Conc. Bldg., commonly known as the Guard Shack and Clinic Building respectively, and including the addition identified in the Approved Alterations (Exhibit “E”).

Property: A portion of that certain parcel designated as Unit No. One (1) in the Declaration for White Mill Condominium and the exhibits attached thereto (collectively, the “Declaration”) recorded in the Clerk’s Office of the Circuit Court of the City of Danville, Virginia, on December 7, 2022 as Instrument No. 220005004, together with all appurtenances, rights, and privileges thereto belonging contained and defined in the Declaration, including, but not limited to, the rights in the Common Elements and the Limited Common Elements applicable to the Unit.

EXHIBIT "A-2"

SURVEY OF PROPERTY

[See Attached]

EXHIBIT "B"

CONDO DOCUMENTS

[See Attached]

EXHIBIT "C"

PERMITTED EXCEPTIONS

[See Attached]

EXHIBIT "D"

PROHIBITED USES

- Any use with external storage (with the exception of outdoor recreational equipment)
- Discount or convenience related retail exceeding 1% of total commercial SF
- Low income housing that exceeds 45% of total number of residential units
- Pawn shops
- Interior or exterior gun ranges
- Heavy industrial uses that require heavy truck traffic
- Industrial uses that emit odors and loud noises
- Any end use that requires exterior security fencing that prohibits pedestrian access to the site and the river.
- Gas stations
- Automobile or vehicle repair shops (standard body shops)
- Car lots
- Salvage yards/Junk yards
- Prisons, jails, and detention centers
- Halfway Houses
- Uses that require significant interior storage of construction equipment or raw materials (other than for the redevelopment of the building)
- Exterior agricultural uses
- Mini-storage warehousing that exceeds 33% any individual floor and 25% of the building
- Adult novelty stores

EXHIBIT "E"

APPROVED ALTERATIONS

[See Attached]

EXHIBIT “E”
COMMERCIAL SUBLEASE

EXHIBIT "F"

LIST OF LEASES AND CONTRACTS

[See Attached]

SCHEDULE "1"

BUILDER’S RISK INSURANCE REQUIRMENTS

[See Attached]

SCHEDULE "2"

MINIMUM RENT; ADDITIONAL RENT (10 Year Term)

[See Attached]

SCHEDULE "3"

COMMENCEMENT DATE NOTICE

[See Attached]

SCHEDULE "4"

NOTICE ADDRESSES

Any Notice required by the provisions of this Sublease to be given to Sublandlord shall be addressed as follows:

DANVILLE IDA	
Industrial Development Authority of Danville, Virginia c/o Office of the City Attorney City of Danville, Virginia (427 Patton Street, Room 421 – zip code 24541) P. O. Box 3300 Danville, Virginia 24543	With a copy to: Office of the City Attorney City of Danville, Virginia (427 Patton Street, Room 421 – zip code 24541) P. O. Box 3300 Danville, Virginia 24543
MASTER LANDLORD	
WHITE MILL MT 1, LLC c/o The Alexander Company 2450 Rimrock Road, Suite 100 Madison, Wisconsin 53713 Attention: Joseph M. Alexander	With copies to: MICHAEL BEST & FRIEDRICH LLP One South Pinckney Street, Suite 700 Madison, WI 53703 Attention: Kevin A. Martin, Esq.
	Chase Community Equity, LLC c/o JPMorgan Chase Bank, N.A. 10 S. Dearborn, 19th Floor Mail Code: IL1-0953 Chicago, Illinois 60603-5506 Attention: HTC Asset Management Facsimile: (312) 325-5050 Email: cdb.htc.assetmanagement@chase.com Project Name: White Mill (VA)
	Chase Community Equity, LLC c/o JPMorgan Chase Bank, N.A. 560 Mission Street, 3rd Floor San Francisco, California 94105 Attention: Keith Pettus Telephone: (415) 315-8488 Email: keith.pettus@chase.com Project Name: White Mill (VA)
	Buchalter, a Professional Corporation 1000 Wilshire Boulevard, Suite 1500 Los Angeles, California 90017

	Attention: C. Tyler Ohanian, Esq. Telephone: (213) 891-5041 Email: tohanian@buchalter.com Project Name: White Mill (VA) (J0732-0105)
SUBTENANT	Blue Cow, Inc. Jason Kiser PO BOX 18001, Roanoke, VA 24014
	With a copy to:

SCHEDULE “4”
COMMERCIAL SUBLEASE

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Samantha Bagbey, Project Manager

RE: 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 527 Bridge Street, Suite 221.

Summary

This agenda item requests IDA approval for tenant improvements to Suite 221 at 527 Bridge Street by the City of Danville Information Technology Department. The proposed improvements would be completed at no cost to the IDA and would allow the tenant to renovate two small rooms within the training area for more practical use.

Background

The City of Danville Information Technology Department has requested approval to renovate two small rooms located within the training room at Suite 221, 527 Bridge Street. The rooms currently contain toilets but are not being used, and will not be needed, as restrooms. IT has proposed converting one room into a break room for the training area and the other into a storage room.

Public Works recently inspected the rooms and found that one of the toilets was without water. IT was advised that unused plumbing fixtures in this condition could allow potentially harmful sewer gases to enter the building. With IDA approval, Public Works has confirmed that its staff can complete the requested work.

The proposed scope includes removing the two toilets, properly addressing the associated plumbing, replacing severely stained flooring in both rooms, removing existing restroom-related items from the walls, and patching and painting the walls as needed. These improvements would address the concern associated with the unused plumbing while allowing IT to make practical use of the rooms in support of training activities.

Recommendation

Staff recommends that the IDA approve the requested tenant improvements at Suite 221, 527 Bridge Street, allowing the City of Danville Information Technology Department and Public

Works to complete the renovations at no cost to the IDA.

ATTACHMENTS

1. Res - 2932 IT Renovations at 527 Bridge St Ste 221
2. IDA Request for Renovation Letter

PRESENTED: September 8, 2026
ADOPTED: September 8, 2026

RESOLUTION NO. 2026- ____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING TENANT IMPROVEMENTS TO ITS COMMERCIAL BUILDING AT 527 BRIDGE STREET, SUITE 221 AT THE TENANT'S EXPENSE.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia, that it hereby approves and authorizes the City of Danville to make improvements to an IDA commercial building located at 527 Bridge Street, Suite 221 at the tenant's expense which includes removing bathrooms within the space to expand training services; and

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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

CITY OF DANVILLE
Information Technology

July 28, 2026

IDA Board Members
Industrial Development Authority
City of Danville

Re: Request for Approval of Renovations at Studio 221, 527 Bridge Street

Dear IDA Board Members:

The Information Technology Department is requesting the IDA's approval to renovate two small rooms located within the training room at Studio 221. These rooms currently contain toilets but are not used—and will not be needed—as restrooms. IT would like to convert one room into a breakroom for the training area and the other into a storage room.

Public Works recently inspected the rooms and one of the toilets was found without water. We were advised that unused plumbing fixtures in this condition could allow potentially harmful sewer gases to enter the building. Public Works has confirmed that, with the IDA's approval, its staff can complete the requested work.

The proposed work includes:

- Removing the two toilets and properly addressing the associated plumbing;
- Replacing the severely stained flooring in both rooms;
- Removing the existing restroom-related items from the walls; and
- Patching and painting the walls as needed.

These improvements would address the concern associated with the unused plumbing while allowing IT to make practical use of the two rooms in support of training activities.

We respectfully request the IDA Board's approval for Public Works to complete the proposed renovations at no cost to the IDA. Thank you for your consideration.

Sincerely,
Laurie Weaver
Division Director, Client and Administrative Services
Information Technology Department

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Samantha Bagbey, Project Manager

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a contract with CPL Architecture, Engineering, Planning in an amount not to exceed D $240,000 for architecture, engineering, and development services at the property identified as 231 Main Street, Danville, Virginia.

