

Business Savvy. People Friendly.

PITTSYLVANIA

COUNTY, VIRGINIA

INDUSTRIAL DEVELOPMENT AUTHORITY

Wednesday, August 21, 2024; 6:00 P.M; County Administration Conference Room;
1 Center Street, Chatham, Virginia 24531

AGENDA

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ANY ADDITIONS/REVISIONS TO AGENDA**
- IV. APPROVAL OF AGENDA**
- V. CONSENT AGENDA**
 - A. Review/Approval of July Meeting Minutes
 - B. Review/Approval of July Financials
- VI. OLD BUSINESS**
 - A. Economic Development Strategic Plan Update (*J. Faucette*)
 - B. Virginia Stormwater Management Program Update (*J. Faucette*)
- VII. NEW BUSINESS**
 - A. County/Speyside Local Performance Agreement Execution Approval (*M. Rowe*)
- VIII. ECONOMIC DEVELOPMENT UPDATES**
 - A. Overview of Projects (*M. Rowe*)
- IX. MATTERS FROM IDA MEMBERS**
- X. CLOSED SESSION**
 - A. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community.

Authority: Virginia Code §2.2-3711(A)(5)

Subject Matters: Project G, Project 10, Project B

Purpose: Updates on Prospective Unannounced Businesses/Industries

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

A. Closed Session Certification

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY CLOSED MEETING CERTIFICATION

BE IT RESOLVED that at the meeting of the Pittsylvania County Industrial Development Authority (“Authority”) on August 21, 2024, the Authority hereby certifies by a recorded vote that to the best of each Authority member’s knowledge only public business matters lawfully exempted from the Open Meeting requirements of the Virginia Freedom of Information Act (“Act”) and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. If any authority member believes that there was a departure from the requirements of the Act, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the Authority’s minutes.

	<u>Vote</u>
Joey Faucette	Yes/No
John Daniel	Yes/No
Timothy Reynolds	Yes/No
Bill Nuckols	Yes/No
Steven Merricks	Yes/No
Charles L. Minter	Yes/No
Michael Adkins	Yes/No

XII. ADJOURNMENT

Agenda Section:	Consent Agenda (Section V(A))
Agenda Title:	Approval of July Minutes
Staff Contact:	Matthew Rowe
Agenda Date:	August 21, 2024
Attachments:	1 (July Meeting Minutes)

SUMMARY:

A copy of the July Meeting Minutes is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:

None

RECOMMENDATION:

County Staff recommends the IDA approve the July Meeting Minutes as presented.

MOTION:

“I make a Motion to approve the July Meeting Minutes as presented.”

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
7/17/24 MEETING MINUTES

I. CALL TO ORDER

Faucette called Meeting to order at 6:00 PM.

II. ROLL CALL

Saunders conducted Roll Call. The following IDA Members were present: Daniel, Nuckols, Merricks, Minter, and Adkins. Staff present: Shorter, Hunt, Van Der Hyde, Rowe, and Saunders.

III. ADDITIONS/REVISIONS TO AGENDA

Consideration of approval for Resolution #2024-07-01 for the Staunton Plaza Grant Application was added under New Business.

IV. APPROVAL OF AGENDA

Motion by Nuckols, seconded by Minter, to approve Agenda. Motion passed unanimously by IDA Members present.

V. CONSENT AGENDA

Approval of May Minutes

Review/Approval of May Financials

Motion by Adkins, seconded by Nuckols, to approve Consent Agenda. Motion passed unanimously by IDA Members present.

VI. OLD BUSINESS

Regional Economic Development Strategic Plan Update

Rowe stated that a proposal and cost has been presented for the Regional Economic Development Strategic Plan. The scope of work is \$291,000; Discussions are being held at this time to see if RIFA will be paying 2/3 of the cost, and Danville Regional Foundation will be paying the other 1/3.

Virginia Stormwater Management Program Update

Rowe stated that there are no updates at this time. New updates will be dependent upon the Regional Economic Development Strategic Plan.

VII. NEW BUSINESS

Resolution for the Staunton Plaza Grant Application

Rowe explained the details pertaining to the Staunton Plaza Grant Application.

On a motion by Nuckols, seconded by Minter, to adopt the resolution #2024-07-01 for the Staunton Plaza Grant Application as presented. Motion passed unanimously by IDA Members present.

VIII. ECONOMIC DEVELOPMENT UPDATES

Overview of projects

Rowe provided updates on the following projects: Staunton River Plastics, Aerofarms, Axxor, and J&J Truck Sales.

IX. MATTERS FROM IDA MEMBERS

There were none.

X. CLOSED SESSION

Motion to enter Closed Session (see attached Agenda Packet for full Closed Session information) by Nuckols, seconded by Minter. Motion unanimously passed by IDA Members present. IDA entered Closed Session at 6:21 PM.

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

IDA returned to Open Session at 6:43 PM and Saunders read the Closed Session Certification paragraph (see attached Agenda Packet for same), and conducted a Closed Session Certification Roll Call, which was unanimously voted "Yes" by IDA Members present.

XII. ADJOURNMENT

Daniel adjourned the Meeting at 6:45 PM.

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RESOLUTION # 2024-07-01**

RESOLUTION SUPPORTING STAUNTON PLAZA GRANT APPLICATION

VIRGINIA: At the Pittsylvania County Industrial Development Authority (“IDA Board”) Meeting on Wednesday, July 17, 2024, in the County Administration Conference Room, the following Resolution was presented and adopted:

WHEREAS, the IDA Board supports the submission of a Grant Application to the Virginia Tobacco Region Revitalization Commission (“Tobacco Commission”) and the Danville Regional Foundation (“DRF”) for funding assistance to help renovate the Staunton Plaza (“Property”) in the Town of Hurt, Virginia (“Hurt”); and,

WHEREAS, Hurt purchased the Property and its assets within the past year, and any received funding would go towards facade improvements, a new roof, and internal building improvements and upfits; and,

WHEREAS, a portion of the building on the Property is planned to be utilized for childcare and daycare, learning lab, co-working spaces, and a large community meeting space that incorporates the latest audio-visual technologies; and,

WHEREAS, the building improvements on the Property will include dedicated office space for the Staunton River Regional Industrial Facility Authority and Local/Regional Economic Development Staff for meetings and related business matters; and,

WHEREAS, the improvements to the building on the Property would be beneficial to the citizens of Pittsylvania County, Virginia (“County”), and Hurt by providing needed services and employment opportunities, while also being a great asset in marketing the Southern Virginia Multimodal Park to prospective companies; and,

WHEREAS, the County, and its Economic Development Staff and consultants, will work closely with Hurt and its consultant to ensure all relevant materials are completed and submitted for the Grant Application; and,

WHEREAS, the County believes this vitally important Project will help with future growth in the northern part of the County, and have a positive impact on Hurt and its residents.

NOW, THEREFORE, BE IT RESOLVED, that the IDA Board fully supports the Grant Application for funding from the Tobacco Commission and DRF.

Given under my hand this 17th day of July, 2024.



Dr. Joey Faucette, Chairman
Pittsylvania County Industrial Development Authority

Matthew D. Rowe

Matthew D. Rowe, Secretary
Pittsylvania County Industrial Development Authority

Agenda Section:	Consent Agenda (Section V(B))
Agenda Title:	Approval of Financials
Staff Contact:	Kim Van Der Hyde
Agenda Date:	August 21, 2024
Attachments:	1 (July Financial Report)

SUMMARY:

A copy of the July Financial Report is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:

None

RECOMMENDATION:

County Staff recommends the IDA approve the July Financial Report as presented.

MOTION:

“I make a Motion to approve the July Financial Report as presented.”

Pittsylvania County Industrial Development Authority

Balance Sheet As of July 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
10000 BB&T-Regular Checking	0.00
101000 First Citizens Checking	652,453.72
10200 ANB-Axxor Property Account	0.00
10300 FCB-Panacea Reserve Account	0.00
10400 FCB-IDA SR-Plastics	0.00
10500 ANB-IDA SR-Plastics	0.00
Total Bank Accounts	\$652,453.72
Accounts Receivable	
11000 *Accounts Receivable	0.00
Total Accounts Receivable	\$0.00
Other Current Assets	
120000 Accounts Receivable	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$652,453.72
Fixed Assets	
110000 Inventory	1,300,310.00
15000 Capital Assets	
150100 Land	497,442.00
150200 Industrial Building	11,789,700.39
150500 Construction in Progress	1,197,950.00
Total 15000 Capital Assets	13,485,092.39
160000 Accumulated Depreciation	-123,758.78
Total Fixed Assets	\$14,661,643.61
Other Assets	
120100 Notes Receivable-Intertape	0.00
120200 Note Receivable-Axxor	0.00
120500 Notes Receivable-Axxor-Land	0.00
121000 Note Receivable-Panacea Equip	83,203.45
121100 Notes Rec-Panacea Equip Reserve	0.00
121500 Note Receivable-Panacea Upfit	0.00
121600 Note Receivable-VRA Loan-Realty	750,000.00
121700 Note Receivable-ANB-SR Plastics	0.00
121800 Note Receivable-VSBFA-Axxor	3,124,153.60
125000 Other Receivable-ARCO	0.00
125100 Other Receivable-SR-Plastics	59,796.72
125200 Other Receivable-Axxor	0.00
130000 Interest Receivable	0.00
140000 Lease Receivable	9,426,494.96
Total Other Assets	\$13,443,648.73
TOTAL ASSETS	\$28,757,746.06

Pittsylvania County Industrial Development Authority

Balance Sheet As of July 31, 2024

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 *Accounts Payable	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
200000 Accounts Payable	0.00
252500 Note Payable-ANB Axxor Note	0.00
252600 Closing Costs	0.00
253700 Note Payable-TIC-Cyber Park	413,971.75
253800 Note Payable-Cyber Park	783,978.25
260000 Interest Payable	0.00
270000 Reserve-Panacea	0.00
270100 SR-Plastics Reserve	0.00
Total Other Current Liabilities	\$1,197,950.00
Total Current Liabilities	\$1,197,950.00
Long-Term Liabilities	
210000 Security Deposit-2311 Cane Creek Pkwy	0.00
250000 Note Payable-ANB-Intertape	0.00
253000 Bond Payable-2311 Cane Creek Pkwy Building	597,957.00
253200 Note Payable-First Citizens-Pana	0.00
253300 Note Payable-VRA Loan-Realty	750,000.00
253400 Note Payable-Atlantic Union SR Plastics	8,399,225.80
253500 Note Payable-VSBFA-Axxor	3,124,153.60
253600 Note Payable-VSBFA-SR-Plastics	1,006,339.38
2750 Deferred Inflow of Resources-Leases	9,686,981.00
Total Long-Term Liabilities	\$23,564,656.78
Total Liabilities	\$24,762,606.78
Equity	
30000 Opening Balance Equity	1,943,527.66
32000 Unrestricted Net Assets	2,053,860.59
Net Income	-2,248.97
Total Equity	\$3,995,139.28
TOTAL LIABILITIES AND EQUITY	\$28,757,746.06

