ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
AGENDA
June 27, 2023
5:30 PM

Council Chambers, Rocky Mount Municipal Building
345 Donald Avenue, Rocky Mount, Virginia

The Town of Rocky Mount is pleased to offer assistive listening devices for meeting attendees with special hearing needs. Please ask any staff member or the clerk for assistance.

Call to Order and Welcome

1. Introduction of New Member
2. Roll Call of Members Present
3. Approval of Agenda
4. Review and Consideration of Minutes
    4.a. April 25, 2023 - Regular Meeting Minutes
5. Secretary’s Report
6. Staff Updates
7. Committee Reports (None)
8. Old Business
    8.a. Financing for proposed purchase of 64.4 acres of land at Old Franklin Turnpike and Highway 220 North
9. New Business (None)
10. Authority Board Comments
11. Upcoming networking events & EDA Meeting
    11.a. Community Partnership - July 10, 2023 9:00am (1035 FranklinSt)
    11.b. Franklin County Connects - July 12, 2023 9:00am (Franklin Center)
    11.c. EDA Meeting - July 25, 2023 5:30pm (Town Municipal Building)
12. Adjournment

TOWN OF ROCKY MOUNT
ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
April 25, 2023
5:30 P.M.

The Economic Development Authority (EDA) of the Town of Rocky Mount, Virginia met at the Rocky Mount Municipal Building on Tuesday, April 25, 2023 at 5:30 p.m., with Chairman Adam Lynch, presiding.

ROLL CALL OF MEMBERS PRESENT

Board Members Present: Chairman Adam Lynch, Vice Chair Justin Muse, Economic Development Authority Board Members Ruth Cook, Doug Guilliams, Tara Holley, and Mark Redden

Board Members Absent: None

Others Present: Economic Development Director Daniel Pinard, EDA Clerk Cherie Compton, Town Attorney John Boitnott, Assistant Town Manager Mark Moore, Town Manager Robert Wood

APPROVAL OF AGENDA

Additions or Corrections: None

Motion: To approve the agenda as presented

Motion By: Member Tara Holley

Second: Member Mark Redden

Action: Approved by a unanimous vote of members present.

REVIEW AND CONSIDERATION OF MINUTES

Let the record show that prior to the meeting, Economic Development Authority received the following draft minutes for review and consideration of approval:

January 24, 2023 - Regular Meeting Minutes

March 14, 2023 – Special Called Meeting Minutes

Motion: To approve minutes as presented

Motion By: Member Doug Guilliams

Second: Member Ruth Cook

Action: Approved by a unanimous vote of members present

SECRETARY REPORT

Economic Development Clerk Cherie Compton advised members that the statement ending March 31, 2023 had a balance of $5,000.00.

STAFF UPDATES

Economic Development Director Daniel Pinard provided the following business updates:

- Grand at 290 had rebranded and now is Venue 290
- New openings Hourglass Yoga, KK Creations, Cadillac Lounge
- Gina's Place has a new opener and is now called Divined Beauty with a ribbon cutting on Saturday, May 13 @ 12:30pm
- Ribbon Cutting at new Hallmark May 19 @ 3:00pm
- Town 150th anniversary events coming up Venue 290 is holding a fashion show May 21st @ 3:00pm, Court Days June 10th @ 3:00pm, Harvester story telling event August 12th, 150 fest September 30th
- Dog Park is in the towns capital improvements and is moving forward, Rocky Mount Rotary Club has made this project their annual project and will be selling tickets to help raise money to assist with the development of the dog park
- DORA application was submitted, and everything is on track and possibly will use this as a soft launch at Court Days

COMMITTEE REPORTS

None at this time

OLD BUSINESS

Town Manager Robert Wood provided an update on the potential purchase of a 64.4 acre property in town along highway 40 and highway 220. He mentioned the boundary survey being ordered, working with a firm for an Environmental Assessment, and Financing.

NEW BUSINESS

Quarterly Payments
Daniel requested approval for the EDA to accept the checks from the Town and quarterly accounting checks to be written to the Harvester Performance Center LLC in the in the amounts of $105,116.63 for 3rd and 4th Quarter.

Motion: To accept the checks from the Town in the amounts of $105,116.63 and checks to be written to the Harvester Performance Center LLC in the amounts of $105,116.63 for 3rd and 4th Quarter

Motion By: Member Doug Guilliams

Second: Member Justin Muse

Action: Approved by a unanimous vote of members present

AUTHORITY BOARD COMMENTS

Member Ann Cook asked for an update on the Economic Development Strategic Plan. Daniel stated the Town was waiting on the County to finish theirs so the Town could compliment theirs and not duplicate anything that would be in their draft.

UPCOMING NETWORKING EVENTS & EDA MEETINGS

Community Partnership – May 8, 2023 9:00 am (1035 Franklin St)

Franklin County Connects – May 9, 2023 9:00 am (Franklin Center)

EDA Meeting – May 23, 2023 - 5:30 pm (Town Municipal Bldg)

ADJOURNMENT

Motion to Adjourn By: Member Tara Holley

Second: Member Mark Redden

Action: Adjourned by a unanimous vote of members present

Time of Adjournment: 5:52 p.m.