Item

Consideration of approval of a professional services agreement with CPL Engineers and Architects, PC for architectural and engineering services for the 231 Main Street project, also known as "The Bridge," in an amount not to exceed $240,000.

Background

The Industrial Development Authority controls the property located at 231 Main Street in Danville's River District. The property has been identified as a redevelopment opportunity intended to return the parcel to productive use and support continued commercial activation within the district. The IDA approved to move forward with conceptual designs through Beechgrove in 2024.

The current concept for the site, known as "The Bridge," includes food and beverage spaces, micro-retail business spaces, anchor tenant spaces, outdoor dining, plaza areas, landscaping, and related site amenities.

The attached proposal from CPL Engineers and Architects, PC, provides for full architectural and engineering services to develop final construction drawings from the conceptual plans completed in April 2025. The scope includes pre-design, schematic/design development, construction documents, bidding, construction administration, and closeout. The proposed fee for services is $240,000.

Recommendation

Staff recommends that the Industrial Development Authority approve the professional services agreement with CPL Engineers and Architects, PC for architectural and engineering services for the 231 Main Street project in an amount not to exceed $240,000,

ATTACHMENTS

1. Res - 2933 CPL Arch 231 Main St
2. 260813 Danville 231 Main Proposal
3. Screenshot 2026-08-18 113753
4. Screenshot 2026-08-18 113805

PRESENTED: September 08, 2026
ADOPTED: September 08, 2026

RESOLUTION NO. 2026-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A CONTRACT WITH CPL ARCHITECTURE, ENGINEERING, PLANNING IN AN AMOUNT NOT TO EXCEED $240,000 FOR ARCHITECTURE, ENGINEERING, AND DEVELOPMENT SERVICES FOR THE PROPERTY IDENTIFIED AS 231 MAIN STREET.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA) that it does hereby approve and authorize entering into a contract with CPL Architecture, Engineering, Planning in an amount not to exceed Two Hundred Forty Thousand dollars ($240,000) for the architecture, engineering, and development services at 231 Main Street in a form approved by the Chairman, the Office of Economic Development, and the City Attorney; and

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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

CPL
ARCHITECTURE
ENGINEERING
PLANNING
CPLteam.com

August 13, 2026

Mr. T. Neal Morris
Industrial Development Authority of Danville
The City of Danville
420 Memorial Drive, Ste 200
Danville, VA 24541

RE:	**OWNER**	The City of Danville, Virginia
	PROJECT NAME	231 Main Street Architectural & Engineering Services

Dear Mr. Morris:

We are pleased to submit the attached proposal to provide architectural and engineering services for the 231 Main Street project located in downtown Danville, Virginia. Our proposal is based on the conceptual designs completed in April 2025.

For your convenience, we separated our proposal into four sections: Project Understanding, Scope of Services, Method of Compensation, and Signature.

Please do not hesitate to contact us with any questions or comments that you might have.

Sincerely,

CPL Engineers and Architects, PC

Lee A. Shadbolt
Joshua R Wheeler

Lee A. Shadbolt, AIA, NCARB
Principal
804-640-5994

Joshua R. Wheeler, AIA, NCARB
Project Manager, Principal
336-613-1170

PROJECT UNDERSTANDING

The following proposal is based on our understanding of the scope of the project as follows:

The City of Danville seeks full architectural and engineering services to develop final construction drawings from the conceptual plans created by Beechgrove Design for the site located at 231 Main Street. The vision for this site is to create a vibrant space that offers food, beverage, and micro-retail opportunities for entrepreneurs, while seamlessly integrating with Main Street Plaza. The project aims to foster economic development by enhancing opportunities for small businesses, tourists, and community members, and contributing to the revitalization of the downtown area. This will require review and integration of the landscape architect's design, code compliance for detailed drawings and specifications for bidding and construction, permitting and budget creation.

The site previously housed a single-story building which has been demolished. The new buildings planned for the site will have an approximate area of 3,000-4,000 square feet or less. Current program elements include:

- Food & Beverage building with patio seating area
- Micro-retail business spaces & seasonal event spaces
- Three anchor tenant spaces
- Sidewalks, patios with pavers, raised planters, landscaping, site walls, fencing, dumpster enclosure, benches, water feature, fire feature, crushed gravel courtyard, & outdoor seating areas.

The proposed one-story buildings are anticipated to be steel stud framed with structural steel columns on standard poured concrete foundations. The exterior is a brick veneer and wood or fiber cement siding with punched windows. The rooftops will most likely be flat to support rooftop mechanical equipment.

The civil engineering and site planning design services include refining the conceptual parking & site layout as well as documenting all required utilities.

Landscape architecture services include foundation plantings, hardscape & landscaping of the patio, pathway lighting, and site lighting for the parking areas.

All work will be designed per the requirements of the 2021 Virginia Uniform Statewide Building Code and the 2010 edition of the Americans with Disabilities Act or 2017 ICC 117.1.

The proposed project team for this project includes the following firms:

- CPL – Architecture, Interiors, Mechanical, Electrical, Plumbing and Fire Protection Engineering (MEP/FP)
- McPherson Design Group - Structural Engineering
- Timmons Group - Civil Engineering
- Beechgrove Design - Landscape Architecture

- Palacio - Cost Estimating

SCOPE OF SERVICES

A. BASIC SERVICES

1. Pre-Design Phase
   a. Kickoff Meeting
   Design team will attend a kickoff meeting with the City of Danville's stakeholders & representatives to establish project goals and schedule.
   b. Data Collection
   CPL will collect past studies, narratives and drawings related to the project and site as well as assist in coordinating the site survey and evaluation using the Owner's surveyor or Timmons. Utility location and Geotechnical are also recommended.
   c. Cost Estimate
   CPL will create an initial cost estimate using the April 2025 concept package to establish a baseline budget.
   d. Design
   CPL will continue the vision for the overall project as established by the City of Danville and Beechgrove Design in April 2025. CPL will begin basic floor plans, building elevations, site/parking configurations, and 3D renderings for the development of architectural elements including overall configuration, building massing, and preliminary building material palette to be refined in the SD/DD and CD Phases.

2. Schematic/Design Development Phase
   a. Design
   Based on the approved conceptual design, CPL will develop design concepts in detail as they relate to actual construction for the architectural, mechanical/electrical/plumbing engineering and structural engineering concepts. Preliminary finish plan designating types of materials will be provided.
   b. 50% Design Workshop #1
   CPL will deliver a 50% PDF of all disciplines to the City of Danville and hold a page turn with stakeholders. Comments will be incorporated.
   c. Building Code Analysis
   Based upon the approved design concept, CPL will further develop the building code analysis of the buildings and prepare life safety plans. Associated with this analysis, CPL will provide interface with the City of Danville's Building Plan Review as necessary.
   d. 100% Design Workshop #2—Presentation and Approval
   At the conclusion of this phase, CPL will present the combined Schematic/Design Development package with recommendations to the City of Danville

stakeholders. Prior to proceeding to Construction Documents, CPL will request written approval of the Design Development documents as well as approval of the budget. Limited "Value Engineering" is include in the scope of work.

e. Design Meetings
The design team will meet regularly (bi-weekly to monthly) with the owner and owner's representatives to review the project schedule as well as current designs and development. These meetings shall continue through design development and construction document phases.

f. Cost Estimate
At the completion of Schematic/Design Development, CPL will provide an updated cost estimate.

3. Construction Documents

a. Architectural
Based upon the approved Design Development documents and approved budget, CPL will develop detailed architectural, interior architectural, structural engineering, mechanical/plumbing/electrical engineering working drawings and specifications for the project. When the drawings reach 50% completion, we will provide progress drawings and specifications (including engineering drawings and specifications) for review, comment and written approval to proceed to the next stage in the process. Project specifications will be developed.

b. 50% CD Design Workshop #3
CPL will deliver 50% PDF progress drawings of all disciplines to the City of Danville and hold a page turn with stakeholders. Comments will be incorporated.

c. 90% CD Design Workshop #4
CPL will present 90% PDF progress drawings to the City of Danville Stakeholders and hold a page turn for final coordination prior to issuance of the Permit Set.

d. Consultant Coordination
It is understood that outside consultants including surveying, geotechnical, AV/IT, and kitchen design consultants will be required for this project. CPL will coordinate the scope of work for the construction documentation with these Owner's consultants.

e. Cost Estimate
Before the completion of Construction Documents, CPL will provide an updated cost estimate.