Pittsylvania County Industrial Development Authority

Transaction List by Date

July 2024

DATE	TRANSACTION TYPE	NUM	POSTING	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT
07/01/2024	Check	1192	Yes	VACorp		101000 First Citizens Checking	65120 Other Types of Expenses:Insurance - Liability, D and O	-13,525.00
07/01/2024	Deposit		Yes	Axxor		101000 First Citizens Checking	-Split-	37,633.85
07/08/2024	Check	SVCCHRG	Yes		Service Charge	101000 First Citizens Checking	5050 Bank Charges	-26.50
07/09/2024	Deposit		Yes	RAGE SR-PLASTICS		101000 First Citizens Checking	-Split-	50,787.95
07/12/2024	Check	1193	Yes	Atlantic Union Bank		101000 First Citizens Checking	-Split-	-43,887.71
07/22/2024	Check	1194	Yes	VSBFA		101000 First Citizens Checking	-Split-	-4,546.00
07/22/2024	Check	1195	Yes	VSBFA		101000 First Citizens Checking	-Split-	-36,133.85
07/22/2024	Check	1196	Yes	Pittsylvania County		101000 First Citizens Checking	20000 *Accounts Payable	-3,345.30
07/22/2024	Check	1197	Yes	Sellers Brothers, Inc.		101000 First Citizens Checking	20000 *Accounts Payable	-790.00
07/26/2024	Deposit		Yes	Axxor		101000 First Citizens Checking	-Split-	37,633.85
07/31/2024	Deposit	INTEREST	Yes		Interest Earned	101000 First Citizens Checking	45030 Investments:Interest Revenue	56.87

Agenda Section:	New Business (Section VII(A))
Agenda Title:	County/Speyside Local Performance Agreement Execution Approval
Staff Contact:	Matthew Rowe
Agenda Date:	August 21, 2024
Attachments:	1 (Local Performance Agreement - Executed by Speyside)

SUMMARY:

A copy of the County/Speyside Local Performance Agreement is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:

None

RECOMMENDATION:

County Staff recommends the IDA approve the County/Speyside Local Performance Agreement as presented.

MOTION:

“I make a Motion to approve the County/Speyside Local Performance Agreement as presented.”

LOCAL PERFORMANCE AGREEMENT

THIS LOCAL PERFORMANCE AGREEMENT (this “**Agreement**”), made and entered into as of the _____ day of _____ 2024, by and among **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (“**PCIDA**”); the **COUNTY OF PITTSYLVANIA, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**County**”); and **SPEYSIDE BOURBON COOPERAGE, INC.**, an Ohio corporation (the “**Parent Company**”), and **SPEYSIDE BOURBON STAVE MILL IN DANVILLE, VIRGINIA INC.**, a Virginia corporation (the “**Company**”);

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

- a. PCIDA, in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity.
- b. The Parent Company, a U.S. manufacturer of bourbon barrels and staves, through the Company as its wholly owned subsidiary, has agreed to establish and to operate a stave mill complex (the “**New Facility**”) to contain approximately 20,000 square feet of space, on approximately 43.614 acres of land (the “**Project Site**”), on those certain parcels (GPINs 1368-56-4743 and 1368-55-6709), commonly known as Lots 7 and 9 of the Brosville Industrial Park (the “**Brosville Park**”), owned by PCIDA and located in Brosville, Virginia. Lots 7 and 9 are more particularly described in Schedule 1(b), attached hereto and incorporated herein by this reference. The Company intends to purchase Lots 7 and 9 in the Brosville Park.
- c. During the Performance Period described below, the Company plans to make capital investments in the Project Site of at least Fifteen Million and 00/100 Dollars (\$15,000,000.00) with the New Facility and to create forty (40) full-time jobs with an average yearly base wage of at least forty one thousand six hundred and 00/100 Dollars (\$41,600.00), before benefits, as set forth in this Agreement.
- d. PCIDA is willing to provide those certain incentives to the Company summarized in Schedule 1(d), attached hereto and incorporated herein by this reference, provided that the Company satisfies certain criteria relating to employment projections and capital investment as described below.

e. PCIDA finds that the provisions of this Agreement and the commitments of the Company will promote the expansion of industry by inducing industrial development within the Brosville Park, and that such development will promote the safety, health, welfare, convenience and prosperity of the citizens of the County.

Section 2. - Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

a. **“Agreement”** shall mean this Local Performance Agreement and shall have the same meaning as set forth in the header paragraph.

b. **Reserved.**

c. **“Brosville Park”** shall have the same meaning as that term is used in Section 1(b).

d. **“Capital Investment”** means a capital expenditure by or on behalf of the Company in taxable real property, taxable tangible personal property, or both, at the New Facility. A capital expenditure related to a leasehold interest in real property will be considered to be made **“on behalf of the Company”** if a lease between a developer and the Company is a capital lease, or is an operating lease having a term of at least ten (10) years, and the real property would not have been constructed or improved but for the Company's interest in leasing some or all of the real property. Only the capital expenditures allocated to the portion of the real property to be leased by the Company will count as Capital Investment. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, will qualify as Capital Investment hereunder.

e. **“Company” and “Parent Company”** shall have the same meanings as those terms in the header paragraph of this Agreement.

f. **“Company Land Acquisition Closing”** shall have the same meaning as that term is used in Section 2(o).

g. **“County”** shall have the same meaning as that term is used in the header paragraph of this Agreement.

h. **“Deed of Trust”** shall have the same meaning as that term is used in Section 3(b).

i. **“Event of Default”** shall have the same meaning as that term is used in Section 8.

j. **“Event of Force Majeure”** shall mean without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the Commonwealth or any of

their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

k. **“Government Party” or “Government Parties”** shall mean any one or more of PCIDA and the County.

l. **“Land”** shall mean Lots 7 and 9 of the Brosville Park, as more particularly described in the aforesaid **Schedule 1(b)** upon which the New Facility will be constructed. The value of the Land is Two Million One Hundred Eighty Thousand Five Hundred and 00/100 Dollars (\$2,180,500.00).

m. **“Maintain”**, as it pertains to a New Job, shall mean that the New Job will continue without interruption from the date of creation through the Performance Date. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company's employment levels (so long as there is active recruitment for open positions), (ii) strikes and (iii) other temporary work stoppages not to exceed sixty (60) days.

n. **“New Facility”** shall have the same meaning as that term is used in **Section 1(b)**.

o. **“New Facility Completion Date”** shall mean such date within four (4) years after the date of the closing on the Company's purchase of the Land (the **“Company Land Acquisition Closing”**); provided however, Company (or its Affiliate Entity) shall cause the commencement of the construction of the New Facility within two (2) years after the date of the Company Land Acquisition Closing.

p. **“New Job”** shall mean new permanent full-time employment of an indefinite duration at the New Facility for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an average annual wage of at least **Forty One Thousand Six Hundred and 00/100 Dollars (\$41,600.00)**, excluding standard fringe benefits, excluding standard fringe benefits. Each New Job must require a minimum of either (i) thirty-five (35) hours of an employee's time per week for the entire normal year of the Company's operations, which **“normal year”** must consist of at least forty-eight (48) weeks, or (ii) one thousand six hundred eighty (1,680) hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth of Virginia, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs.

q. **“PCIDA”** shall have the same meaning as that term in the header paragraph of

this Agreement.

r. ***“PCIDA Land Clawback Option”*** shall mean PCIDA’s right, but not obligation, to purchase the Land (including without limitation the improvements thereon and appurtenances thereunto belonging), in whole or in part, in the event that during the **PCIDA Land Clawback Option Period**, as hereinafter defined: (i) the Company or the Parent Company no longer owns the Project Site; (ii) the Company discontinues business of the New Facility at the Project Site for a period of ninety (90) days or more, excluding however days for any Event of Force Majeure; (iii) the Company materially changes the nature of the Company’s business of the New Facility at the Project Site; (iv) the New Facility is not being used in substantially the same manner as was used on the Performance Date or (v) the Company (or the Parent Company), in the good faith determination of PCIDA, the County or both, has abandoned the completion of the New Facility’s construction, provided however that any such determination by PCIDA, the County or both, may only be made if the Company has failed to cause the commencement of construction of the New Facility within twenty-four (24) months after the date of the Company Land Acquisition, or if after the timely commencement of said construction the Company terminates all construction work for a continuous period of ninety (90) days or more excluding however days for any Event of Force Majeure. The PCIDA Land Clawback Option shall have a term of four (4) years beginning on the date of the Company Land Acquisition Closing (the **“PCIDA Land Clawback Option Period”**), and shall be recorded in the land records of the County. The form of the PCIDA Land Clawback Option shall be in the form reasonably acceptable by legal counsel to PCIDA and the Company, respectively. The purchase price for the Land shall be equal to Three Hundred Thousand and 00/100 Dollars (\$300,000.00) plus the tax assessed value of the improvements thereon, and with such tax assessed value to specifically include the assessment by the Commissioner of Revenue of any newly constructed improvements, if any. To exercise such option, PCIDA must provide written notice to the Company or its permitted assignee on or before the date that is ninety (90) days after the end of the term of the PCIDA Land Clawback Option Period. At the closing of PCIDA’s purchase of the PCIDA Land Clawback Option, if any, (i) the seller, at its expense, shall transfer to PCIDA good, insurable and marketable title to the Land, and New Facility if constructed, by special warranty deed, **“AS IS”**, **“WHERE IS”** and **“WITH ALL FAULTS”**, free and clear of any monetary liens and subject to all easements, conditions, restrictions and agreements of record affecting the Land; and (ii) this Agreement shall terminate and all of the parties shall be relieved from any and all further obligations under this Agreement except for those surviving under Section 27 below, and PCIDA, at the Company’s expense, shall promptly release the Deed of Trust. If PCIDA does not exercise the PCIDA Land Clawback Option within ninety (90) days after the end of the term of the PCIDA Land Clawback Option Period, said PCIDA Land Clawback Option shall terminate and shall thereafter be void and of no further force and effect. PCIDA covenants to promptly execute and deliver to the Company such further documentation as may reasonably be required to evidence of record the termination and release of said PCIDA Land Clawback Option.

s. ***“PCIDA Land Clawback Option Period”*** shall have the same meaning as that

term is used in Section 2(r) above.

t. **“Performance Date”** shall mean the date that is three (3) years after the date of the New Facility Completion Date. The Performance Date shall be extended one (1) day, for a maximum of three hundred sixty-five (365) days, for each day after the New Facility Completion Date has passed without all of the applicable certificates of occupancy having been issued. The Company shall promptly give written notice to PCIDA of any extension of the Performance Date.

u. **“Performance Grant Agreements”** shall have the same meaning as that term is used in Section 5(a).

v. **“Performance Period”** shall mean that period of time commencing on the date of the Company Land Acquisition Closing and ending on the Performance Date.

w. **“Project Site”** shall have the same meaning as that term is used in Section 1(b) above, the specific location of which shall be mutually agreed by PCIDA and the Company on the Land.

x. **“PSA”** shall have the same meaning as that term is used in Section 3(a).

y. **“Real Property Incentive Grant”** shall mean One Million Eight Hundred Thirty Thousand Five Hundred and 00/100 Dollars (\$1,830,500.00) which is in the form of a reduction in the net purchase price of the Land provided by PCIDA for the benefit of the Company pursuant to the PSA, as more particularly set forth in Section 3(a)(i) below.

z. **“Real Property Incentive Grant Clawback”** shall mean Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00).

AA. **“Recruitment Documents”** shall mean any one or more of this Agreement, the PSA, the Deed of Trust, PCIDA Land Clawback Option, any and all performance grant agreements executed by the Company pertaining to State Grants and any other document(s) executed, at the request of PCIDA, by the Company in connection with this Agreement.