____

Adam Lynch, Chairman

ATTEST:

____

Cherie Compton, Clerk

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of July__, 2023, between the **ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA,** a political subdivision of the Commonwealth of Virginia (**the "Assignor")** and **THE NATIONAL BANK OF BLACKSBURG**, its successors or assigns as bondholder of the EDA Bond (as described below) **(the "Assignee")**;

W I T N E S S E T H:

WHEREAS, the Assignor and the Assignee have entered into a Bond Purchase and Loan Agreement, dated as of the date hereof, which provides for the issuance of the Assignor's up to $5,150,000 Revenue Bond Anticipation Note, Series 2023 **(the "EDA Bond")** payable from certain payments by the Town of Rocky Mount, Virginia **(the "Town")** and

WHEREAS, such payments from the Town are payments from the Town to the Assignor **(the "Town Payments")** pursuant to a Payment Agreement between the Town and the Assignor **(the "Payment Agreement")**; and

WHEREAS, the Town Payments made on a timely basis, will be sufficient to enable the Assignor to meet its scheduled debt service payments on the EDA Bond; and

WHEREAS, the obligations for the Town Payments are general obligations and secured by the full faith and credit of the Town; and

WHEREAS, the proceeds of the EDA Bond will be used to finance the acquisition of land located in Franklin County and related improvements and facilities, including necessary expenses incidental thereto **(the "Project")** and payment of certain costs of issuance of the EDA Bond.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the receipt of which is acknowledged, the Assignor sells, assigns and delivers to the Assignee, its successors and assigns, its rights under Payment Agreement (except the right to receive payment of its expenses, if any, and to receive indemnification, to receive notices and to give consents), as it may be amended from time to time pursuant to its terms, including, without limitation, the Assignor's rights to receive Town Payments. Such assignment shall cause the Assignee to be the holder and owner **(the "Holder")** of obligations of the Town which constitute obligations of a locality for the payment of money and for the payment of which the locality is required to levy ad valorem taxes as set forth in Section 15.2-2602 of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended.

All moneys received by the Assignee pursuant to this Assignment Agreement shall be applied first toward payment or reimbursement of the Assignee's costs in the enforcement of the Payment Agreement then toward payment of the EDA Bond, first to interest due and payable thereunder, then to principal due and payable thereunder. Upon repayment of the EDA Bond, in full, and satisfaction of any other obligations of this Assignment Agreement shall be terminated.

The Assignor irrevocably constitutes and appoints the Assignee, or any present or future officer or agent of the Assignee, or the successors or assigns of the Assignee, as its lawful attorney, with full power of substitution and resubstitution, in the name of the Assignor or otherwise, to collect and to sue in any court for payments due from the Town under the Payment Agreement, to exercise any remedy at law, in equity or administratively, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Payment and to endorse in the name of the Assignor any instrument for the payment of money received on account of the payments due from the Town under the Payment Agreement.

The Assignee accepts such assignment as stated herein for its benefit as owner of the EDA Bond.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under the Payment Agreement hereby assigned.

Assignor covenants and represents that the Assignor will not hereafter amend, alter, modify, cancel, surrender or terminate the Payment Agreement, exercise any option which might lead to any such amendment, alteration, modification, cancellation, surrender or termination or consent to the release of any party liable thereunder or to the assignment of the interest of any Holder, without the prior written consent of Assignee.

The full performance of the EDA Bond according to its terms shall render this Assignment Agreement void.

The net proceeds collected by Assignee under the terms of this instrument shall be applied in reduction of the entire indebtedness under the EDA Bond from time to time outstanding.

This Assignment Agreement applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns.

Notwithstanding anything contained in this Assignment Agreement to the contrary, all of the obligations of the Assignor hereunder shall be nonrecourse obligations, and the owner of the EDA Bond and the Assignee shall look solely to Assignor's interest in the Payment Agreement for the satisfaction of any and all remedies it may have against the Assignor upon a default or nonpayment under the Payment Agreement.

This Assignment Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

The Payment Agreement and the EDA Bond express the entire understanding and all agreements between all the parties thereto and may not be modified except in writing signed by the parties.

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

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment Agreement to be duly executed as of the date first above written.

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA

By: __________________________________
Chairman

THE NATIONAL BANK OF BLACKSBURG - ASSIGNEE

By: __________________________________
Its: Chief Lending Officer

ACKNOWLEDGMENT OF AND CONSENT TO ASSIGNMENT

The Town of Rocky Mount, Virginia acknowledges receipt of the assignment by the Assignor of its rights in the Payment Agreement to the Assignee as set forth in the foregoing Assignment Agreement, and consents thereto.

TOWN OF ROCKY MOUNT, VIRGINIA

By: ____
Its: Town Manager

DEVELOPMENT AGREEMENT

This Development Agreement **("Development Agreement")** is dated and effective as of July __, 2023, between the **TOWN OF ROCKY MOUNT, VIRGINIA**, a Virginia political subdivision, **(the "Town")**, and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA**, a Virginia political subdivision **(the "Authority")**.