5. Construction Administration

a. Project Consultation
CPL will be available to the Owner to provide on-going consultation regarding all aspects of the project during construction.

b. Submittal Review
CPL will review and approve submittals provided by the Contractor, including shop drawings, product data, and material samples.

c. Requests For Information (RFIs)
CPL will provide assistance to the Contractor, on behalf of the owner, during the construction phase. It is understood that RFIs will be submitted in written form and responses will be documented and issued to both the Owner and Contractor as addendum to the original contract documents.

d. Site Observation
Based on an assumed construction timeline of 12 months, CPL and consultants will make monthly visits to the site, according to the following schedule during construction to determine, in general, if work is proceeding according to contract documents. CPL will review proposed change orders, as may be necessary, review completed work and sign the contractor's applications for payment.

Architect	12 visits plus 1 punch list
Structural Engineer	2 visit
MEP/FP Engineer	4 visit plus 1 punch list visit
Civil Engineer	2 site visits plus site punch list
Landscape	1 site visit

e. Punch List
Upon indication from the Contractor that the project is complete, CPL will prepare a punch list of construction deficiencies in coordination with the contractors list of open work items. CPL can review the corrected punch list of deficiencies and prepare, as required, an additional punch list for construction items.

B. ADDITIONAL SERVICES

The design team can provide the following additional services upon request by the Owner. These services are not included in this proposal.

1. Special Inspections, Material Testing and Inspections Consultant
2. Fire Suppression/Fire Alarm Design (Beyond Performance Specifications)
3. Environmental Engineering Consultant
4. Zoning Modifications, Re-zonings, Special Use Permits, and POD
5. Interior Decoration (Furniture, Fixture, Equipment, and Accessories)
6. Security & Data Design – by the owner's vendor.
7. Gas/Propane design beyond 5' of the building exterior – by the owner's vendor.
8. Signage and Graphic Design – beyond code required signage
9. Acoustical or audio visual and IT consulting – by the owner's vendor
10. Building envelope consulting
11. Kitchen Design – by the owner's vendor

METHOD OF COMPENSATION

A. Basic Services
For the basic scope of services described within this proposal, CPL shall be compensated in accordance with the following fee schedule:

PHASE	FEE
Architectural Design - CPL	
Pre-Design	$10,000.00
Schematic/Design Development	$25,000.00
Construction Documents	$30,100.00
Bidding	$5,000.00
Construction Administration	$25,000.00
Closeout	$5,000.00
MEP/FP Engineering - CPL	$42,900.00
Structural Engineering - McPherson	$25,500.00
Civil Engineering - Timmons	$34,500.00
Landscape Design - Beechgrove	$22,000.00
Cost Estimating - Palacio	$12,500.00
Direct Expenses	$2,500.00
Total	$240,000.00

B. Reimbursable Expenses
As budgeted in the fee listed above, CPL shall be reimbursed for actual out-of-pocket costs plus 10% handling charge for reproductions, specialty consultant fees, travel, postage, and other expenses directly related to the execution of this project.

C. Additional Services
If the Owner requests services not included within the scope of this proposal, CPL shall be compensated on an hourly basis in accordance with the Standard Hourly Rates Schedule below. Prior to executing any Additional Services, CPL will provide the Owner with a fee for each service.

2026 Standard Hourly Rates will be maintained for this service.

Project Director	$ 355.00/Hour
Project Manager	$ 235.00/Hour
Project Architect	$ 180.00/Hour
Project Engineer	$ 200.00/Hour
Architectural Designer	$ 150.00/Hour
Interior Designer	$ 125.00/Hour
Administration/Technical Support	$ 110.00/Hour

SIGNATURE

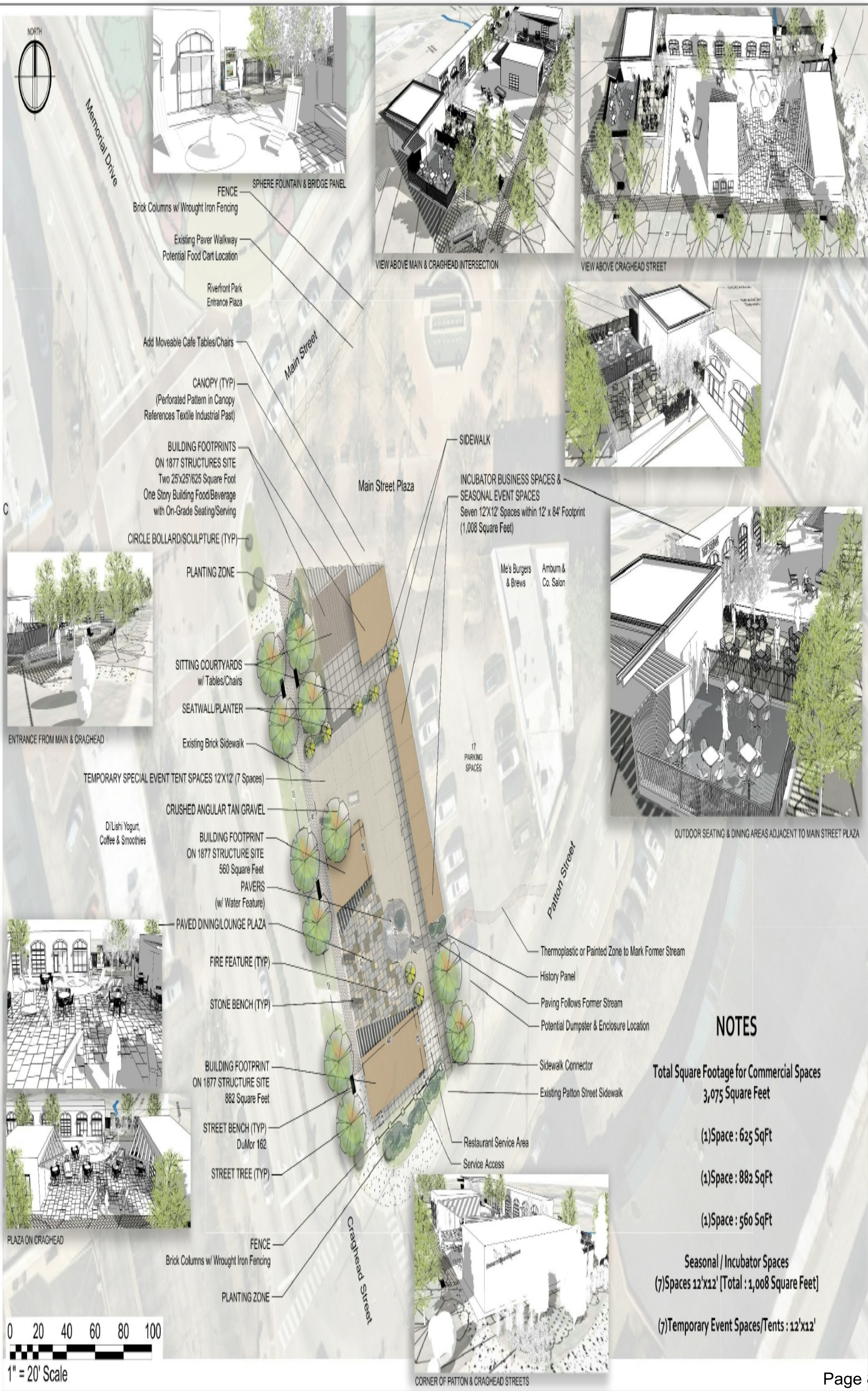
If you should accept this proposal, CPL will prepare an AIA Document B101 contract for execution. In the absence of a fully executed AIA Contract Document B101, the terms and conditions of such contract will be considered a part of this agreement. Under the terms of that Contract, CPL shall be reimbursed for its services and expenses within 30 days of delivery of its invoices. Past due invoices incur a monthly 1.5% finance charge.