BB. **“State Grants”** shall mean the Commonwealth Opportunity Fund Grant; the Agriculture Forestry Industries Development Fund Grant; the Virginia Jobs Investment Program Grant; and any other state grant that one or more of the Government Parties has agreed to assist in and facilitate the Company’s application.

Section 3. - Due Diligence and Purchase of Project Site by the Company; PCIDA’s Deed of Trust; Termination; Company’s Use of Project Site Prior to Commencement of Facility Construction.

a. **Generally.** On or before the beginning of the Performance Period, PCIDA, at its expense, shall consolidate Lots 7 and 9 into a single parcel, including the preparation of a current field boundary survey of the consolidated parcel which shall be provided to the Company and PCIDA shall convey the Land to the Company by said survey and pursuant to the terms of a purchase and sale agreement (“PSA”), in substantially the form attached hereto as **Schedule 3(a)**, and incorporated herein by this reference. Notwithstanding the foregoing, the aforesaid current field boundary survey shall be completed and provided to Company for review within thirty (30) days from the date of the PSA. In the event that PCIDA’s source deed provides a legal description to Lots 7 and 9 that differs from said survey, PCIDA, shall additionally convey to the Company, by quitclaim, those portions of the Land shown in said survey that are not covered by PCIDA’s source deed. Such PSA, at a minimum, shall provide the following:

- i. **Purchase Price of the Land.** The purchase price of the Land shall be Two Million One Hundred Eighty Thousand Five Hundred and 00/100 Dollars (\$2,180,500.00), subject to application of the Real Property Incentive Grant from PCIDA in the amount of One Million Eight Hundred Thirty Thousand Five Hundred and 00/100 Dollars (\$1,830,500.00), resulting in a net purchase price of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00).
- ii. **Due Diligence Period.** Subject to the provisions of such PSA, beginning on the date of such PSA, the Company shall have sixty (60) days, at the Company’s sole cost and expense, to enter upon the Project Site to perform such tests, inspections and examinations of the Project Site as the Company deems advisable, and the right to terminate the PSA and this Agreement if the Company is not satisfied in its sole and absolute discretion with the condition of the Land.
- iii. **Purchase of the Project Site.** At the closing pursuant to a PSA, PCIDA, at its expense, shall prepare and deliver to the Company a special warranty deed to the Land, “AS IS”, “WHERE IS” and “WITH ALL FAULTS”, and subject to all easements, conditions, restrictions and agreements of record affecting the Land (and together with all rights, privileges and appurtenances thereunto belonging), including without limitation a deed of trust securing the Company’s obligation to maintain its New Facility’s operations at the Project Site as described in **Schedule 1(b)**, but free and clear of any monetary liens. PCIDA shall pay any grantor’s tax due with respect to the transfer of the Land to the Company. The Company shall pay the Virginia recordation tax on the special warranty deed, the Company’s attorneys’ fees, title insurance premiums and expenses and all other costs and expenses incurred by the Company in connection with the closing of a PSA. PCIDA and the Company agree to execute and deliver to the other such documents as may be then reasonably necessary to carry

out the terms of this Section 3(a)(iii) and complete the PSA closing in accordance with the custom in the Commonwealth of Virginia for commercial real property transactions.

b. Deed of Trust; 10-Year Obligation to New Facility Operations at the Project Site. The Company shall construct and maintain the operations of its New Facility at the Project Site for a period of ten (10) years commencing on the date of the Company Land Acquisition Closing, and this covenant shall be secured by a deed of trust covering the Land (the “**Deed of Trust**”), substantially in the form attached hereto as Schedule 3(b), and incorporated herein by this reference. The parties agree and acknowledge that in the event the Company fails to comply with this covenant and such failure constitutes an uncured Event of Default, PCIDA’s damages would be uncertain and difficult, if not impossible, to accurately estimate, in light of (i) the value of the Land, (ii) PCIDA’s mission to promote industrial and economic development within its region, (iii) the fact that the development of the Brosville Park with the recruitment of business and industry promotes the further development in the Brosville Park, (iv) the financial and marketing effect of having the New Facility in the County, and (v) the anticipated tax revenues from the Company. Accordingly, the parties agree that in the event of a breach by the Company of this covenant, and provided that such breach constitutes an uncured Event of Default, the Company shall pay to PCIDA liquidated damages (and not as a penalty), subject to such adjustments as provided in Section 10 below and also subject to credit for real estate taxes on the Land paid to the County for the then applicable tax fiscal year, as follows:

Occurrence of Default, where y = Date of Certificate of Occupancy for the New Facility	Liquidated Damages, subject to credit for real estate taxes on the Land paid to the County for then applicable tax fiscal year*
0 years \leq y < 1 years	\$500,000.00
1 years \leq y < 2 years	\$428,571.43
2 years \leq y < 3 years	\$357,142.86
3 years \leq y < 4 years	\$285,714.29
4 years \leq y < 5 years	\$214,285.71
5 years \leq y < 6 years	\$142,857.14
6 years \leq y < 7 years	\$71,428.57
7 years < y	\$0.00

**In no event shall the Liquidated Damages be less than \$0.00 (i.e., the Company shall not be entitled to a refund by PCIDA or the County).*

Subject to Section 2(r), the liquidated damages under this Section 3(b) shall be in addition to, and not in lieu of, any other relief available under this Agreement or under applicable law. For illustrative purposes only, Schedule 3(b)(i), attached hereto and incorporated herein by this reference, provides a summary of PCIDA's remedy options in the Event of Default by the Company. The provisions of this Section 3(b) shall specifically and without limitation survive the Company Land Acquisition Closing.

c. Termination of Agreement and Release of Deed of Trust. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall terminate and the Company shall have no further obligations hereunder upon the earliest to occur of the following events (the "**Termination Date**"): (i) the Company's termination of the PSA during the Due Diligence Period or in the event of any other termination of the PSA as therein provided; (ii) the completion of the purchase of the Land from the Company by PCIDA in the exercise of the PCIDA Land Clawback Option; (iii) the payment by Company of all sums that may become due to PCIDA under Section 3(b) and/or Section 10 of this Agreement; or (iv) the ten (10) year anniversary of the Company Land Acquisition Closing. At the Termination Date PCIDA shall promptly cause the Deed of Trust to be released of record and all of the parties shall be relieved from any and all further obligations under this Agreement, except for those obligations, if any, that accrued prior to the Termination Date.

d. Company's Use of Project Site Prior to Commencement of Facility Construction. The Company contemplates that it will initially use the Land following its purchase thereof under the PSA as a site for a log yard. PCIDA and the County acknowledge and agree: (i) to such use of the Land by the Company; and (ii) that any such use shall not constitute a default under any of the provisions of the Recruitment Documents. The Company, at its expense, shall comply with all laws, rules and regulations concerning the use of the site for a log yard and any other activities on the Land. Moreover, the Company's use of the Land as a log yard shall not be deemed to toll or to extend the time in which the Company is required to perform its obligations under this Agreement.

Section 4. - Capital Investment; and New Job Creation by the Company.

a. \$15M Capital Investment. On or before the Performance Date, the Company shall make Capital Investment in the minimum aggregate amount of Fifteen Million and 00/100 Dollars (\$15,000,000.00) for the New Facility. Notwithstanding the foregoing, it shall not constitute an Event of Default under Section 8 below if the Company during the Performance Period shall make a Capital Investment of at least Thirteen Million Five Hundred Thousand and 00/100 Dollars (\$13,500,000.00) on or before the Performance Date.

b. 40 New Jobs. The Company shall create and employ forty (40) New Jobs on or before the Performance Date and shall Maintain these New Jobs until at least the Performance Date. Beginning on the first day of the month that is at least six (6) months after the execution of this Agreement, and every six (6) month period thereafter during the Performance Agreement, the Company shall produce and deliver to PCIDA a New Jobs roster itemizing, at a minimum, each New Job and the base pay (excluding fringe benefits), as described in Section 2(p) above and any other information pertaining to such New Job employees as may be reasonably requested by PCIDA. The Company shall redact from the New Jobs roster any personally identifiable information of its employees. The Company hereby authorizes each of the County's Economic Development Director and the PCIDA Treasurer or his respective designees to obtain and to verify the information contained in the New Jobs roster from the Virginia Employment Commission. Notwithstanding the foregoing, it shall not constitute an Event of Default under Section 8 below if the Company during the Performance Period shall create and Maintain at least thirty-six (36) New Jobs on or before the Performance Date.

c. Domestication in Virginia. The Company shall be in good standing with the Virginia State Corporation Commission and authorized to transact business in Virginia throughout the balance of the Performance Period. The Company shall remain domesticated in the Commonwealth of Virginia, at all times, until the Deed of Trust is released.

d. Financial Report. Beginning on the first day of the month that is at least six (6) months after the opening of the New Facility (as determined by the date that a certificate of occupancy for the New Facility is received by the Company or the Parent Company) and every six (6) month period thereafter during the Performance Agreement, the Company shall produce and deliver to PCIDA a general financial report on the status of the Company's business at the New Facility.

Section 5. - Funds Extended to or for the Company.

a. State Grant Applications. As part of the construction of the New Facility, PCIDA or other Government Parties shall apply for and accept the State Grants, including Commonwealth Opportunity Fund Grant, Governor's Agriculture Forestry Industries Development Fund Grant, and Virginia Jobs Investment Program Grant, each subject to a performance grant agreement by and among PCIDA, the Company, the Parent Company and the applicable grant sponsoring office or agency (collectively, the "**Performance Grant Agreements**"). If the application for any such grant is approved, PCIDA shall disburse the funds to the Company upon the Company's satisfaction or achievement of certain performance metrics as set forth in such applicable Performance Grant Agreement.

b. State Grant Cooperation. The Company shall reasonably cooperate with the Government Parties in connection with the applications for the State Grants, including without limitation providing financial information about the Company, the Company's planned Capital Investments, and the creation schedule of the New Jobs.

Section 6. - Capital Investment Report and Unaudited Annual Financial Statements.

The Company shall provide a signed report to PCIDA annually, beginning on the first day of the month that is at least twelve (12) months after the opening of the New Facility (as determined by the date that a certificate of occupancy for the New Facility is received by the Company or the Parent Company), documenting the Company's (or as applicable, the Parent Company's) progress in Capital Investment and in maintenance of the Capital Investment. The Company further agrees that each of the County's Economic Development Director and the PCIDA Treasurer or his respective designees are authorized to verify all taxable Capital Investment and related information through the Office of the Commissioner of Revenue for the County. Along with the report in this Section 6, the Company (or the Parent Company) shall provide to PCIDA (i) unaudited financial statements for the Company's business at the New Facility covering the previous twelve (12) month period, prepared under generally accepted accounting principles (GAAP) and (ii) documentation or other information reasonably satisfactory to PCIDA demonstrating the Company's plans to have sufficient working capital to operate its business for at least the next eighteen (18) months and to meet its required Capital Investment as set forth in this Agreement.