WHEREAS, the Town is authorized pursuant to Section 15.2-953(B) of the *Code of Virginia* of 1950, as amended **(the "Virginia Code")**, to make donations of property and/or money to the Authority for the purposes of promoting economic development and to lease or convey property to other political subdivisions pursuant to Section 15.2-1800 of the Virginia Code, and the Authority is authorized pursuant to Section 15.2-4905(12) of the Virginia Code, to accept such contributions from the Town and pursuant to Section 15.2-4905(6) of the Virginia Code to sell, donate and convey its properties for the purposes of promoting economic development in the Commonwealth of Virginia; and

WHEREAS, the Town has requested the Authority to assist with the financing, marketing and development, and potential sale or lease of a various real property parcels in the Town more particularly described in **Exhibit A** hereto **(the "Site")** for economic development purposes;

WHEREAS, the Town expects to fund the purchase of the Site through the issuance of a revenue bond anticipation note of the Authority in the amount not to exceed $5,150,000 **(the "EDA Note")**

WHEREAS, the Authority will issue the EDA Note payable by the Town under a Payment Agreement, dated as of July __, 2023, between the Town and the Authority **(the "Payment Agreement")**;

WHEREAS, the Authority agrees with the Town that the proceeds from the sale of the EDA Note will provide sufficient funds to purchase the Site and pay costs of issuance of the EDA Note;

WHEREAS, the parties have agreed that as parcels within the Site are sold or conveyed, the proceeds from such sales or conveyances shall be paid to the Town to reimburse the funds the Town provided for the payment of the EDA Note or to pay all or a portion of the outstanding principal and interest on the EDA Note, each as directed by the Town;

WHEREAS, the parties hereto have entered into this Development Agreement to describe the development of the Site and the rights and obligations of the Town and the Authority in relation to the Site and the use of the proceeds from any sale of the Site for the repayment of the EDA Note; and

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

I. **SOURCE OF FUNDS.** The Authority will issue the EDA Note in a principal amount of not to exceed $5,150,000, payable solely from the payments from the Town under the Payment Agreement and without recourse to the Authority and the Authority and the Town agree that the net proceeds after payment of costs of issuance of the EDA Note will used to fund the purchase of the Site plus all other costs customarily incurred in connection with land acquisition.

II. **CONVEYANCE**. At closing, title to the Site shall be conveyed to the Authority.

III. **MARKETING AND SALE OF THE SITE**. The Town and the Authority agree to work jointly to market all or a portion of the Site for economic development purposes. The Authority agrees that it shall not sell or lease or otherwise convey any portion of the Site without the prior written consent of the Town.

IV. **REIMBURSEMENT OF SITE COSTS**. The Authority will disburse any sale or conveyance proceeds of any portion of the Site, if any, to the Town upon receipt thereof. At closing on the purchase of the Site, the Authority will execute a promissory note in the form attached hereto as **Exhibit B (the "EDA Site Repayment Note")** reflecting the terms on which it shall reimburse the Town the total of funds contributed by the Town in connection with the acquisition of the Site. The Town may request the Authority execute and deliver a deed of trust securing the EDA Site Repayment Note with a lien on the Site. If such a deed of trust is executed, the Town will release a portion of its lien on the portion of the Site to be sold upon written request of the Authority and payment to the Town of the funds corresponding to the purchase price for such portion of the Site so secured.

V. **RENTS FROM SUBLEASES**. The Town and the Authority agree that rents or other amounts received by the Authority from any subleases or other uses of any portion of the Site, if any, shall be paid to the Town. The Authority will prepare an annual report by [September 1] of each year during the term of this Development Agreement setting forth the payments received and disbursed relating to the Site during the prior fiscal year (ending June 30th).

VI. **CONSENT OF TOWN REQUIRED.** The Authority agrees that no actions or uses shall be taken or made on or relating to the Site, including but not limited to any leases, mortgages, sales, licenses, easements, or uses on the Site, without the prior written permission of the Town.

VII. **TERMINATION OF AGREEMENT**. This Development Agreement shall terminate upon sale of the Site (with consent of the Town) and payment of any related proceeds in connection therewith to the Town.

VIII. **ASSIGNMENTS.** The Town and the Authority may not assign their rights and obligations under this Development Agreement without written consent of the other party.

IX. **DISCLAIMER.** No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Town within the meaning of any constitutional debt limitation. No provision of this Development Agreement shall be construed or interpreted as delegating governmental powers nor as a donation or a lending of the credit of the Town within the meaning of the Virginia Constitution. This Development Agreement shall not directly or indirectly obligate the Town for any fiscal year in which this Development Agreement shall be in effect nor to make any payments beyond those appropriated in the sole discretion of the Town Council. No provision of this Development Agreement shall be construed to pledge or to create a lien on any asset or source of the Authority's or the Town's moneys. To the extent of any conflict between this section and any other provision of this Development Agreement, this section takes priority.

X. **<u>MISCELLANEOUS</u>.**

A. <u>Governing Law.</u> The law of the Commonwealth of Virginia shall govern this Agreement, and the exclusive venue for actions regarding this Agreement shall be the Circuit Court of Franklin County, Virginia.

B. <u>Conveyance of the Site As-Is.</u> The Town and the Authority shall each be provided with reasonable access to the Site to conduct investigations, inspections and tests on the Site reasonably required to determine the condition of the Site. Neither the Town nor the Authority make any representations or warranties, express or implied, concerning the condition or status of the Site.