Pending a fully executed contract, the terms which shall incorporate this proposal and all work performed to the date of its execution, we request your signature below to provide the necessary authorization to proceed with the work. We are very eager to be of assistance to you and look forward to a very successful project completion.

Accepted for:

T. Neal Morris
Industrial Development Authority of Danville

__________________________________ __________________
Signature Date



NOTES

Total Square Footage for Commercial Spaces
3,075 Square Feet

(1)Space : 625 SqFt

(1)Space : 882 SqFt

(1)Space : 560 SqFt

Seasonal / Incubator Spaces
(7)Spaces 12'x12' [Total : 1,008 Square Feet]

(7)Temporary Event Spaces/Tents : 12'x12'

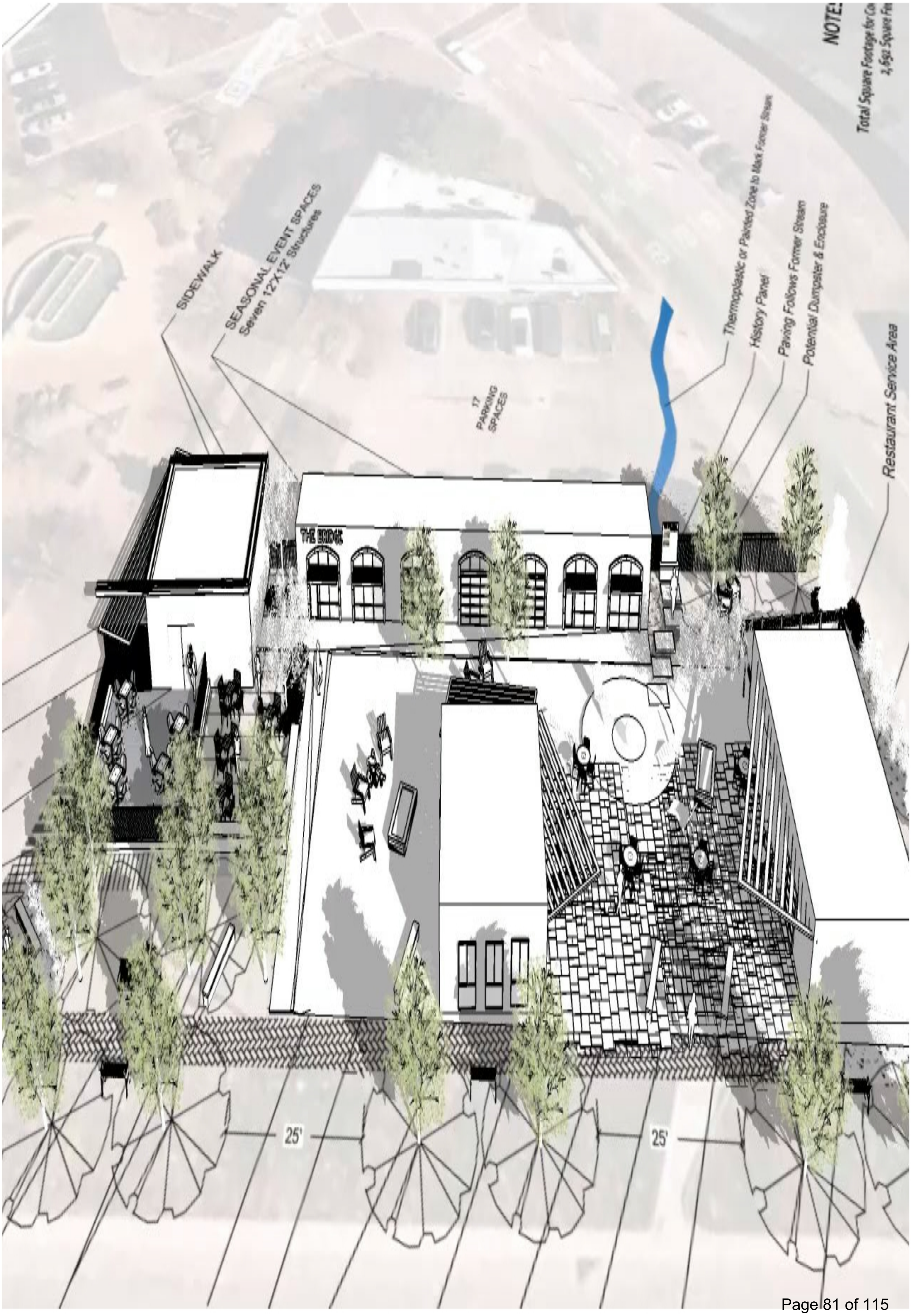
BEECHGROVE DESIGN
LANDSCAPE ARCHITECTURE

Danville VA GIS Aerial Imagery 2024
Site Plan Locations Approximate

231 Main Street
BRIDGE TO BRIDGE COMMONS
CONCEPT A

April 16, 2025

L1


NOTES
SIDEWALK
SEASONAL EVENT SPACES
Seven 12'X12' Structures
17
PARKING
SPACES
Thermoplastic or Painted Zone to Mark Former Stream
History Panel
Paving Follows Former Stream
Potential Dumpster & Enclosure
Restaurant Service Area
THE BRIDGE
25'
25'

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Terri McDaniel, Legal Assistant

RE: A resolution of the Industrial Development Authority of Danville, Virginia ratifying a prior action.

Meeting minutes from the October 30, 2008 meeting of the Industrial Development Authority of Danville, Virginia verify that the IDA passed a resolution approving and authorizing a loan and a promissory note between the IDA and Westmoreland & Schoolfield Senior Apartments, LLC for the renovation of said buildings into Senior housing. This resolution is needed to confirm this action.

ATTACHMENTS

1. 2026-9-8 IDA Resolution Ratifying Execution of Loan and Promissory Note Westmoreland and Schoolfield Sr Apts
2. 2008-10-30 Copy of IDA Meeting Minutes

PRESENTED: September 8, 2026

ADOPTED: September 8, 2026

RESOLUTION NO. 2026-____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA RATIFYING PRIOR ACTION.

WHEREAS, the Industrial Development Authority of Danville, Virginia (‘the Authority”) desires to show full and complete compliance with any and all statutory requirements and full technical adherence to any and all legal, moral and ethical standards for the performance of its duties; and

WHEREAS, the approved minutes of the October 30, 2008 meeting of the Industrial Development Authority of Danville, Virginia show an action whereby a loan and promissory note between the Authority and Westmoreland & Schoolfield Senior Apartments, LLC were approved and authorized.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that:

All actions of the Authority, prior to the date hereof are in all respects ratified, approved, and confirmed for the execution of a loan and a promissory note between the Industrial Development Authority of Danville, Virginia and The Westmoreland & Schoolfield Senior Apartments, LLC for the renovation of the buildings into Senior housing.

AND BE IT FURTHER RESOLVED that any officer of the Industrial Development Authority of Danville, Virginia, is hereby authorized to sign any required documents and perform any other duties needed to complete the above-mentioned transaction.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

CERTIFICATE

I, the undersigned Secretary of the Industrial Development Authority of the City of Danville, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of the Resolution duly adopted by a majority of the Directors of the Industrial Development Authority of Danville, Virginia present and voting at a meeting duly called and held on October 30, 2008, all in accordance with law, and that such Resolution has not been repealed, revoked or rescinded but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the Authority this ____ day of September, 2026.