Section 7. - Representations and Warranties of the Company. As of the date of this Agreement and continuing until the Performance Date, the Company hereby represents and warrants to each Government Party the following:

a. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia as of the date of this Agreement and is authorized to transact business in the Commonwealth of Virginia and all other jurisdictions in which it is required by law. The Parent Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Ohio as of the date of this Agreement and is authorized to transact business in all jurisdictions in which it is required by law.

b. This Agreement, the transactions contemplated herein, and the other Recruitment Documents to be executed by the Company have been or shall have been approved by all necessary corporate action by the Company; and the persons executing this Agreement and any of the other Recruitment Documents to be executed by the Company have or shall have full and complete authority to execute and deliver the same for and on behalf of the Company.

c. The execution, delivery, and performance of this Agreement, the other Recruitment Documents, and the consummation of the transactions contemplated hereby and thereby by the Company will not violate, conflict with, or result in any default under, or cause any acceleration of any obligation under, any (i) Articles of Incorporation, Bylaws, Shareholder Agreement, or other organizational documents of the Company; (ii) any existing contract, agreement, note, or other document to which the Company is a party, or by which the Company is bound; or (iii) any orders, decrees, or laws of any jurisdiction applicable to and binding upon

the Company.

d. This Agreement and all other Recruitment Documents constitute the legal, binding and enforceable obligations of the Company in accordance with the terms contained herein or therein.

e. There is no pending or threatened litigation or proceeding against the Company or the Parent Company, if any, which may materially adversely affect the financial condition, business operations, or business prospects of the Company.

f. The Company is not in material default with respect to any existing indebtedness incurred by it. The Parent Company is not in material default with respect to any existing indebtedness incurred by it.

g. All financial statements, certificates, resolutions, and other information or documentation furnished to any one or more of the Government Parties prior to the date of this Agreement by the Company are true, correct, and accurate, and no such information fails to disclose or misrepresents any information which could materially or adversely affect the transactions contemplated in this Agreement; and the Company has not failed to disclose any information which could materially and adversely affect the business or financial condition of the Company.

For purposes of this Section 7, the “**Company**” shall, specifically and without limitation, include any permitted assignee of the Company to any one or more of the Recruitment Documents and the Parent Company.

Section 8. - Event of Default. It shall be an “**Event of Default**” upon the occurrence of any one or more of the following events:

a. The occurrence of any material default under this Agreement, or any other Recruitment Document which is not cured within sixty (60) days after written notice to the Company of such default (or if such default cannot reasonably be cured within such sixty (60) day period, then if the Company fails to substantially begin such cure within such sixty (60) day period or fails thereafter to diligently pursue such cure);

b. The Company discontinues business for a period of sixty (60) days or more, excluding days for any Event of Force Majeure, or materially changes the nature of the Company's business or has appeared in the good faith determination by PCIDA, the County or both that the New Facility has been abandoned by both the Company and the Parent Company, provided however than any such determination by PCIDA, the County or both shall only be made after giving prior written notice to Company and Parent Company with a period of twenty (20) days from such notice for the Company and Parent Company to provide reasonable evidence that the New Facility has not been abandoned;

c. The Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (vi) becomes insolvent, however otherwise evidenced;

d. The Parent Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (vi) becomes insolvent, however otherwise evidenced;

e. The Company is not in good standing with the Virginia State Corporation Commission after having received at least sixty (60) days written notice from the Commission;

f. The Parent Company is not in good standing with the Virginia State Corporation Commission after having received at least sixty (60) days written notice from the Commission;
or

g. An officer or controlling owner of the Company or the Parent Company (i) is convicted of a felony, or (ii) is convicted of any other crime involving lying, cheating, stealing, fraud, misappropriation, or other similar acts of dishonesty.

Section 9. - Upon Occurrence of an Event of Default. In addition to and not in lieu of any other remedies or relief made available to any one or more of the Government Parties under this Agreement, at law or in equity, upon the occurrence of an Event of Default, irrespective of whether any Government Party has terminated this Agreement, each Government Party (as the case may be) may elect any one or more of the following:

a. The Government Party may immediately cease to disburse any further payments to or for the Company under this Agreement or the Recruitment Documents;

b. If during the Performance Period, the Government Party may pursue any and all remedies available pursuant to the PCIDA Land Clawback Option and/or the Deed of Trust;

c. If after the Performance Period, the Government Party may pursue any and all remedies available pursuant to the Deed of Trust;

Upon giving written notice to the Company, the Government Party shall have the right, but not the obligation, to offset any amounts owed by the Government Party against amounts owed or claimed to be owed by the Company; and/or

d. The Government Party may pursue any and all other remedies available to it under this Agreement, any one or more of the Recruitment Documents or applicable law.

Section 10. - Repayment of Real Property Incentive Grant Clawback for Failure to make the Capital Investment and/or to create and Maintain New Jobs. In the event the Company fails to make the Capital Investment and/or to create and Maintain New Jobs as required under this Agreement and such failure constitutes an Event of Default, the Company shall repay to PCIDA portions of the Real Property Incentive Grant Clawback as provided below in this Section 10. Any such repayment amounts owed by the Company shall be credited towards any payment by the Company of liquidated damages as provided for in Section 3(b). In the event that the credit is greater than the amount of liquidated damages owed by the Company as provided for in Section 3(b), the Company shall not be entitled to any refund by PCIDA or the County.

a. **Failure to make the Capital Investment.** In the event the Company fails to make the Capital Investment as required under this Agreement and such failure constitutes an Event of Default, the Company shall repay to PCIDA an amount equal to the following:

- i. An amount equal to fifty percent (50%) of the total amount of the Real Property Incentive Grant Clawback, minus the following calculation: an amount equal to the Capital Investment actually made by the Company as of the Performance Date multiplied by a fraction, (A) the numerator of which is fifty percent (50%) of the total amount of the Real Property Incentive Grant Clawback, and (B) the denominator of which is Thirteen Million Five Hundred Thousand and 00/100 Dollars (\$13,500,000.00).

b. **Failure to Create and Maintain New Jobs.** In the event the Company fails to create and Maintain New Jobs as required under this Agreement and such failure constitutes an Event of Default, the Company shall repay to PCIDA an amount equal to the following:

- i. An amount equal to fifty percent (50%) of the total amount of the Real Property Incentive Grant Clawback, minus the following calculation: an amount equal to the New Jobs actually Maintained by the Company as of Performance Date multiplied by a fraction, (A) the numerator of which is fifty percent (50%) of the Real Property Incentive Grant Clawback, and (B) the denominator of which is thirty-six (36) New Jobs.

Section 11. - Audit and Guideline Requirements. Upon reasonable prior written request, the Company shall allow each of the County's Economic Development Director and the PCIDA Treasurer (or his respective designees) reasonable access during regular business hours

to all records pertaining to the Company's employment and investment at the New Facility, and the Company shall cooperate with PCIDA in any audit of such records by furnishing all information necessary to verify the Company's performance under this Agreement. In return, each of PCIDA and the County agrees to maintain the confidentiality of any and all proprietary, confidential and/or sensitive information, including without limitation personal payroll earnings or similar information that those Government Parties or its designees may receive or access.

Section 12. - Force Majeure. Notwithstanding the foregoing, if the Company does not meet the New Job and Capital Investments requirements because of an Event of Force Majeure, the Performance Date will be extended day-for-day by the delay in meeting the targets caused by the Event of Force Majeure.

Section 13. - Subject to Annual Appropriations. As provided under Virginia law, the obligations of the Government Parties to pay the cost of performing its obligations under this Agreement are subject to and dependent upon annual appropriations being made from time to time by the governing body of such Government Party, for such purpose, provided however that the Real Property Incentive Grant by PCIDA, which is material to the Company's purchase of the Land under the PSA, shall not be subject to any reduction.

Section 14. - Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

Section 15. - Attorneys' Fees. Each of the parties shall be solely responsible for their respective attorneys' fees in the negotiating, drafting, and execution of this Agreement and any of the transactions contemplated hereby.

Section 16. - Other Documents. The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

Section 17. - Default. In the event that a party to this Agreement incurs attorneys' fees and/or costs in pursuing or defending an alleged breach of this Agreement, the non-prevailing party, in addition to any other remedy, shall be responsible for the reasonable attorneys' fees and costs incurred by the prevailing party. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

Section 18. - Entire Agreement. This Agreement and the schedules hereto contain the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated hereby; and this Agreement and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 19. - Headings. The descriptive headings in this Agreement are inserted for

convenience only and do not constitute a part of this Agreement.

Section 20. - Notices. Any notice required or contemplated to be given to any of the parties by any other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to the County:

Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

With a copy to:
J. Vaden Hunt, Esq.
County Attorney
1 Center Street
P.O. Box 426
Chatham, VA 24531

If to PCIDA:

Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

With a copy to:
J. Vaden Hunt, Esq.
County Attorney
1 Center Street
P.O. Box 426
Chatham, VA 24531

If to the Company:

Attn.: J. Darren Whitmer, President and
General Manager
Speyside Bourbon Stave Mill in Danville,
Virginia Inc.
960 East Main Street
Jackson, OH 45640

With a copy to:
R. Meade Snyder, Esq.
Snyder & Snyder, PLC
316 Commercial Avenue
P.O. Drawer 635
Clifton Forge, VA 24422

If to the Parent Company:

Attn.: J. Darren Whitmer, President and
General Manager
Speyside Bourbon Cooperage, Inc.
960 East Main Street
Jackson, OH 45640

With a copy to:
R. Meade Snyder, Esq.
Snyder & Snyder, PLC
316 Commercial Avenue
P.O. Drawer 635
Clifton Forge, VA 24422

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service

properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate. Copies as set forth in this Section 20 are provided as a courtesy and shall not be required to effectuate notice as provided herein.

Section 21. - Governing Law. This Agreement 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 Pittsylvania County, 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 Agreement, 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. The parties agree that a final 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 manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

Section 22. - Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

Section 23. - Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest.

Section 24. - Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

Section 25. - Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

Section 26. - Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 27. - Survival. Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

Section 28. - No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor

will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Section 29. - Guarantee by the Parent Company. The Parent Company does hereby absolutely and unconditionally guarantee the performance and discharge of all the Company's obligations under this Agreement and all of the Recruitment Documents. No Government Party need first exhaust their legal remedies against the Company or its successors and assigns before proceeding against the Parent Company.

[SIGNATURES ARE ON FOLLOWING PAGES.]

WITNESS our signature and seal to this LOCAL PERFORMANCE AGREEMENT as of the date first above written:

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

By: _____
Joey Faucette, Chairman

(SEAL)

ATTEST:

Matthew D. Rowe
Clerk
Industrial Development Authority of Pittsylvania County, Virginia

COMMONWEALTH OF VIRGINIA, AT LARGE
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____ 2024, by JOEY FAUCETTE, in his capacity as Chairman of INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: _____.

Notary Public
Registration No. _____

List of Schedules

- 1(b) – Project Site Description
- 1(d) – Summary of Incentives
- 3(a) – Form of PSA
- 3(b) – Form of the Deed of Trust
- 3(b)(i) – Default Remedy Chart (*illustrative purposes only*)

WITNESS our signature and seal to this LOCAL PERFORMANCE AGREEMENT as of the date first above written:

COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: Darrell Dalton, Chairman Board of Supervisors

(SEAL)

ATTEST:

J. Vaden Hunt Clerk Pittsylvania County Board of Supervisors

COMMONWEALTH OF VIRGINIA, AT LARGE CITY/COUNTY OF , to-wit:

The foregoing instrument was acknowledged before me this day of 2024, by DARRELL DALTON, in his capacity as Chairman of the Board of Supervisors of COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires:

Notary Public Registration No.