C. <u>Communications.</u> Any communication under this Agreement shall be sufficiently given when delivered by hand or by first-class certified mail, postage prepaid, as follows:

a. If to the Authority:
Chair
Economic Development Authority of the Town of Rocky Mount, Virginia
345 Donald Avenue
Rocky Mount, Virginia 24151

b. If to the Town:
Rocky Mount Town Manager
345 Donald Avenue
Rocky Mount, Virginia 24151______

D. <u>Entire Agreement; Amendments.</u> This Development Agreement constitutes the entire contract between the parties and may not be changed except in writing signed by all parties to this Development Agreement.

E. <u>Binding Effect.</u> This Development Agreement is binding upon the parties and their respective successors and assigns.

F. <u>Counterparts</u>. This Development Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

G. <u>Severability</u>. If any court of competent jurisdiction holds any provision of this Development Agreement invalid, then (a) such holding shall not invalidate any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms shall constitute the parties' entire agreement.

H. <u>Time of the Essence</u>. Time shall be of the essence of all provisions of this

Development Agreement.

I. <u>Litigation</u>. Attorney's fees shall not be recoverable by the prevailing party in the event this Development Agreement is subject to litigation.

IN WITNESS WHEREOF, the parties have caused this Development Agreement to be executed in their corporate names by their duly authorized officers.

TOWN OF ROCKY MOUNT, VIRGINIA

By: ______________________________

Title: ______________________________

DATE: ____________________________

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA

By: ______________________________

Title: ______________________________

DATE: ____________________________

Exhibit A

Description of the Site

Exhibit B

EDA Site Reimbursement Note

APPROVING RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE AUTHORITY'S TAXABLE REVENUE BOND ANTICIPATION NOTE, SERIES 2023, AND THE FORM, DETAILS AND TERMS THEREOF

WHEREAS, the Economic Development Authority of the Town of Rocky Mount, Virginia **(the "Authority")** is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49 of Title 15.2 of the Code of Virginia of 1950, as amended **(the "Act")**;

WHEREAS, the Act authorizes the Authority to borrow money to pay the costs of acquiring and developing industrial parks and other "authority facilities" for manufacturing, industrial, office or other uses permitted thereunder, to accept funds from counties, cities and towns and use the same for Authority purposes, to make loans and to enter into contracts of any kind to accomplish the purposes of the Authority, and the Act further authorizes the Authority to issue bonds to finance its projects;

WHEREAS, in order to further the purposes of the Act, the Authority intends to issue up to $5,150,000 in principal amount of a taxable revenue bond or bond anticipation note, series 2023 **(the "EDA Bond")** to finance the acquisition of interests in land and related improvements and facilities and development thereof, including necessary expenses incidental thereto **(the "Project")**;

WHEREAS, the Authority and the Town of Rocky Mount, Virginia **(the "Town)** will enter into a development or other agreement **(the "Development Agreement")** that sets forth certain obligations of the Authority to acquire and develop the Project with proceeds from the issuance of its EDA Bond;

WHEREAS, the Town intends to provide financial support for the Project through issuance of the Town's general obligation payment agreement with the Authority that will provide funding to make debt service payments on the EDA Bond **(the "Payment Agreement")**;

WHEREAS, the EDA Bond is a limited obligation of the Authority payable from the revenues and receipts of the Authority to be received under the Payment Agreement as a general obligation of the Town;

WHEREAS, such EDA Bond will be secured by a pledge of the revenues and receipts received by the Authority from payments made by the Town pursuant to the Payment Agreement;

WHEREAS, the Town's Financial Advisor, Davenport & Company, LLC **(the "Financial Advisor")** has solicited proposals from various banks and has recommended the proposal from National Bank of Blacksburg **(the "Bank")** and the Town Council of the Town has adopted an authorizing resolution on June 12, 2023 approving such recommendation and authorizing the Payment Agreement **(the "Council Resolution"**);

WHEREAS, all such payments from the Payment Agreement will be assigned from the Authority to the Bank, as the purchaser of the EDA Bond through an assignment or other agreement of the Authority with the Bank;

WHEREAS, the Town's obligation to make payments under the Payment Agreement will be secured by the full faith and credit of the Town, and as such, the Town's Payment Agreement will be a "general obligation bond" within the meaning of the Public Finance Act of 1991 **(the "Public Finance Act")**, Section 15.2-2600 *et. seq.* of the Code of Virginia of 1950, as amended **(the "Virginia Code")** and further described in the Council Resolution; and

WHEREAS, there have been presented to this meeting drafts of the following documents **(collectively, the "Documents")** in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

a. a Payment Agreement between the Authority and the Town (**the "Payment Agreement")**;

b. the Bond Purchase Agreement between the Authority and the Bank;

c. an assignment agreement, assigning to the Bank the Authority's rights to receive payments from the Town including the Authority's rights under the Payment Agreement, which is to be acknowledged and consented to by the Town; and

d. a Specimen EDA Bond.