By______________________________
Secretary
Industrial Development Authority of
Danville, Virginia

MINUTES OF MEETING
October 30, 2008

Pursuant to written notice dated October 24, 2008, a copy of which is attached hereto, a called meeting of the Board of Directors of the Industrial Development Authority of Danville, Virginia, was held in the Fourth Floor Conference Room of the Municipal Building on Thursday, October 30, 2008 at 4:00 p.m. The following members were present and absent:

Present:	Richard L. Turner, Chairman C. G. Hairston, Vice Chairman P. Niles Daly Dr. Constance N. Fletcher C. Keith Walden Landon R. Wyatt, Jr.
Absent:	Henry I. Slayton, Jr., Treasurer
Also Present:	W. Clarke Whitfield, Jr. City Attorney Kimberly G. Ford, Secretary of Industrial Development Authority Jeremy Stratton, Director of Economic Development Gerald Fischer, Director of Community Development

Chairman Turner called the meeting to order. Copies of the minutes of the October 2, 2008 meeting were distributed to the members present. A motion was made by Dr. Fletcher to approve the minutes as presented. The motion was seconded by Mr. Hairston and passed.

Mr. Turner	- Aye
Mr. Wyatt	- Aye
Dr. Fletcher	- Aye
Mr. Hairston	- Aye
Mr. Walden	- Aye
Mr. Daly	- Aye

Next, Chairman Turner called on Jerry Fischer, Director of Community Development, to render an overview presentation of the restoration of Westmoreland and Schoolfield School buildings by the The Westmoreland & Schoolfield Senior Apartments, LLC.

After which, there was a question and answer session. Mr. Turner then recognized Mr. Daly who made a motion to approve a resolution approving and authorizing a loan and the execution of a promissory note between the Industrial Development Authority and The Westmoreland & Schoolfield Senior Apartments, LLC. for the renovation of the buildings into senior housing, as well as, authorizing the Chairman, or Vice-Chairman in his absence, to execute any and all documents, related thereto. The motion was seconded by Dr. Fletcher and carried with the members present voting as follows:

Mr. Turner	- Aye
Mr. Wyatt	- Aye
Dr. Fletcher	- Aye
Mr. Hairston	- Aye
Mr. Walden	- Aye
Mr. Daly	- Aye

A copy of the resolution is attached to these minutes as Appendix A.

Chairman Turner explained the quarterly unaudited financial statement, a copy of which each Authority member received with the written notice of the meeting. Mr. Hairston moved the acceptance of the financial statement and to certify that such financial statement fairly presents in all material respect, the financial position, results of operation and cash flow of the Authority. The motion was seconded by Mr. Daly and carried with the members present voting as follows:

Mr. Turner	- Aye
Mr. Wyatt	- Aye
Dr. Fletcher	- Aye
Mr. Hairston	- Aye
Mr. Walden	- Aye
Mr. Daly	- Aye

A copy of the resolution is attached to these minutes as Appendix B.

Chairman Turner then called on Mr. Wyatt who made a motion to approve a resolution authorizing the acceptance of property within the City of Danville and to further convey the same, as well as, authorizing the Chairman, or Vice-Chairman in his absence, to execute any and all documents, related thereto. The motion was seconded by Mr. Hairston and carried with the members present voting as follows:

Mr. Turner	- Aye
Mr. Wyatt	- Aye
Dr. Fletcher	- Aye
Mr. Hairston	- Aye
Mr. Walden	- Aye
Mr. Daly	- Aye

A copy of the resolution is attached to these minutes as Appendix C.

Next, Mr. Walden moved the meeting be recessed and the Board immediately reconvene in Executive Closed Meeting for the purpose of an Economic Development update discussion concerning prospective business or industry where no previous announcement has been made as well as a discussion concerning 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. The motion was seconded by Mr. Hairston and carried with the members present voting as follows:

Mr. Turner	- Aye
Mr. Wyatt	- Aye
Dr. Fletcher	- Aye
Mr. Hairston	- Aye
Mr. Walden	- Aye
Mr. Daly	- Aye

A copy of the resolution is attached to these minutes as Appendix D.

Upon reconvening, Mr. Walden moved that the Board immediately reconvene in open meeting and 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. The motion was seconded by Mr. Wyatt and carried with the members present voting as follows:

Mr. Turner	- Aye
Mr. Wyatt	- Aye

Dr. Fletcher - Aye
Mr. Hairston - Aye
Mr. Walden - Aye
Mr. Daly - Aye

A copy of the motion is attached to these minutes as Appendix E.

Chairman Turner then called on Jeremy Stratton, Director of Economic Development, who discussed a lease of 50 acres in Riverview Industrial Park to AVRC. He then gave an update on the Coleman Market project and leased space, and finally an update on Com40.

There being no further business the meeting was adjourned.

____
Secretary

____
Chairman

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM:

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing an early access extension for Lynn Partners, LLC for the property located at 300 Loyal Street, commonly known as Parcel ID #25198, Parcel ID #22861, and Parcel ID #22862 from September 9, 2026 through October 1, 2026.

Summary

Lynn Partners, LLC has requested an extension to their early access agreement for 300 Lynn Street to continue cleanup efforts until they are able to close on the property acquisition. The request is to extend the early access through October 1, 2026.

Background

The developer, Lynn Partners, LLC, has agreed to a purchase and sale agreement with the IDA for 300 Lynn Street. In that agreement, certain activities must occur prior to closing. The developer previously asked for early access to the building to begin cleanup efforts to expedite the redevelopment process in anticipation of meeting all the requirements to close on the sale of the property.

Recommendation

Staff Recommends Approval of the extension to the early access agreement for Lynn Partners, LLC to continue cleanup and predevelopment work at 300 Lynn Street until October 1, 2026.

ATTACHMENTS

1. Res - 2940 Early Access Extension Lynn Partners LLC

PRESENTED: _September 8, 2026

ADOPTED: _September 8, 2026

RESOLUTION NO. 2026-____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN EARLY ACCESS EXTENSION FOR LYNN PARTNERS, LLC (SCC ID#11938268) FOR PROPERTY LOCATED AT 300 LOYAL STREET, COMMONLY KNOWN AS PARCEL ID# 25198, PARCEL ID# 22861, AND PARCEL #22862 FROM SEPTEMBER 9, 2026, THROUGH OCTOBER 1, 2026.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of the City of Danville, Virginia, (IDA) that it hereby approves and authorizes an early access extension from September 9, 2026, through October 1, 2026, for property located 300 Lynn Street commonly known as Parcel ID# 25198, Parcel ID# 2286, and Parcel #22862 for Lynn Partners LLC for the purpose of continuing renovation work in preparation for commercial use; and

BE IT FINALLY RESOLVED by the Industrial Development Authority of the City of Danville, Virginia, that it hereby directs the Chairman or Vice-Chairman, in his absence, to approve 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

Industrial Development Authority

STAFF REPORT

DATE: September 8, 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 a change order for contract services for the Coleman site in the amount of $24,000.00

Summary

The item requests approval of a change order for the additional procurement and award phase efforts for the grading of the IDA-owned property known as the Coleman Site. The selected engineering firm for the project provided oversight of the process to include reviewing and evaluating contractor qualifications, project management meetings with contractors and making recommendations for the final bid award.

Background

The Danville Industrial Development Authority (IDA) has contracted with the engineering firm, Hurt & Proffitt, to support its efforts for the grading of the Coleman Site located off Gypsum Road in Danville, Virginia. Upon completion, the location will be site-ready for marketing to prospective industrial clients.

The requested change order is to engage Hurt & Proffitt for additional support to identify and secure qualified contractors for the additional work necessary for grading of the site.

Recommendation

Staff recommends approval of the change order.