List of Schedules

- 1(b) – Project Site Description
1(d) – Summary of Incentives
3(a) – Form of PSA
3(b) – Form of the Deed of Trust
3(b)(i) – Default Remedy Chart (illustrative purposes only)

WITNESS our signature and seal to this LOCAL PERFORMANCE AGREEMENT as of the date first above written:

SPEYSIDE BOURBON COOPERAGE, INC., an Ohio corporation

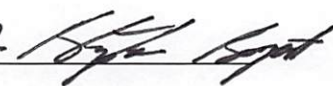
By: 
J. Darren Whitmer
President and General Manager



STATE OF Kentucky
CITY/COUNTY OF Louisville, Kentucky, to-wit:

The foregoing instrument was acknowledged before me this 2nd day of May 2024, by J. DARREN WHITMER, in his capacity as **President and General Manager** of SPEYSIDE BOURBON COOPERAGE, INC., an Ohio corporation, on behalf of such entity.

My commission expires: 1-20-2027.

KYNP65282 
Notary Public
Registration No. KYNP65282

- List of Schedules
1(b) – Project Site Description
1(d) – Summary of Incentives
3(a) – Form of PSA
3(b) – Form of the Deed of Trust
3(b)(i) – Default Remedy Chart (*illustrative purposes only*)

WITNESS our signature and seal to this **LOCAL PERFORMANCE AGREEMENT**
as of the date first above written:

**SPEYSIDE BOURBON STAVE MILL IN
DANVILLE, VIRGINIA INC.**, a Virginia
corporation

By:



J. Darren Whitmer
President and General Manager



STATE OF Kentucky
CITY/COUNTY OF Louisville, Jefferson, to-wit:

The foregoing instrument was acknowledged before me this 2nd day of
May 2024, by **J. DARREN WHITMER**, in his capacity as **President and
General Manager** of **SPEYSIDE BOURBON STAVE MILL IN DANVILLE, VIRGINIA
INC.**, a Virginia corporation, on behalf of such entity.

My commission expires: 1-20-2027.



Notary Public
Registration No. KYNP65282

List of Schedules

- 1(b) – Project Site Description
- 1(d) – Summary of Incentives
- 3(a) – Form of PSA
- 3(b) – Form of the Deed of Trust
- 3(b)(i) – Default Remedy Chart (*illustrative purposes only*)

Schedule 1(b)
(Project Site Description)

All that certain lot, tract or parcel of land, together with improvements thereon and appurtenances thereunto belonging, situate in Pittsylvania County, Virginia, and more particularly described as follows:

That certain tract or parcel of land with improvements thereon, situate in Tunstall District, Pittsylvania County, Virginia, approximately three miles from the City of Danville, Virginia, **containing seventy-six (76) acres**, more or less, described as follows:

BEGINNING at Peter D. Guerrant's corner Chestnut, thence along John Davis' new lines north 5 west 40 poles to pointers, north 45½ west 120 poles crossing said long branch to a rock in John Lewis' lines, then along his line south 27½ west 33 poles to a sassafras on said branch, then up the same as it meanders to pointers, thence along said Lewis' line south 39 east 8½ poles to sweetgum, south 37½ west 36 poles crossing a branch to a white oak, thence Owen's line south 5 east 62 poles to red oak, thence John Gray's line and said Guerrant's line, north 83½ east 126 poles to the beginning; **AND BEING**, in fact, the same property conveyed by James D. Adams to Industrial Development Authority of Pittsylvania County, Virginia, by deed dated April 16, 2003, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia (the "Clerk's Office") as Instrument No. 03-03864, Deed Book 1363 at page 306, to which deed reference is here made for a more particular description of the property; **AND BEING**, in fact, **Lot 7 and Lot 9, containing approximately 7.113 acres and 36.501 acres, respectively**, as shown on that certain Plat of Subdivision Brosville Industrial Park Plat of Subdivision For: Industrial Development Authority of Pittsylvania County, made by Dewberry & Davis, Inc., File V3010B, dated February 22, 2007, and recorded in the Clerk's Office in Map Book 44-55C, to which deed reference is here made for a more particular description of the property.

The property described above is subject to all easements, conditions, restrictions and agreements of record.

Schedule 1(d)
(Summary of Incentives)

Real Property Incentive Grant to be applied toward the purchase price of the Land	\$1,830,500.00
TOTAL REAL PROPERTY INCENTIVES	\$1,830,500.00

Schedule 3(a)
(Form of PSA)

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "*Agreement*") is made as of the _____ day of _____, 2024 (the "*Effective Date*"), between INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (with its successors and permitted assignees, "*Seller*"), and SPEYSIDE BOURBON STAVE MILL IN DANVILLE, VIRGINIA INC., a Virginia corporation, and its permitted assignees (with its successors and permitted assignees, "*Purchaser*"). Seller and Purchaser are also referred to in this Agreement singly as a "*Party*" and collectively as the "*Parties*."

RECITALS:

A. Seller is the owner of those certain parcels of land designated as Lots 7 and 9 (GPINs 1368-56-4743 and 1368-55-6709) (the "*Property*"), as more fully described on Exhibit A, attached hereto and incorporated herein by this reference, being a portion of the property comprising the Brosville Industrial Park, located in Pittsylvania County, Virginia. Seller intends to consolidate Lots 7 and 9 to create a single Lot to consist of approximately 43.614 acres.

B. Purchaser, a U.S. manufacturer of bourbon barrels and staves, has agreed to establish and to operate a stave mill complex (the "*New Facility*") on the Property, as more particularly set forth in that certain Local Performance Agreement of even date herewith (the "*LPA*"). Under the LPA, Seller has agreed to provide Purchaser with a Real Property Incentive Grant equal to One Million Eight Hundred Thirty Thousand Five Hundred and 00/100 Dollars (\$1,830,500.00) for application at the Closing (as defined below) toward the purchase price under this Agreement.

C. The Parties desire that Purchaser shall purchase the Property pursuant to the terms and conditions hereinafter set forth.

NOW THEREFORE, for and in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby warrant, covenant, and agree as follows:

1. Agreement to Purchase and Sell the Property. Subject to the terms and conditions of this Agreement, and in consideration of the execution by the Parties of the LPA and the Purchase Price (as defined below), Seller hereby agrees to sell, assign and transfer, or cause to be sold, assigned and transferred, to Purchaser, and Purchaser agrees to purchase, acquire and accept from Seller, the Property, together with all rights, easements and appurtenances pertaining thereto, in accordance with the terms and conditions set forth in this Agreement.

2. Review Period.

a. Generally. Seller hereby grants to Purchaser the right to inspect the Property at no additional cost for a period of sixty (60) days commencing on the Effective Date (the "*Review*

Period”).

b. Right to Terminate During the Review Period. If Purchaser is not satisfied in its sole discretion with the condition of the Property, Purchaser shall have the right, prior to the end of the Review Period, to terminate this Agreement, in which event both Seller and Purchaser shall be thereafter relieved from any and all further obligations under this Agreement except for provisions which are expressly stated herein to survive termination or contemplate performance subsequent to termination of this Agreement (the “*Surviving Obligations*”).

c. Deposit. Within (5) business days after the Effective Date, Purchaser shall deposit with Purchaser’s attorney, Snyder & Snyder, PLC, 316 Commercial Avenue, P.O. Drawer 635, Clifton Forge, VA 24422, as escrow agent (the “*Escrow Agent*”), the sum of Ten Thousand and 00/100 Dollars (\$10,000.00), in immediately available funds (the “*Deposit*”). The Escrow Agent shall hold any escrowed funds, including the Deposit, in a non-interest bearing account. If the Closing occurs, the Deposit shall be applied to the Purchase Price at the Closing (as hereafter defined) and paid to Seller. The Escrow Agent shall release the Deposit upon the earlier of the dates set forth in, or within three (3) business days after receipt of a written request by Purchaser pursuant to Sections 2(d), 3, 6, 7, 10, and 16 of this Agreement, as applicable.

d. Noncompliance Termination. “*Noncompliance Termination*” shall mean any termination of this Agreement by Purchaser upon (i) any material breach of this Agreement by Seller (following the expiration of any applicable cure periods pursuant to this Agreement); (ii) Seller’s inability to convey to Purchaser good, insurable and marketable title to the Property, subject only to the Permitted Exceptions (as hereafter defined); (iii) Purchaser’s inability to obtain an owner’s title insurance policy at standard rates (“*standard rates*” shall include rates where Seller is not contractually obligated to indemnify the title insurance carrier), subject to the Permitted Exceptions (as hereafter defined), after good faith efforts to obtain such a policy; and (iv) the presence of any hazardous materials on or in the Property in violation of any applicable federal, state, or local laws or regulations, which violation is not cured by Seller, at Seller’s option, within sixty (60) days after Seller’s knowledge of such violation. “*Permitted Exceptions*” means (A) liens for real estate taxes not yet due and payable and (B) certain restrictive or protective covenants (1) that cover the Brosville Industrial Park that have been recorded in the land records of Pittsylvania County, Virginia, before the Closing Date and where Purchaser is given written notice by Seller of such recordation before such date; or (2) that are expressly approved in advance in writing by Purchaser (in either case, the “*Permitted Covenants*”). In the event of a Noncompliance Termination, and notwithstanding anything to the contrary herein, the Escrow Agent shall release to Purchaser the Deposit, and Seller and Purchaser shall have no further rights, duties, obligations or liabilities under this Agreement, except for the Surviving Obligations.

3. Purchase Price and Payment. The purchase price for the Property shall be **Two Million One Eighty Thousand Five Hundred and 00/100 Dollars (\$2,180,500.00)**, subject to application of the Real Property Incentive Grant from Seller as provided in the LPA in the amount of **One Million Eight Hundred Thirty Thousand Five Hundred and 00/100 Dollars (\$1,830,500.00)**, resulting in a net purchase price of **Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00)** (the “*Purchase Price*”). The Purchase Price shall be paid in immediately available funds at the Closing, less the Deposit paid by Purchaser, and subject to adjustment as

otherwise provided in this Agreement and/or through the LPA. On the Closing Date, Seller shall sell, convey, assign and transfer to Purchaser the Property, and in consideration therefor, Purchaser shall purchase, acquire and accept from Seller the Property (the "**Purchase**") pursuant to this Agreement.

4. **Closing.** The consummation of the Purchase contemplated herein (the "**Closing**") shall take place at a mutually agreeable time and place in Pittsylvania County, Virginia, or through the office of Purchaser's attorney, shall occur on or prior to the date which is thirty (30) days after the end of the Review Period or such earlier date as Purchaser may establish upon at least ten (10) days written notice to Seller (the "**Closing Date**").