NOW THEREFORE, BE IT RESOLVED by the Economic Development Authority of the Town of Rocky Mount, Virginia:

1. The following plan for financing is approved. The Authority will disburse the proceeds of the EDA Bond to the Town to finance the Project. The Town will agree in the Payment Agreement to make payments to the Authority sufficient to pay when due all amounts due and owing under the EDA Bond. The issuance of the EDA Bond on the terms set forth in the Bond Purchase Agreement is hereby approved, which include a principal amount of up to $5,150,000 at an interest rate fixed at 5.93% for the entire term, and interest payable semiannually on each August 1 and February 1, commencing February 1, 2024 and with principal maturing on August 1, 2028, prepayable without penalty, at any time. The obligation of the Authority to pay principal and interest on the EDA Bond will be limited to payments received from the Town in accordance with the terms of the Payment Agreement. The Payment Agreement will constitute a general obligation debt of the Town.

2. The issuance of the Payment Agreement is hereby authorized on the terms and conditions as substantially set forth in the Payment Agreement. The Payment Agreement will be a general obligation of the Town to which the full faith and credit of the Town will be irrevocably pledged, entitling the beneficiary of the Payment Agreement, including any person or entity to which rights have been assigned, to the remedies set forth in Section 15.2-2659 of the Virginia Code in the event of nonpayment of the principal of or interest on the Payment Agreement. The amount of the Payment Agreement designated for support of the principal amount of the EDA Bond will not exceed $5,150,000.

3. The Authority hereby approves, and acknowledges and consents to, as appropriate, the Documents in substantially the forms submitted to this meeting with such completions, omissions, modifications, insertions and changes as may be approved by the Chairman or Vice Chairman of the Authority **(hereinafter referred to as the "Chairman"),** whose execution of the Documents shall be conclusive evidence of such approval, acknowledgement and consent.

4. The Authority hereby approves and authorizes the EDA Bond in a maximum principal amount of $5,150,000 in substantially the form submitted to this meeting with such completions, omissions, modifications, insertions and changes as may be approved by the Chairman, whose execution of the EDA Bond shall be conclusive evidence of such approval.

5. The Authority hereby approves and authorizes the Development Agreement with the Town for development of the Project for the sale of one or more parcels comprising the Project and the reimbursement to the Town from the proceeds of the sale of such parcels, in substantially the form submitted to this meeting with such completions, omissions, modifications, insertions and changes as may be approved by the Chairman, whose execution of the Development Agreement shall be conclusive evidence of such approval.

6. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

7. The officers, directors and representatives of the Authority are authorized and directed to work with representatives of the Town, the Bank, the Financial Advisor and the Town's Bond Counsel, Sands Anderson PC and the Authority's Counsel to take such actions, authorize such services and prepare all documentation necessary to issue the EDA Bond in accordance with the Documents and to otherwise carry out the intent of this Resolution.

8. All other acts of the officers, employees, agents and representatives of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the EDA Bond, the execution and delivery of the Payment Agreement, the Documents and the Development Agreement with the Authority and the undertaking of the Project are hereby approved, ratified and confirmed.

9. This resolution shall take effect immediately.

Adopted this 22nd day of June, 2023.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Secretary of the Economic Development Authority of the Town of Rocky Mount, Virginia hereby certifies that the Resolution set forth above was adopted during an open meeting on June 22, 2023, by the Authority with the following votes by the following members of the Authority:

Aye:

Nay:

Abstentions:

Signed this ___ day of ___________, 2023.

By: ___________________________
Secretary

PAYMENT AGREEMENT

between

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA

and

TOWN OF ROCKY MOUNT, VIRGINIA

Dated as of July __, 2023

NOTE: THIS PAYMENT AGREEMENT HAS BEEN ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF NATIONAL BANK OF BLACKSBURG, UNDER AN ASSIGNMENT AGREEMENT DATED AS OF JULY _, 2023

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THIS **PAYMENT AGREEMENT** dated as of ______, 2023, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA,** a political subdivision of the Commonwealth of Virginia **(the "Authority"),** and the **TOWN OF ROCKY MOUNT, VIRGINIA,** a municipal corporation and political subdivision of the Commonwealth of Virginia **(the "Town")**, provides:

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Virginia Industrial Development and Revenue Bond Act, Chapter 49 of Title 15.2 of the Code of Virginia of 1950, as amended **(the "Act")**;

WHEREAS, the Act authorizes the Authority to borrow money to pay the costs of the acquisition, development, ownership and operation of real estate and improvements thereto for development thereon;

WHEREAS, in order to further the purposes of the Act, the Authority intends to issue its Revenue Bond Anticipation Note, Series 2023 in the original principal amount not to exceed $5,150,000 **(the "EDA Bond")** to finance the acquisition of interests in land in the vicinity of the Town in Franklin County, Virginia and related improvements and facilities, including necessary expenses incidental thereto **(collectively, the "Project")**;

WHEREAS, the Town has agreed to provide financial support for the Project to promote the commerce and the prosperity of the Town's citizens;

WHEREAS, the EDA Bond will be a limited obligation of the Authority payable from the revenues and receipts of the Authority to be received under this Payment Agreement with the Town (being a general obligation of the Town of Rocky Mount, Virginia); and

WHEREAS, the Authority has determined to issue the EDA Bond pursuant to the terms of a Bond Purchase and Loan Agreement, dated as of July __, 2023 **(the "Bond Purchase Agreement"**) between the Authority and National Bank of Blacksburg **(the "Bank")**, and to use the proceeds therefrom to finance costs of the Project and certain costs of issuance of the EDA Bond;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

Unless otherwise defined in this Payment Agreement, all words used herein shall have the meanings assigned to such terms in the Bond Purchase Agreement. In addition to the words defined in the recitals hereto, the following words as used in this Payment Agreement shall have the following meanings unless a different meaning clearly appears from the context:

"Additional Payments" shall mean such payment or payments made by the Town pursuant to Section 4.1(b) and Section 5.1.