ATTACHMENTS

1. Res - 2950 Change order Coleman Site Hurt Proffitt
2. Change Order No 3 - PM Bid hp

PRESENTED: September 8, 2026
ADOPTED: September 8, 2026

RESOLUTION NO. 2026- ____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A CHANGE ORDER FOR ADDITIONAL PROJECT MANAGEMENT SERVICES AT THE COLEMAN SITE, DANVILLE, VIRGINIA, IDENTIFIED AS TAX PARCEL #78170, IN AN AMOUNT NOT TO EXCEED $24,000.00

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes a change order for Project Management services in an amount not to exceed Twenty-four Thousand and 00/100 dollars ($24,000.00) for the Coleman Site, Danville, Virginia, identified as Tax Parcel #78170; and

BE IT FINALLY RESOLVED, that the Chairman, or in his absence any Officer, be authorized to execute any and all documents necessary for this change order and such other documents as needed to complete this transaction.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

HURT & PROFFITT
ENGINEERING | SURVEYING | LAND DEVELOPMENT

2524 Langhorne Road Lynchburg, VA 24501
Toll Free 800.242.4906 Main 434.847.7796
Fax 434.847.0047
www.handp.com

A Change Order Agreement for the Provision of Limited Professional Services

Change Order #	3	*Date*	8/19/2026
Project	Coleman Site	*H&P Project #*	20241385
Owner	Industrial Development Authority of Danville, Virginia	*G.L. #*	

Consultant	N/A	*Contract Date*	11/14/2024
For	Project Management Bid Assistance		

Description of Changes	DECREASE in Contract Price	INCREASE in Contract Price
Front-end spec development, contractor qualification, bid administration/evaluation, project management meetings		$ 18,000.00
Final bid award, procurement and execution assistance in support of preconstruction transition to mobilization.		$ 6,000.00
Totals	$0.00	$ 24,000.00
Net Change in Contract Price	$0.00	$ 24,000.00

Justification:

The amount of rock is currently unknown and this will affect future bid prices. Quantifying this will improve the accuracy of the future bids for earthwork and rock excavation. The original scope for wetland and stream permitting assumed that wetland and stream credits could be purchased. Since no credits are available, the PRM process has been used and required additional coordination.

The changes result in the following adjustment of contract price and time:

Contract price prior to this Change Order	$210,900.00	
Net INCREASE resulting from this Change Order	$24,000.00	
Current contract price including this Change Order	$234,900.00	
Contract time prior to this Change Order	N/A	*Calendar Days*
Net ◉ Increase ○ Decrease resulting from this Change Order	N/A	*Calendar Days*
Current contract time including this Change Order	N/A	*Calendar Days*

The above changes are approved:

Consultant	Hurt & Proffitt, Inc.	*Owner*	
By	Todd Carroll, PE	*By*	
Date	8/19/2026	*Date*	

Industrial Development Authority

STAFF REPORT

DATE: September 8, 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 authorizing and approving a proposal from Dewberry & Davis, Inc. for architectural services at 230 South Ridge Street, Danville, Virginia in an amount not to exceed $22,500.00.

Summary

The Industrial Development Authority of Danville, Virginia seeks to engage the services of Dewberry & Davis for architecture services for real estate located at 230 South Ridge Street, Danville, Virginia.

Background

The Industrial Development Authority of Danville, Virginia currently owns Parcel #24586 and Parcel #24587, a commercial property located at 230 S. Ridge Street within the downtown area.

The structure, originally constructed in 1956, consists of approximately 72,836 square feet and was originally used as a major department store. More recently, the building has been occupied by Danville Public Schools for its Magnet School program, Galileo. As part of the City's ongoing economic development strategy, the City, on behalf of the Industrial Development Authority (IDA) is in the process of hiring a contractor to provide demolition services for the former Galileo School. This will enable the IDA to market the property to private developers seeking investment opportunities within the downtown district, supporting continued revitalization and economic growth in the area.

Recommendation

Staff recommends acceptance of the agreement from Dewberry & Davis for architectural services.

ATTACHMENTS

1. Res - 2953 Dewberry and Davis 230 S Ridge St
2. 2026.07.28 Selective Demolition and Updating of Façade for the MBC MSAP location at Former Galileo School Site

PRESENTED: <u>September 8, 2026</u>

ADOPTED: <u>September 8, 2026</u>

RESOLUTION NO. 2026-____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A PROPOSAL FROM DEWBERRY & DAVIS, INC. NOT TO EXCEED $22,500 FOR ARCHITECTURAL SERVCES AT 230 SOUTH RIDGE STREET, DANVILLE, VIRGINIA.

WHEREAS, the Industrial Development Authority of Danville, Virginia has received from the City of Danville, Virginia the property and buildings located at 230 South Ridge Street; and

WHEREAS, the building needs significant modifications including, but not limited to, parts being demolished; and

WHEREAS, Dewberry & Davis, Inc. has submitted a proposal, attached hereto, for architectural services for an amount not to exceed Twenty-two Thousand Five Hundred dollars ($22,500).

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes a proposal from Dewberry & Davis, Inc. for architectural services at 230 South Ridge Street, Danville, Virginia, in an amount not to exceed Twenty-two Thousand Five Hundred and 00/100 dollars ($22,500.00); and

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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

Dewberry

Dewberry & Davis, Inc.
420 Memorial Drive, Suite 204
Danville, VA 24541

434.797.4497
434.797.4341 fax
www.dewberry.com

July 28, 2026

Mr. Michael Burton
Division Director of Buildings
City of Danville Public Works
998 South Boston Road
Danville, VA 24540

Re: Selective Demolition and Updating of Façade for the MBC MSAP Location at Former Galileo School Site

Dear Mr. Burton,

Dewberry Engineers Inc. (Dewberry) is pleased to submit this proposal for architectural services. This work is being proposed under the West Piedmont Planning District Commission (WPPDC) On-Call Consulting Services agreement for the City of Danville (City).

UNDERSTANDING OF THE PROJECT

The City is currently in the process of hiring a contractor to provide demolition services for the existing Sears Building (former Galileo School Building) located on 230 South Ridge Street. The corner of the existing building houses the MBC MSAP station. This bay is an approximately 11' wide x 60' deep room which contains IT equipment that cannot be relocated. The bay has CMU walls (with brick veneer) on all four (4) sides and (based on the existing plans) has a cast in place concrete roof slab. The intent is to keep the existing facility in its location, remove the remaining building, and reskin the existing MSAP portion of the building. The existing mechanical units serving the space will need to be relocated to the top of the remaining building and are not part of this proposal. The project will need to seek approval through the Architectural Review Board (ARB).

SCOPE OF SERVICES

Architectural

- Make an on-site visit and use existing building plans to determine the current layout, existing room conditions, and limitations of the building for reskinning of exterior surface.
- Provide demolition drawings as needed to show limits of building demolition associated with the existing building to remain only.
- Provide schematic building elevations showing the new refaced facility once demolition is completed.
- Provide 3D renderings of proposed elevations showing context of the facility on the existing site and its surroundings that will be used for ARB review.
- Once approved provide drawings in 24" x 36" form and associated Masterspec specifications necessary for submittal to the City for permitting and approval and to seek competitive contractor pricing.
- Answer and resubmit review comments from the City Building Inspections department. Anticipate one (1) set of comments sent from review authority.

Structural

- Site visit to review the existing building framing.
- Review and existing framing and determine the feasibility of cutting the concrete roof structure at the left edge of this bay, as well as any structural reinforcement that may need to be added to facilitate this (including potential new bearing wall on left side). Both gravity and lateral support will be reviewed.

- Design and detail structural roof or wall reinforcing (if required).
- Assist with structural details.
- Provide Note formed specifications on drawings.

Construction Administration Services

- Answer RFI's and issue addendums as required during the bid process.
- Attend a pre-bid meeting conducted by the Owner with the selected general contractor and major subcontractors.
- Attend bi-monthly construction visits conducted by the general contractor. (Anticipate a 3-5 month construction timeline).
- Answer contractors Request for Information (RFIs) review and approve shop drawings and contractors pay requisitions.
- Complete substantial completion walk-through and review punch list as submitted by the general contractor.