5. **Closing Documents.**

a. On or prior to the Closing Date, Seller shall deliver to Purchaser the following, all in form and content reasonably satisfactory to Purchaser and Purchaser's attorney:

(i) a special warranty deed conveying fee simple title to the Property as provided in the LPA, together with the current field boundary survey with all required local government approvals of the consolidation of the two (2) lots comprising the Property into a single parcel, all as more particularly described in the LPA, (the "**Survey**") for recordation with said deed, free and clear of all monetary liens, encumbrances, conditions and restrictions except the Permitted Exceptions as defined herein; and

(ii) an affidavit stating that there are no parties with a right of possession of the Property except as provided herein and the absence of any filings or rights to file mechanics' and materialmen's liens on the Property (and the affidavit shall contain no obligation of Seller to indemnify Purchaser or Purchaser's title insurance company); and

(iii) a deed of trust securing Purchaser's obligation to maintain its New Facility's operations at the Property for a period of ten (10) years commencing on the Closing Date (the "**LPA Deed of Trust**"); and

(iv) proper authority documentation authorizing this Agreement and the transaction contemplated hereby; and

(v) such other documents as may be reasonably necessary to consummate and close the Purchase contemplated herein. In no event shall Seller be required to indemnify Purchaser's title insurance carrier.

b. On or prior to the Closing Date, Purchaser shall deliver to Seller the following, all in form and content reasonably satisfactory to Seller:

(i) the Purchase Price in immediately available funds; and

(ii) proper authority documentation authorizing this Agreement and the transaction contemplated hereby; and

(iii) an executed option to purchase in favor of Seller as more particularly described in the LPA as the PCIDA Land Clawback Option; and

(iv) the LPA Deed of Trust executed by Purchaser; and

(v) any other certificate, document, or statement as may be reasonably necessary in order to consummate the transactions contemplated.

6. Inspections. Purchaser, its agents, contractors and representatives, shall have the right to enter the Property during the Review Period at reasonable times to conduct due diligence, including but not limited to soil/geotechnical investigations, such as invasive soil borings and a Phase One environmental site assessment (and Phase Two environmental site assessment at Purchaser's discretion and sole expense), surveying for purposes of marking proposed property corners and property lines, wetland studies and preliminary water/sewer layouts, and a review of government laws, regulations and/or ordinances affecting the Property and Seller's compliance therewith. Purchaser shall use reasonable efforts not to materially damage the Property and agrees, in the event the Closing does not occur within thirty (30) days after the Review Period or if sooner, this Agreement is otherwise terminated, to promptly restore, at Purchaser's sole expense, the Property to substantially the same condition that existed prior to such inspections. Purchaser shall indemnify, defend, and hold harmless Seller, its directors, employees and agents from and against all cost, loss, damage and expense, including reasonable attorneys' fees, directly arising out of Purchaser's, its agents', contractors', subcontractors', representatives,' or employees' activities upon the Brosville Industrial Park pursuant to this Section; *provided, however,* such indemnity shall not apply to any disclosure by Purchaser of existing site conditions at the Property or the surrounding properties. Purchaser's obligation to indemnify Seller pursuant to this Section 6 shall specifically and without limitation survive the expiration or termination of this Agreement and the Closing. In the event that this Agreement terminates as set forth in Section 2(b) above and the Closing does not occur for any reason other than a default by Seller or a Noncompliance Termination as set forth in Section 2(d), Purchaser shall promptly furnish to Seller, at no expense to Seller, copies of any and all third-party reports received by Purchaser related to any such investigations, without any warranties or representations as to the information contained therein, and Purchaser shall be entitled to redact any confidential information in such third-party reports.

Within ten (10) days after the Effective Date, Seller shall deliver to Purchaser, for Purchaser's review, all documents pertaining to the Property in Seller's possession including, but not limited to, copies of any and all reports, studies, surveys, title information, and environmental and engineering assessments without any warranties or representations as to the information contained therein or the completeness thereof. Within thirty (30) days after the Effective Date, Seller shall deliver to Purchaser the Survey for review.

7. Title Examination. During the Review Period, Purchaser may examine the title to the Property and furnish Seller with a written statement of any title objections. If Purchaser fails to deliver an objection notice to Seller prior to the expiration of the Review Period and the Closing occurs, all matters shown in the title commitment (the "*Title Commitment*") and the Survey shall be deemed to be approved by and acceptable to Purchaser (including without limitation Permitted

Exceptions). Within fifteen (15) days after receipt of any such title objection, Seller shall notify Purchaser in writing of any title or survey objections regarding the Property which Seller agrees to cure prior to the Closing Date. Unless Seller notifies Purchaser that Seller agrees to cure a title or survey objection within such fifteen (15) day period, Seller shall have no obligation to cure such objection, except monetary liens of an ascertainable amount, which liens Seller shall cause to be released at or prior to the Closing. If Seller is unable or unwilling to cure the objections within a reasonable time, then, at Purchaser's option, (i) Purchaser shall have the right to terminate this Agreement by giving notice to Seller or (ii) Purchaser may waive such defects and proceed to Closing without a reduction in the Purchase Price. If Purchaser exercises such right to terminate, the Escrow Agent shall release the Deposit to Purchaser, and Seller and Purchaser shall have no further rights, duties, obligations or liabilities under this Agreement, except for the Surviving Obligations.

Any exceptions to title to the Property that arise between the effective date of the Title Commitment and the Closing Date are referred to herein as "*New Defects*." Purchaser may notify Seller in writing (the "*Gap Notice*") of any new defect (a) raised by the title company or title counsel between the effective date of the Title Commitment and the Closing Date (the "*Gap*") and (b) not otherwise known to Purchaser prior to the effective date of the Title Commitment. If Purchaser sends a Gap Notice to Seller of the New Defects, Purchaser and Seller shall have the same rights and obligations with respect to such notice as are set forth in the first paragraph of this Section 7.

8. Expenses. All real estate ad valorem taxes for the calendar year in which the Closing takes place shall be prorated as of the Closing Date, and Purchaser's pro rata share of taxes (if any) shall be paid to Seller at the Closing. Seller shall prepare the special warranty deed and shall pay the grantor's tax due with respect to the transfer of the Property to Purchaser. Seller shall pay for all costs and taxes of recording the deed, the Deed of Trust and the PCIDA Clawback Option, and Purchaser shall pay for the cost of Purchaser's inspections.

9. Real Estate Commission. Seller and Purchaser each represent and warrant to the other that no other party is entitled, as a result of the actions of such Party, to a real estate commission or other fee resulting from the execution of this Agreement or the Purchase herein contemplated, and Seller (to the extent permitted by applicable law) and Purchaser each hereby agree to indemnify and hold each other harmless from and against any and all costs, damages or expenses (including reasonable attorneys' fees) incurred or paid as a result of any breach of the foregoing representation and warranty by the indemnifying Party. The indemnities contained in this Section 9 shall expressly survive the Closing and delivery and recording of the special warranty deed or the termination for any reason of this Agreement.

10. Casualty Loss. If, prior to the Closing, the value of the Property is materially impaired by fire, casualty, contamination, act of God or exercise of eminent domain powers, Purchaser shall have the right to terminate this Agreement by giving written notice to Seller in which case the Escrow Agent shall release to Purchaser the Deposit within five (5) days of such notice, and Seller and Purchaser shall have no further rights, duties, obligations or liabilities under this Agreement, except for the Surviving Obligations.

11. Attorneys' Fees. If either Party reasonably elects to retain an attorney to enforce any provision of this Agreement, whether or not a legal proceeding is commenced, the

substantially prevailing Party shall be entitled to reasonable attorneys' fees regardless of whether at trial, on appeal, in any bankruptcy proceeding, in an arbitration or without resort to suit. This Section 11 shall survive the expiration or termination of this Agreement.

12. Organization and Authority. Each of Seller and Purchaser represent and warrant to the other that (i) it has the full right, power and authority to execute this Agreement and perform its respective obligations under this Agreement, and (ii) the execution and delivery of this Agreement by it has been duly authorized, and no further action or approval is required to cause this Agreement to be valid, binding and enforceable against the respective Party in accordance with its terms.

13. Time. Time is of the essence of this Agreement and whenever a date or time is set forth in this Agreement, the same has been entered into and formed a part of the consideration for this Agreement. Any date that falls on a Saturday, Sunday or Virginia state or federal legal holiday shall be extended to 5 p.m. on the next business day.

14. Cooperation. Each Party shall perform all such other acts and things and execute such other and further documents as may be reasonably necessary to carry out the intent and purposes of this Agreement.

15. Counterparts/Entire Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. A facsimile or scanned copy (*.pdf) signature to this Agreement shall have the same effect as an original for all purposes. This Agreement, and the LPA, contain the entire agreement of the Parties in respect to the subject matter hereof. All such counterparts together shall constitute a fully executed Agreement. All changes, additions, or deletions hereto must be in writing and signed by all Parties.

16. Default. If Purchaser defaults in its obligations hereunder (after ten (10) days' notice of such default and opportunity to cure), Seller may terminate this Agreement after notice to Purchaser. If Seller defaults in its obligations hereunder (after thirty (30) days' notice of such default and opportunities to cure), (i) Purchaser may terminate this Agreement upon giving written notice to Seller and (ii) the Escrow Agent shall release to Purchaser the Deposit. In the event this Agreement is terminated by either Party pursuant to this Section 16, Seller and Purchaser shall have no further rights, duties or obligations under this Agreement, except for the Surviving Obligations. Without limiting the foregoing, in no event shall either Party be responsible or held liable for any consequential, special or incidental losses or damages.

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

If to Seller:

Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

With a copy to:

J. Vaden Hunt, Esq.
County Attorney
1 Center Street
P.O. Box 426
Chatham, VA 24531

If to Purchaser:

Attn.: J. Darren Whitmer, President
and General Manager
Speyside Bourbon Stave Mill in
Danville, Virginia Inc.
960 East Main Street
Jackson, OH 45640

With a copy to:

R. Meade Snyder, Esq.
Snyder & Snyder, PLC
316 Commercial Avenue
P.O. Drawer 635
Clifton Forge, VA 24422

18. **Assignment; Successors.** Except as otherwise expressly permitted herein, neither Party may assign this Agreement, by operation of law or otherwise, without the prior written consent of the other Party, which consent shall not be unreasonably conditioned, delayed, or withheld. The foregoing notwithstanding, an assignment of this Agreement by Purchaser to the Affiliated Entity as the same is defined in the LPA.

19. **Confidentiality.** Except where required by applicable law, Seller shall make no public announcement or disclosure of this Agreement or the terms hereof or any non-public information related to this Agreement to any brokers or third parties before the Closing, without the prior written consent of Purchaser. The Parties acknowledge that Seller is a political subdivision of the Commonwealth of Virginia and is subject to the Virginia Freedom of Information Act. Seller and Purchaser shall not record in the county land records this Agreement or any memorandum of this Agreement. Purchaser may disclose the Property information and all other information furnished to, or obtained through inspection of the Property by Purchaser to its employees, affiliates, lenders, employees, attorneys, county and government officials, surveyors, accountants and other professionals to evaluate the Property for its Intended Use. Purchaser shall return to Seller the information obtained during the Review Period, excluding financial and other proprietary information, if the Closing does not occur. The confidentiality provisions shall not apply to any disclosures made by Purchaser or Seller as required by court order or in connection with any subpoena served upon Seller or Purchaser; *provided*, that Seller or Purchaser shall promptly notify the other Party of any such disclosure requirement and use best efforts to provide the other Party with written notice before making any such disclosure, pursuant to court order, subpoena, or otherwise, and shall give the other Party the opportunity to defend, at its own expense, against any such disclosure requirement. This Section 19 shall survive the expiration or termination of this Agreement.

20. **Non-Waiver.** No waiver of any term or condition of this Agreement by any Party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

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

22. Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

23. No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement. This Section 23 shall survive the expiration or termination of this Agreement.