"Annual Budget" shall mean the budget by that name referred to in Section 4.4.

"Assignment Agreement" means the Assignment Agreement, dated as of ____, 2023, from the Authority to the Bank.

"Authority Documents" shall mean the Assignment Agreement, this Payment Agreement and the Bond Purchase Agreement.

"Bank" shall mean National Bank of Blacksburg or any subsequent holder of the EDA Bond.

"Basic Payments" shall mean the payments made by the Town under this Payment Agreement as set forth in Section 4.1(a), which such payments are equal to the payments of principal and interest due on the EDA Bond.

"Bond Purchase Agreement" shall mean the Bond Purchase and Loan Agreement, dated as of July_____, 2023, between the Authority and the Bank.

"Council" shall mean the Town Council of the Town.

"Event of Default" shall mean the events enumerated in Section 7.1.

"**Fiscal Year"** shall mean the twelve-month period beginning July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the Town.

"Public Finance Act" shall mean the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended.

"Payment Agreement" shall mean this Payment Agreement, as it may be supplemented, amended or modified.

"Town" shall mean the Town of Rocky Mount, Virginia.

"Town Documents" shall mean the Assignment Agreement and this Payment Agreement.

"Town Manager" shall mean the Town Manager of the Town.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this Payment Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of the EDA Bond shall not be deemed to refer to or connote the payment of the EDA Bond at its stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Payment Agreement.

(d) The headings herein and Table of Contents to this Payment Agreement herein are solely for convenience of reference and shall not constitute a part of this Payment Agreement nor shall they affect its meaning, construction or effect.

(e) All references herein to payment of the EDA Bond are references to payment of principal of and premium, if any, and interest on the EDA Bond.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Authority.

The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) Pursuant to the Act, the Authority has full power and authority to enter into the Authority Documents and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Authority Documents;

(c) The execution, delivery and compliance by the Authority with the terms and conditions of the Authority Documents will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the Authority, or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(d) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Authority Documents, except that no representation is made as to the applicability of any Federal or state securities laws; and

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Authority Documents, (3) the validity or enforceability of the Authority Documents or the Authority's performance of its obligations thereunder, (4) the title of any officer of the Authority executing the Authority Documents, or (5) the ability of the Authority to issue and sell its EDA Bond and undertake the Project.

Section 2.2. Representations by Town.

The Town makes the following representations:

(a) The Town is a municipal corporation and political subdivision of the Commonwealth of Virginia;

(b) The Town has full power and authority to enter into the Town Documents and to perform the transactions contemplated to be performed by the Town under the Town Documents and the Bond Purchase Agreement and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Town Documents;

(c) The Town is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(d) The execution and delivery of the Town Documents, the consummation of the transactions contemplated to be performed by the Town therein and in the Bond Purchase Agreement and compliance by the Town with the provisions thereof applicable to the Town will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage or other agreement or instrument to which the Town is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which it is subject.

(e) The Town is not in default under or in violation of, and the execution, delivery and compliance by the Town with the terms and conditions of the Town Documents will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the Town or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Town or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the Town with the terms and conditions of the Town Documents; and

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Town pending or, to the knowledge of the Town, threatened with respect to (1) the authority of the Town to execute and deliver the Town Documents, (2) the validity or enforceability of such Town Documents or the Town's performance of its obligations thereunder, or (3) the title of any officer of the Town executing such Town Documents.

(h) The Project has been determined to be important to the Town's economic development and future revenue growth, and the Council anticipates that the Project will continue to be important to the Town's economic development and future revenue growth during the term of this Payment Agreement.

ARTICLE III

AGREEMENT TO ISSUE EDA BOND

Section 3.1. Agreement to Issue EDA Bond.

The Authority hereby agrees, simultaneously with the execution and delivery hereof, to proceed with the issuance and sale of the EDA Bond, bearing interest, maturing and having the other terms and provisions set forth in the Bond Purchase and Loan Agreement. The proceeds of the EDA Bond will be used to finance the costs of the Project and the costs of issuance thereof. The Town agrees to make all Basic Payments and Additional Payments when and as the same shall become due and payable.

Section 3.2. Limitation of Authority's Liability.

Anything contained in this Payment Agreement to the contrary notwithstanding, any obligation the Authority may incur in connection with the issuance of the EDA Bond for the payment of money shall not be deemed to constitute a debt or general obligation of the Authority within any constitutional or statutory limitations, but shall be a limited obligation payable solely from the revenues and receipts derived by it pursuant to this Payment Agreement.

ARTICLE IV

PAYMENT OBLIGATIONS

Section 4.1. Amounts Payable.

(a) (1) The Town shall pay to the Authority the Basic Payments. The Basic Payments to the Authority shall be payable without notice or demand as directed by the Authority in semi-annual installments on or before the 1st day of February and August, beginning on February 1, 2024, each year until the date that no amount is due under this Payment Agreement. On the date of issuance of the EDA Bond upon assignment of this Payment Agreement to the Bank, the Town shall pay such Basic Payments to the Bank, as assignee of the Authority, without notice or demand at the designated office of the Bank in semi-annual installments on or before the 1st day of February and August, beginning on February 1, 2024, each year until the date that no amount is due under this Payment Agreement.