EXCLUSIONS

- Modification to existing mechanical or electrical systems.
- Asbestos/lead hazardous material testing and abatement design.
- Design services relating to site utilities, or modifications thereto beyond a 5' perimeter outside of the building footprint.
- Plumbing design other than interior stormwater conveyance piping.

FEE AND SCHEDULE

Dewberry proposes to provide the services described above for the lump sum fee of **$22,500.00**.

Dewberry will endeavor to complete the design services outlined above within 45 calendar days from the issuance of a purchase order.

This proposal is subject to terms and conditions of our current open-end agreement with WPPDC and the City. Receipt of a purchase order from the City will serve as authorization to proceed. We appreciate the opportunity to present this proposal and look forward to working with the City.

Sincerely,

Larry W. Hasson, Jr., AIA, LEED AP
Principal | Architectural Department Manager

LWH/lwh/vnl

R:\Proposal Letters\Architectural\2026\2026.07.28 Selective Demolition and Updating of Façade for the MBC MSAP Location at Former Galileo School Site.doc

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Terri McDaniel, Legal Assistant

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing Haven of the Dan to use property located at the corner of West Main Street and Community Way, and commonly known as parcel ID #60585 on both Saturday, October 3, and Sunday, October 4, 2026, for their annual auto show fundraiser.

Summary

Haven of the Dan has requested the use of parcel ID #60585 on Oct. 3 and 4, 2026, during their annual auto show fundraiser. The IDA requires that they provide a Certificate of Insurance listing the IDA in the amount of $1,000,000.

ATTACHMENTS

1. Res - 2965 Haven of the Dan use of #60585
2. Parcel #60585

PRESENTED: __September 8, 2026

ADOPTED: _September 8, 2026

RESOLUTION NO. 2026-____ . ____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING HAVEN OF THE DAN TO USE PROPERTY LOCATED AT THE CORNER OF WEST MAIN STREET AND COMMUNITY WAY, AND COMMONLY KNOWN AS PARCEL ID# 60585 ON BOTH SATURDAY, OCTOBER 3, AND SUNDAY, OCTOBER 4, 2026, FOR THEIR ANNUAL AUTO SHOW FUNDRAISER.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of the City of Danville, Virginia, (IDA) that it hereby approves and authorizes Haven of the Dan to use property located at the corner of West Main Street and Community Way and commonly known as parcel ID #60585 on both Saturday October 3, and Sunday October 4, 2026, for their annual auto show fundraiser on the condition that Haven of the Dan provides the IDA with a certificate of liability insurance in an amount no less than One Million dollars ($1,000,000) along with the policy endorsement; and

BE IT FINALLY RESOLVED by the Industrial Development Authority of the City of Danville, Virginia, that it hereby directs the Chairman or Vice-Chairman, in his absence, to approve 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

SHOP RD

Zoom to

iew the parcel in Street View.

lick to view Tax Map Grid(s): 06-08

Summary

Parcel ID: 60585	***Value Information***
Address: BISHOP RD	**Land Value:** $45,500
	Land Use Value: $0
Owner Information	**Improvement:** 94900
Owner Name: INDUSTRIAL DEVELOPMENT AUTHORITY OF VIRGINIA	**Total:** $140,400
Owner Address: PO BOX 3300	
Mail-To: INDUSTRIAL DEVELOPMENT AUTHORITY OF VIRGINIA	***Additional Information***
Mailing Address: PO BOX	**State Code:** 7464 Pk

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Terri McDaniel, Legal Assistant

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing a reassignment of the rental lease from PLDR Law at 312 Main Street, Danville, Virginia, to Piedmont Law Group PLLC beginning September 12, 2026.

Summary

Attorney Stephen Gould has requested the reassignment of the lease at 312 Main Street from PLDR Law to his new firm, Piedmont Law Group PLLC.

Recommendation

Staff recommends approval of the reassignment of the lease at 312 Main Street from PLDR Law to Piedmont Law Group PLLC.

ATTACHMENTS

1. Res - Reassign Lease from PLDR to Piedmont Law Goup at 211-215 N Union St

PRESENTED: September 8, 2026

ADOPTED: September 8, 2026

RESOLUTION NO. 2026-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A REASSIGNMENT OF THE RENTAL LEASE FROM PLDR LAW AT 312 MAIN STREET, DANVILLE, VIRGINA, TO PIEDMONT LAW GROUP PLLC BEGINNING SEPTEMBER 12, 2026.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes the reassignment of the rental lease from PLDR Law at 312 Main Street, Danville, Virginia, to Piedmont Law Group PLLC beginning September 12, 2026; 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 this reassignment 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

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Terri McDaniel, Legal Assistant

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing Norfolk Southern Railway to use the parking lot at 700 Lanier Avenue, Danville, Virginia, as a clean-up staging area.

Summary
Norfolk Southern Railway has asked to use the parking lot at 700 Lanier Avenue for trucks to clean up the tunnel that goes under the railway at that location.

Recommendation
Staff recommends the IDA approve Norfolk Southern Railway's request to use the IDA parking lot at 700 Lanier Avenue so that they can clean the tunnel under their railway at that location with the condition that they provide a certificate of insurance with at least $1 million in coverage.

ATTACHMENTS
1. Res - Norfolk Southern and 700 Lanier Ave Parking Lot
2. Norfolk Southern Railway Request

PRESENTED: September 8, 2026

ADOPTED: September 8, 2026

RESOLUTION NO. 2026-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING NORFOLK SOUTHERN RAILWAY TO USE THE PARKING LOT AT 700 LANIER AVENUE, DANVILLE, VIRGINIA, AS A CLEAN-UP STAGING AREA.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes the Norfolk Southern Railway to use the parking lot at 700 Lanier Avenue, Danville, Virginia, as a clean-up staging area, on the condition that the IDA is provided with a certificate of insurance, listing the IDA as an additional insured, in an amount of no less than One Million dollars ($1,000,000) along with the endorsement to the policy; 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 this agreement and any other documents necessary to complete the transaction described in this resolution.

Approved:

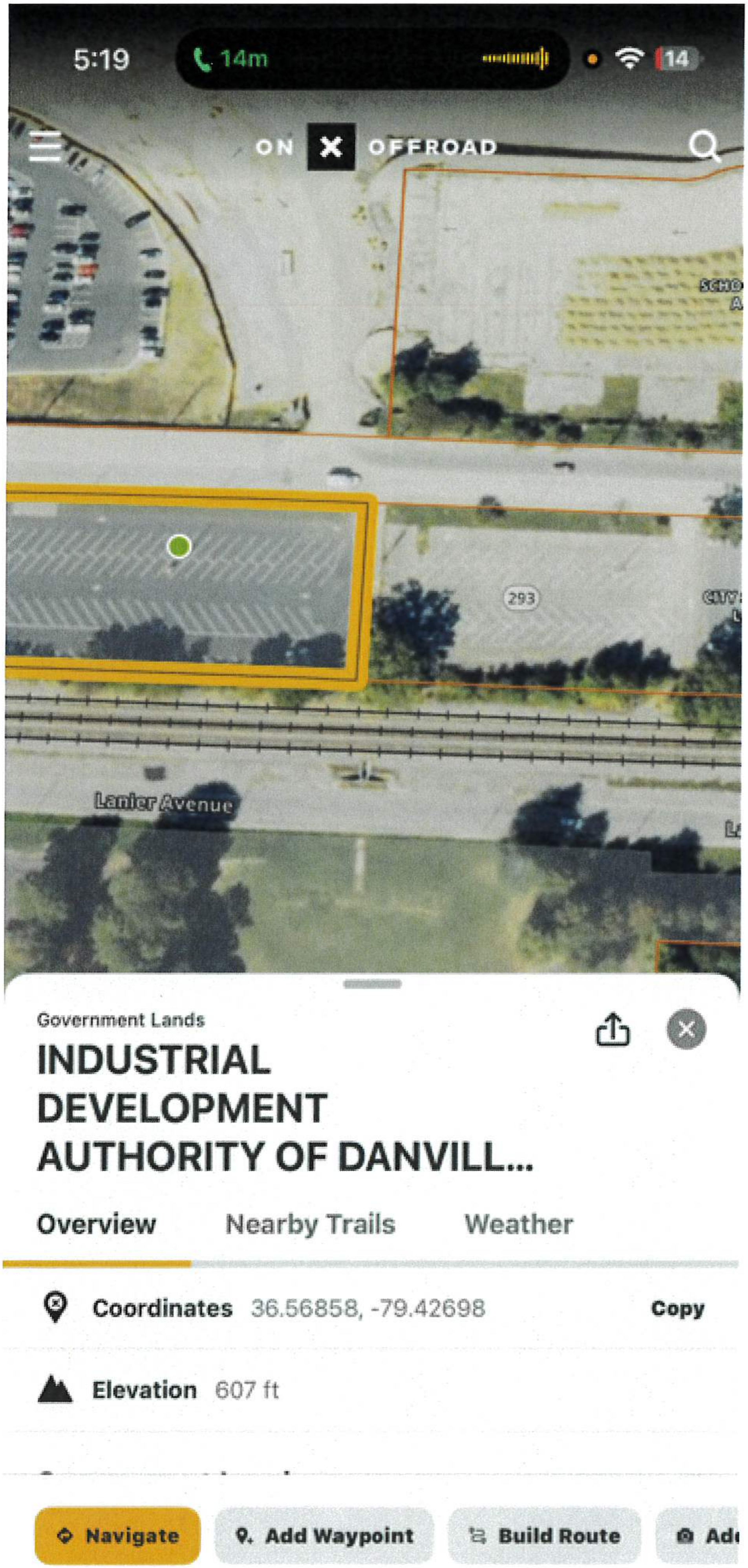
____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney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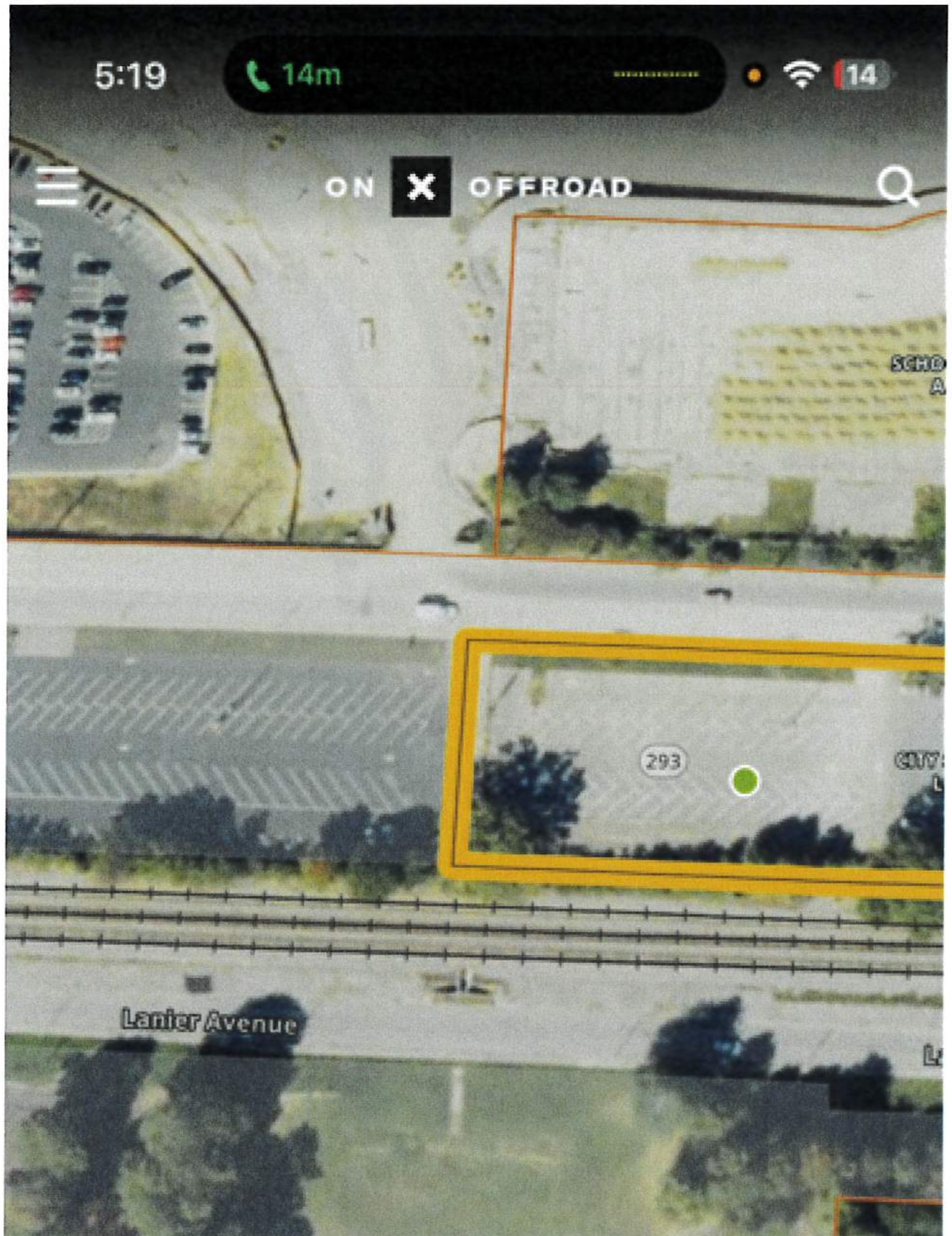
293
Lanier Avenue
Government Lands
INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILL...
Overview
Nearby Trails
Weather
Coordinates 36.56858, -79.42698
Copy
Elevation 607 ft
Navigate
Add Waypoint
Build Route



Private Land

CITY SPACE LLC

Overview Nearby Trails Weather

Coordinates 36.56869, -79.42591 **Copy**

Elevation 606 ft

Private Land

Owner

Navigate | Add Waypoint | Add Photo | Buil


LANIER AVE
LANIER AVE
BALTIMORE AVE
BALTIMORE AVE
53972
50886
51514
59863
51588
50367
51587
700
59868
59871
58260
59874
31 A
31
31 B

Industrial Development Authority

STAFF REPORT

DATE: September 8, 2026

TO: Industrial Development Authority

FROM: Terri McDaniel, Legal Assistant

RE: A resolution of the Industrial Development Authority of Danville, Virginia approving and authorizing the Three Sisters Marathon to use the parking lot at 230 South Ridge Street, Danville, Virginia, for participant parking.

Summary

The organizer of the Three Sisters Marathon has asked to use the parking lot at 230 South Ridge Street for participants during their marathon on September 12, 2026.

Recommendation

Staff recommends the IDA approve the requested use of the parking lot at 230 South Ridge Street for the purposes of supporting parking for the Three Sisters Marathon on September 12, 2026, under the condition that they provide a certificate of insurance with at least $1 million in coverage to the IDA.

ATTACHMENTS

1. Res - Three Sisters Marathon and Galileo Parking Lot

PRESENTED: September 8, 2026

ADOPTED: September 8, 2026

RESOLUTION NO. 2026-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE THREE SISTERS MARATHON TO USE THE PARKING LOT AT 230 SOUTH RIDGE STREET, DANVILLE, VIRGINIA, FOR PARTICIPANT PARKING

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes the Three Sisters Marathon to use the parking lot at 230 South Ridge Street, Danville, Virginia, for participant parking during their marathon event on September 12, 2026, on the condition that the IDA is provided with a certificate of insurance, listing the IDA as an additional insured, in an amount of no less than One Million dollars ($1,000,000) along with the endorsement to the policy; 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 this agreement and any other documents necessary to complete the transaction described in this resolution.

Approved:

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Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

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City Attorney