24. Governing Law. This Agreement and all amendments hereto shall be governed by and construed under the laws of the Commonwealth of Virginia. The Parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, 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 Agreement, 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. The Parties agree that a final 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 manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement. Notwithstanding anything to the contrary herein, the Parties hereby expressly and irrevocably waive any right to trial by jury with respect to any lawsuit, claim, or other proceeding arising out of or relating to this Agreement or the transactions contemplated thereby. This Section 24 shall survive the expiration or termination of this Agreement.

25. Invalidity. In the event any portion of this Agreement should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof unless the court's ruling includes a determination that the principal purpose and intent of this Agreement are thereby defeated. This Section 25 shall survive the expiration or termination of this Agreement.

26. Legal Relationships. The Parties to this Agreement execute the same solely as a seller and a purchaser. No partnership, joint venture or joint undertaking shall be construed from these presents, and except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other Party.

[SIGNATURES ARE ON FOLLOWING PAGES.]

IN WITNESS WHEREOF, the Parties have set their hands and seals to this **PURCHASE AND SALE AGREEMENT** as of the day and year indicated next to their signatures.

PURCHASER:

**SPEYSIDE BOURBON STAVE MILL IN DANVILLE,
VIRGINIA INC.**, a Virginia corporation

By: _____
J. Darren Whitmer
President and General Manager

Date of Execution: _____, 2024

SELLER:

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

By: _____
Joey Faucette, Chairman

Date of Execution: _____, 2024

Exhibits:

Exhibit A – Property Description

Exhibit A
(Property Description)

All that certain lot, tract or parcel of land, together with improvements thereon and appurtenances thereunto belonging, situate in Pittsylvania County, Virginia, and more particularly described as follows:

That certain tract or parcel of land with improvements thereon, situate in Tunstall District, Pittsylvania County, Virginia, approximately three miles from the City of Danville, Virginia, **containing seventy-six (76) acres**, more or less, described as follows:

BEGINNING at Peter D. Guerrant's corner Chestnut, thence along John Davis' new lines north 5 west 40 poles to pointers, north 45½ west 120 poles crossing said long branch to a rock in John Lewis' lines, then along his line south 27½ west 33 poles to a sassafras on said branch, then up the same as it meanders to pointers, thence along said Lewis' line south 39 east 8½ poles to sweetgum, south 37½ west 36 poles crossing a branch to a white oak, thence Owen's line south 5 east 62 poles to red oak, thence John Gray's line and said Guerrant's line, north 83½ east 126 poles to the beginning; **AND BEING**, in fact, the same property conveyed by James D. Adams to Industrial Development Authority of Pittsylvania County, Virginia, by deed dated April 16, 2003, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia (the "**Clerk's Office**") as Instrument No. 03-03864, Deed Book 1363 at page 306, to which deed reference is here made for a more particular description of the property; **AND BEING**, in fact, **Lot 7 and Lot 9, containing approximately 7.113 acres and 36.501 acres, respectively**, as shown on that certain Plat of Subdivision Brosville Industrial Park Plat of Subdivision For: Industrial Development Authority of Pittsylvania County, made by Dewberry & Davis, Inc., File V3010B, dated February 22, 2007, and recorded in the Clerk's Office in Map Book 44-55C, to which deed reference is here made for a more particular description of the property.

The property described above is subject to all easements, conditions, restrictions and agreements of record.

Schedule 3(b)
(Form of the Deed of Trust)

This instrument was prepared by:

Steven W. Lippman, VSB #90877
Christian & Barton, L.L.P.
901 E. Cary Street, Suite 1800
Richmond, VA 23219

After recording return to:

R. Meade Snyder, Esq.
Snyder & Snyder, PLC
P.O. Drawer 635
316 Commercial Avenue
Clifton Forge, VA 24422-0635

GPINs: 1368-55-6709 Lot 7
1368-56-4743 Lot 9

This Deed of Trust is exempt pursuant to §58.1-811.A.3. of the Code of Virginia (1950), as amended (the "Code"), from recordation taxes imposed by §§ 58.1-801 of the Code.

DEED OF TRUST

The following is stated solely for the purpose of complying with Section 55.1-318 of the Code of Virginia, 1950, as amended:

THIS IS A CREDIT LINE DEED OF TRUST.

Maximum aggregate amount of principal to be secured hereby at any one time: \$850,000.00

Name and address of secured party:

Industrial Development Authority of
Pittsylvania County, Virginia
1 Center Street
P.O. Box 426
Chatham, VA 24531
Attn: Matthew D. Rowe, Director of Economic Development

THIS DEED OF TRUST (this "Deed of Trust"), made as of this ____ day of _____ 2024, by and among **SPEYSIDE BOURBON STAVE MILL IN DANVILLE, VIRGINIA INC.**, a Virginia corporation ("**Grantor**"), to be indexed as grantor; **CHRISTIAN & BARTON, L.L.P.**, a Virginia limited liability partnership ("**Trustee**"), having a business address of 901 East Cary Street, Suite 1800, Richmond, Virginia 23219-4037 ("**Trustee**"), to be indexed as grantee; and **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia and having an address of 1 Center Street, Chatham, Virginia 24531 ("**Beneficiary**"), to be indexed as grantee.

Recitals:

A. Grantor is the owner of fee simple title to those certain parcels of real estate located in Pittsylvania County, Virginia, together all improvements, structures, and appurtenances thereunto belonging, commonly known as **Lots 7 and 9 of the Brosville Industrial Park**, as more particularly described on the attached **Exhibit A**, incorporated herein by this reference (the “**Property**”).

B. Grantor is a party to that certain Local Performance Agreement, dated _____, 2024, by and among Grantor, Speyside Bourbon Cooperage, Inc. (“**Parent Company**”), an Ohio corporation, Beneficiary and the County of Pittsylvania, Virginia, a political subdivision of the Commonwealth of Virginia (the “**County**”), a copy of which is attached hereto without exhibits as **Exhibit B**, incorporated herein by this reference (the “**LPA**”), governing the award of the Real Property Incentive Grant to Grantor and Grantor’s covenant to construct and maintain the New Facility at the Project Site for a period of ten (10) years commencing on the Company Land Acquisition Closing as more particularly set forth in the LPA, with this Deed of Trust to secure the obligations of Grantor, Parent Company or both under the terms of the LPA in the event of default to pay to Beneficiary the Real Property Incentive Grant Clawback of up to Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) and liquidated damages of up to Five Hundred Thousand and 00/100 Dollars (\$500,000.00) under the LPA (the “**Grant Funds**”), and any and all agreements and instruments issued in connection with the LPA, and all renewals, replacements, extensions, substitutions, modifications thereof (collectively, the “**Grant Documents**”).

C. Defined terms not otherwise defined in this Deed of Trust shall have the same meaning as in the LPA.

WITNESSETH:

Deed of Trust:

NOW THEREFORE, for and in consideration of the foregoing recitals, which are hereby incorporated in this Deed of Trust, the benefits Grantor will receive therefrom, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, this Deed of Trust provides as follows:

1. **Granting of Lien.** Grantor does hereby **GRANT and CONVEY** with **SPECIAL WARRANTY OF TITLE**, subject to all easements, conditions, and restrictions of record insofar as they may lawfully affect the Property, unto Trustee the Property **IN TRUST**, to secure the repayment, reimbursement or return of the Grant Funds and the performance of the covenants and obligations in the Grant Documents.

2. **Assignment of Leases.** To further secure the repayment, reimbursement or return of the Grant Funds received by Grantor in default of the Grant Documents and the performance by Grantor of its other obligations under the Grant Documents, Grantor

hereby assigns, transfers and sets over to Beneficiary all leases (the "**Leases**") of or relating to the Property, if any, whether now existing or hereafter entered into and all rents, income, revenue, issues and profits (the "**Rents and Profits**") now or hereafter arising from the Property; provided however, that until the occurrence of an "**Event of Default**" (as defined in paragraph 4 below) and the election of Beneficiary to collect the Rents and Profits after such Event of Default, Grantor shall have a license (revocable by Beneficiary upon the occurrence of an Event of Default) to collect and to dispose of the Rents and Profits without restriction, and provided further that this assignment shall not impose on Trustee or Beneficiary any of Grantor's obligations under such leases and contracts.

3. Representations, Warranties and Covenants. Grantor makes the following representations, warranties and covenants (and acknowledges that Beneficiary has relied upon those representations, warranties and covenants in making the Grant Funds:

(a) Grant Funds and the LPA. Grantor shall repay, reimburse or return the Grant Funds received by Grantor in default of the Grant Documents as set forth in the LPA and shall perform and comply with all the other provisions of the Grant Documents.

(b) Secondary Lien Position Financing Prohibited. Grantor shall not pledge, mortgage or encumber the Property, or any part thereof or any interest therein, without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Transfer of the Property Prohibited. Grantor shall not sell, convey, transfer, assign or permit any sale, conveyance, transfer or assignment of the Property or any part thereof or interest therein, by operation of law or otherwise, without the prior written consent of Beneficiary, which consent may be withheld in its sole and absolute discretion, provided however that Grantor may transfer and convey the Property to Parent Company or a subsidiary or affiliate of Parent Company, following notice to Beneficiary and subject to the lien of this Deed of Trust. For the purposes herein, an "**affiliate of Parent Company**" shall mean any firm or entity which is owned by Parent Company or owned or controlled by any entity which owns or controls Parent Company. For the purposes herein, an entity shall be deemed to own or control another entity if it owns more than fifty percent (50%) of the outstanding common stock of the entity (if the entity is a stock corporation), or otherwise owns more than fifty percent (50%) of the beneficial interest therein, or can direct one or more actions by the entity or is required to consent to one or more actions by such entity.

(d) Leases. Grantor represents and warrants that Grantor shall duly and punctually perform all of the terms, conditions and covenants contained in the Leases to be kept, observed and performed by Grantor; that Grantor shall not sell, assign, transfer, mortgage or pledge any of the Rents and Profits, except as expressly permitted by this Deed of Trust; and that no Rents or Profits becoming due subsequent to the date hereof have been collected, nor has payment of any of the same been anticipated, waived, released, discounted or otherwise discharged or compromised. Grantor agrees to act in

good faith to enforce or secure the performance of each and every obligation, covenant, condition and agreement to be performed by the tenants under the Leases.

(e) Environmental Compliance.

(i) Grantor's current and future uses of the Property will be in compliance with all applicable federal, state and local laws and regulations ("**environmental legal requirements**"). In the event of a future violation of such laws or regulations, or in the event of a release or threatened release of any hazardous or toxic substance as herein defined, in, on, under or in any way affecting the Property, all clean-up or other corrective measures shall be taken promptly by Grantor, at Grantor's sole expense and in full compliance with all applicable laws and regulations. The Land will not be identified on the current or proposed (a) National Priorities List ("**NPL**"), (ii) Comprehensive Environmental Response, Compensation and Liability Inventory System ("**CERCLIS**") list, or (iii) any list arising from a state statute similar to CERCLA.