(2) The Authority will determine, as part of its budget process, by March 1 of each year the Basic Payment to be requested from, and paid by, the Town for the immediately succeeding Fiscal Year, to expected debt service on the EDA Bond.

(b) The Town agrees to make Additional Payments to pay (1) any prepayment or redemption of the EDA Bond and (2) all other amounts which the Town agrees to pay under the terms of this Payment Agreement, but not including Basic Payments.

Section 4.2. Payments Assigned.

The Authority and the Town acknowledge and agree that this Payment Agreement and all Basic Payments and Additional Payments (except the rights of the Authority to receive payment of its expenses, to receive notices and to give consents) are assigned by the Assignment Agreement to the Bank. The Town consents to such assignment and agrees to pay to the Bank all amounts payable by the Town that are so assigned.

Section 4.3. Obligation Unconditional.

The obligations of the Town to make all Basic Payments and Additional Payments and to observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional, irrespective of any right of setoff, recoupment or counterclaim the Town may otherwise have against the Authority, and the Town shall not suspend or discontinue any such Basic Payment or Additional Payment or fail to observe and perform any of its covenants, conditions and agreements hereunder.

Section 4.4. General Obligation.

The Town's obligations to pay the cost of performing its obligations under this Payment Agreement, including its obligations to pay all Basic Payments and Additional Payments, shall be a general obligation of the Town to which the full faith and credit of the Town are irrevocably pledged and constitute obligations of a locality for the payment of money and for the payment of which the locality is required to levy ad valorem taxes as set forth in Section 15.2-2602 of the Public Finance Act, and the Bank is the holder thereof in accordance with the Assignment Agreement. The Council is authorized to and shall levy and collect annually at the same time and in the same manner as other taxes of the Town are assessed, levied and collected, a tax upon all taxable property within the Town, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the payments under this Payment Agreement to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

The Town Manager or other officer charged with the responsibility for preparing the Town's Annual Budget shall include in the budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of this Payment Agreement, the Town Manager, Town Finance Director or other officer charged with the responsibility for preparing the Town's Annual Budget shall deliver to the Bank and the Authority within 30 days after the adoption of the Annual Budget for each Fiscal Year, but not later than the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Basic Payments and Additional Payments which will come due during such Fiscal Year has been appropriated by the Council in such budget. If any adopted Annual Budget does not include an appropriation of funds sufficient to pay both Basic Payments and estimated Additional Payments coming due for the relevant Fiscal

Year, the Council shall take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to appropriate such funds. If, by the beginning of the Fiscal Year, the Council has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments coming due for the then current Fiscal Year, the Town Manager or other officer charged with the responsibility for preparing the Town's Annual Budget shall give written notice to the Council of the consequences of such failure to appropriate, and request the Council to consider a supplemental appropriation for such purposes.

If at any time the Basic Payments as determined pursuant to Section 4.1(a)(2) are insufficient to make one hundred percent (100%) of the payments of principal and interest due on the EDA Bond in a timely manner, the Authority (or the Bank as assignee of the Authority) shall notify the Town Manager (or other officer charged with the responsibility for preparing the Town's Annual Budget) of the amount of such insufficiency, and the Town Manager shall submit to the Council at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation in the amount necessary to cover such insufficiency.

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1. Prepayment and Redemption.

The Town shall have the option to prepay any Basic Payments at the times and in the amounts as necessary to enable the Authority to exercise its option to cause the EDA Bond to be redeemed in part as set forth in such EDA Bond. Such prepayments of Basic Payments shall be made at the times and in the amounts as necessary to accomplish the optional redemption in part of the EDA Bond as set forth in such EDA Bond. Such redemption shall be made without penalty.

The Town shall direct the Authority to send to the Bank notice of any redemption of the EDA Bond at least 10 days prior to the redemption date, such notice to the Bank to specify the redemption date and the principal amount of the EDA Bond to be redeemed.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.1. Limitation of Liability of Directors, etc. of Authority and Council Members of the Town.

No covenant, agreement or obligation contained in this Payment Agreement shall be deemed to be a covenant, agreement or obligation of any past, present or future member, officer, director, employee or agent of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer thereof executing this Payment Agreement shall be liable personally on this Payment Agreement or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No member, director, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Payment Agreement or the Act or any of the transactions contemplated hereby provided that he or she acts in good faith.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any past, present or future Council Member or officer, employee or agent of the Town or the Council in his or her individual capacity, and neither the members of the Council nor any officer of the Town or the Council executing this Payment Agreement shall be liable personally on this Payment Agreement or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No Council Member or officer, employee or agent of the Town or the Council shall incur any personal liability with respect to any action taken by him or her pursuant to this Payment Agreement or any of the transactions contemplated hereby, provided that he or she acts in good faith.

Section 6.2. Use of Proceeds.

The Authority shall use the proceeds of the EDA Bond to pay the costs of the Project and pay costs of issuance of the EDA Bond.

Section 6.3. Town Covenants. The Town agrees to provide to the Bank (a) prompt notice of any litigation with respect to the Town that could materially and adversely affect the ability of the Town to perform its obligations under this Payment Agreement, (b) copies of the Town's financial statements within 270 days of the end of each of the Town's Fiscal Years and (c) prompt notice of any defaults with respect to any general obligation indebtedness or moral obligations of the Town.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default.

(a) Each of the following events shall be an Event of Default:

(1) Default in the due and punctual payment of any Basic Payment when the same becomes due and payable and continuation of such failure for a period of five days; or

(2) Failure of the Town to pay when due any other payment due under this Payment Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the Town to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the Town is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder, the Town shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies;

orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The Town shall remedy with all reasonable dispatch the cause or causes preventing the Town from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Town, and the Town shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the Town not in its best interests.

Section 7.2. Remedies.

Whenever any Event of Default shall have happened and is continuing, the Bank as assignee of the Authority, may take whatever action at law, in equity or administratively as may appear necessary or desirable to collect the Basic Payments and Additional Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Town under this Payment Agreement. Any amounts received by the Authority or the Bank pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be credited to the next Basic Payment to the extent such Basic Payments have not been paid in full. This provision shall survive termination of this Payment Agreement.

Section 7.3. Reinstatement after Event of Default.

Notwithstanding the exercise by the Authority of any remedy granted by Section 7.2, if all overdue Basic Payments, together with any interest thereon, and all Additional Payments shall have been made, then the Town's default under this Payment Agreement shall be waived without further action by the Authority. Upon such payment and waiver, this Payment Agreement shall be fully reinstated and all Basic Payments will be due and payable in accordance with the previously determined schedule.

Section 7.4. No Remedy Exclusive.

No remedy conferred by this Payment Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.5. No Additional Waiver Implied by One Waiver.

Failure by the Authority at any time to require performance by the Town of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

Section 7.6. Attorneys' Fees and Other Expenses.

The Town shall on demand pay to the Authority and the Bank the reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Basic Payments or Additional Payments, or the enforcement of any other obligation of the Town, or its agents, upon an Event of Default.

ARTICLE VIII

[INTENTIONALLY OMITTED]

ARTICLE IX

ASSIGNMENT AGREEMENT; AMENDMENTS; ASSIGNMENT

Section 9.1. Assignment Agreement; Covenants.

(a) Contemporaneously with the execution of this Payment Agreement, the Authority has entered into the Assignment Agreement by which the Authority has assigned all of its rights in and to this Payment Agreement (except its rights to receive payment of its expenses, to receive notices and to give consents) to the Bank for the benefit of the holders of the EDA Bond. The Town (i) consents to such assignment, (ii) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Bank to effect such assignment, (iii) agrees to make all payments due to the Authority under this Payment Agreement directly to the Bank (except the Authority's rights to receive payment of its expenses, to receive notices and to give consents), and (iv) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Payment Agreement to the Authority shall include the Bank and their successors and assigns, whether or not specific reference is otherwise made to the Bank, unless the context requires otherwise. The Town shall not be obligated to take any notice of any sale, assignment, reassignment, pledge, mortgage, transfer or other disposition of any interest in this Payment Agreement by the Authority, unless such sale, assignment, reassignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with the Assignment Agreement.

(b) The Town covenants to take whatever action may be necessary for the Authority to comply with the Authority's covenants under the Assignment Agreement.

(c) The Town agrees, for the benefit of the holder of the EDA Bond, to do and perform all acts and things contemplated in the Assignment Agreement to be done or performed by it.

Section 9.2. Amendments.

This Payment Agreement shall not be supplemented, amended or modified by the parties hereto prior to the payment of all amounts due on the EDA Bond without the consent of the Bank.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices.

Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Town, at 345 Donald Avenue, Rocky Mount, Virginia 24151 (Attention: Robert J. Wood, Town Manager) and (b) if to the Authority, c/o 345 Donald Avenue, Rocky Mount, Virginia 24151(Attention: Chairman). The Town and the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 10.2. Severability.

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

Section 10.3. Successors and Assigns.

This Payment Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. The Bank is intended to be, and shall be, a third party beneficiary of this Payment Agreement.

Section 10.4. Counterparts; Delivery.

This Payment Agreement may be executed in any number of counterparts, each of which shall be an original, all of which together shall constitute but one and the same instrument. The Authority Documents shall not become effective until delivery at Closing, as defined in the Bond Purchase and Loan Agreement.

Section 10.5. Governing Law.

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

Section 10.6. Term of Agreement.

This Payment Agreement shall commence on the date of issuance of the EDA Bond and will terminate on the date that no amount is due under this Payment Agreement. .

IN WITNESS WHEREOF, the parties have caused this Payment Agreement to be duly executed by their duly authorized representatives.

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA

By: ____
Chairman

TOWN OF ROCKY MOUNT, VIRGINIA

By:____
Town Manager

By:____
Mayor

By:____
Clerk

[Town seal]

[SIGNATURE PAGE TO TOWN OF ROCKY MOUNT, VIRGINIA PAYMENT AGREEMENT]

Seen and agreed to:

NATIONAL BANK OF BLACKSBURG

By ____________________________________
Chief Lending Officer

[SIGNATURE PAGE TO PAYMENT AGREEMENT]