(ii) Indemnification. Grantor covenants and agrees that Grantor will indemnify, hold harmless, and defend Beneficiary from any and all claims, loss, damage, response costs and expenses arising out of or in any way relating to a breach of these environmental representations contained in this paragraph 3, including without limitation: (a) claims of third parties (including governmental agencies), for damages, penalties, response costs, injunctive or other relief; (b) expenses, including fees of attorneys and experts, of reporting the existence of hazardous substances or hazardous wastes to any governmental agency; and (c) any and all expenses or obligations, including reasonable attorneys' fees, incurred at, before and after any trial or appeal therefrom or administrative proceeding or appeal therefrom whether or not taxable as costs, including without limitation reasonable attorneys' fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses, all of which shall be paid by Grantor when accrued; provided, however, that Grantor shall not indemnify, hold harmless, and defend Beneficiary if the claims, losses, damages, costs or expenses are due to Beneficiary's gross negligence or willful misconduct. The provisions of this sub-subparagraph 3(e)(ii) shall be binding on any successor or assign of Grantor.

(f) Compliance with Laws. Grantor shall comply with all laws, statutes, ordinances, rules and regulations applicable to the Property, including without

limitation the Americans With Disabilities Act of 1990, as amended, and all rules promulgated thereunder, and all zoning land use requirements affecting the Property.

4. Event of Default. Each of the following shall be an event of default (an "Event of Default") under this Deed of Trust:

(a) Default in Repayment. If the Grant Funds demanded by Beneficiary in the event of a call, recapture or the obligation as described in this Deed of Trust or any of the Grant Documents are not repaid, reimbursed or returned in full on or before the date they are due.

(b) Default of Terms or Covenants. Other than defaults referred to in subparagraph 3(a) above or subparagraphs 3(c) through 3(e) below, if default shall be made by Grantor in the performance of, or compliance with, any of the covenants, agreements, terms and conditions contained in the Grant Documents or this Deed of Trust and such default is not cured within thirty (30) days of receiving written notice thereof; provided, however, if such default cannot be cured within such thirty (30) day period, then provided Grantor has commenced to cure such default within thirty (30) days of receiving written notice thereof and diligently proceeds to cure such default within a reasonable time, but in no event longer than ninety (90) days.

(c) Default not Cured. If default shall be made by Grantor in the performance of, or compliance with, any of the covenants, agreements, terms and conditions contained in this Deed of Trust or any of the Grant Documents and such default is not cured within any applicable cure period.

(d) Bankruptcy of Grantor. If Grantor shall file a voluntary petition in bankruptcy or shall be adjudicated insolvent or bankrupt, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or if Grantor shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of any of them or of all or any substantial part of the properties owned by it or of the Property, or shall make any general assignment for the benefit of creditors.

(e) Involuntary Insolvency of Grantor. If a petition shall be filed against Grantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation, and shall remain undismissed for a period of thirty (30) days, or if any trustee, receiver or liquidator of Grantor, or of all or any substantial part of the properties owned by Grantor or of the Property, shall be appointed without the consent or acquiescence of Grantor, and such appointment shall remain unvacated for an aggregate of thirty (30) days.

(f) Failure to Construct New Facility and Maintain Operations Thereon. If at any time during the Covenant Period (as hereafter defined), Grantor fails

to construct its New Facility (as defined in the LPA) as set forth in the LPA or after such construction fails to maintain the operations of the New Facility at the Project Site (as defined in the LPA). The “**Covenant Period**” shall mean that certain ten (10) year period commencing on the date of this Deed of Trust. The phrase “**fails to maintain the operations**” shall mean the failure to continue to materially operate the New Facility for more than ninety (90) consecutive days, excluding instances of casualty, condemnation, or Force Majeure.

5. Remedies.

(a) Acceleration; Possession; Sale by Trustee. Upon the occurrence of an Event of Default, Beneficiary may, at its option and without further notice (unless specifically required by applicable law), declare the Grant Funds in the amount of liquidated damages set forth in the LPA immediately due and repayable and have Trustee (or another person or entity designated by Beneficiary) proceed to sell the Property, as a whole or in parcels, at public auction, for cash or credit and upon such other terms Trustee shall deem appropriate. Before such sale at public auction is made, there shall first be advertisement of the time, place and terms of sale at least four times in some newspaper published or having a general circulation in the County of Pittsylvania, Virginia, and there shall be given, at least fourteen (14) days prior to such sale, written notice of the time, place and terms of sale by certified or registered mail to the then owner of the Property at its last known address, as such owner and address appear on the records of Beneficiary. Beneficiary may become the purchaser of the property so sold and no purchaser shall be required to see to the proper application of the purchase money, except as otherwise provided in §58.1-3340 of the Code of Virginia (1950), as amended. The proceeds of any such sale shall be applied in accordance with the provisions of §55.1-324 of the Code of Virginia (1950), as amended.

(b) Surrender of the Property; Right to Operate. Upon any uncured Event of Default in which Grantor has abandoned the Property as defined in the LPA, or upon the appointment of a receiver by Beneficiary to take possession of the Property, Trustee (or other person or entity designated by Beneficiary) or the duly appointed receiver as the case may be, at the request of Beneficiary, and upon such appointment in the case of a receiver, shall have the absolute right to enter the Property and take possession thereof, and in such cases, but in no other event prior to the sale of the Property by the Trustee in execution of this Deed of Trust, Grantor agrees to surrender the Property promptly upon demand. Trustee (or such other designee) shall have all rights necessary to operate the Property (either by itself or through agents appointed by Trustee), including without limitation the following:

- (i) manage and operate the Property or any part thereof;
- (ii) lease any part or parts of the Property for such periods of time, and upon such terms and conditions as Trustee may, in their discretion, deem proper;
- (iii) enforce any of the Leases;

(iv) demand, collect, sue for, attach, levy, recover, receive, compromise and adjust, and make, execute and deliver receipts and releases for all Rents and Profits that may then or may thereafter become due, owing or payable with respect to the Property, or any part thereof, from any present or future lessees, tenants, subtenants or occupants thereof;

(v) institute, prosecute to completion or compromise and settle all summary proceedings and actions for rent or for removing any and all lessees, tenants, subtenants or occupants of the Property or any part or parts thereof;

(vi) enforce or enjoin or restrain the violation of any of the terms, provisions and conditions of any of the Leases;

(vii) make such repairs and alterations to the Property as Trustee (or such other designee of Beneficiary) or such duly appointed receiver may, in Trustee's or such duly appointed receiver's discretion, deem proper;

(viii) pay from and out of the Rents and Profits collected or from or out of any other funds except tenant's security deposits under the Leases, insurance premiums and any taxes, assessments, water rates, sewer rates, or other governmental charges levied, assessed or imposed against the Property, or any portion thereof, and also any and all other charges, costs and expenses which it may deem necessary or advisable for Trustee to pay in the management or operation of the Property, including (without limiting the generality of any rights, powers, privileges and authority hereinbefore or hereinafter conferred) the costs of such repairs and alterations, commissions for renting the Property, or any portions thereof, and legal expenses in enforcing claims, preparing papers or for any other services that may be required; and

(ix) generally, do, execute and perform any other act, deed, matter or thing whatsoever that ought to be done, executed and performed in and about or with respect to the Property as fully as Grantor might do.

(c) Right to Cure. Upon any Event of Default in the performance of the covenants contained herein, Beneficiary shall have the right, but shall not be obligated, to cure any default in regard to the Property, and all costs thereof shall be secured by this Deed of Trust and shall be paid, by Grantor to Beneficiary upon demand therefor. The performance of any such covenant by Beneficiary, however, shall not be deemed a waiver of default.

(d) Remedies Cumulative. No right, power or remedy conferred upon or reserved to Beneficiary or Trustee by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

6. More than one Trustee. If there is more than one Trustee serving, either of them may exercise all the rights and powers of Trustee hereunder. Beneficiary, with or without cause, is hereby authorized and empowered to substitute and appoint, by an instrument recorded wherever this Deed of Trust is recorded, a trustee in the place of any of the trustee(s) hereunder.

7. Miscellaneous.

(a) Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall bind Grantor and its successors and assigns and inure to the benefit of the successors and assigns of Trustee and the endorsees, transferees, successors and assigns of Beneficiary.

(b) Extension; Forbearance; Other Indulgences. Beneficiary and Trustee (with the permission of Beneficiary) may grant any extension, forbearance or other indulgence, may release any part of the Property from the lien hereof without affecting the personal liability of any other person for payment of the Grant Funds or the lien hereof.

(c) Governing Law. This Deed of Trust shall be construed according to the laws of the Commonwealth of Virginia.

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

If to Beneficiary:

Industrial Development Authority of
Pittsylvania County, Virginia
1 Center Street
P.O. Box 426
Chatham, VA 24531
Attn.: Matthew D. Rowe, Director
of Economic Development

With a copy to:

J. Vaden Hunt, Esq.
County Attorney
1 Center Street
P.O. Box 426
Chatham, VA 24531

If to Grantor:

SPEYSIDE BOURBON STAVE MILL IN
DANVILLE, VIRGINIA INC.
960 East Main Street
Jackson, OH 45640
Attn.: J. Darren Whitmer, President and
General Manager

With a copy to:

R. Meade Snyder, Esq.
Snyder & Snyder, PLC
P.O. Drawer 635
316 Commercial Avenue
Clifton Forge, VA 24422-0635

If to Trustee:

Christian & Barton, L.L.P.
901 E. Cary St., Suite 1800
Richmond, VA 23219-4037
Attn.: Michael C. Guanzon, Esq.

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate. Copies as set forth in this subparagraph 7(d) are provided as a courtesy and shall not be required to effectuate notice as provided herein.

(e) Further Assurances. Grantor covenants and agrees to sign, execute and deliver, or cause to be signed, executed and delivered, and to do or make, or cause to be done or made, upon the request of Beneficiary, any and all agreements, instruments, papers, deeds, acts or things, supplemental, confirmatory or otherwise, as may be reasonably required by Beneficiary for the purpose of facilitating the performance of the terms of this Deed of Trust or any of the other Grant Documents.

(f) Severability. If any term, covenant or condition of this Deed of Trust, or the application thereof to any person or circumstance, shall to any extent be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Deed of Trust, or the application of such term, covenant or condition to other persons or circumstances, shall not be affected thereby, and each term, covenant or condition of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

(g) Captions; Gender; Number. The captions hereof are for convenience of reference only and shall neither limit nor enlarge the provisions hereof. All personal pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders. The singular shall include the plural and vice versa unless the context specifically requires otherwise.

(h) Indemnification. To the fullest extent permitted by law, Grantor shall protect, indemnify and hold harmless Trustee and Beneficiary from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against Trustee or Beneficiary in connection with the Property, the Grant Documents or any related matter.

(i) Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument.

(j) Consent to Jurisdiction. Grantor consents to the jurisdiction of the courts of the Commonwealth of Virginia in connection with any action, suit or other proceeding arising out of or relating to this Deed of Trust or any of the other Grant Documents and further waives and agrees not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper.

(k) Waiver of Trial by Jury. Grantor and Beneficiary hereby knowingly, voluntarily and intentionally waive any rights they may have to a trial by jury in respect to any litigation based hereon, or arising out of, under, or in connection with, this Deed of Trust or any of the other Grant Documents, or any course of conduct, course of dealing, statements (oral or written) or actions of Grantor or Beneficiary in connection with this Deed of Trust or any of the other Grant Documents.

IN WITNESS WHEREOF, Grantor has caused this **DEED OF TRUST** to be executed in its name by its duly authorized representative.

GRANTOR:

**SPEYSIDE BOURBON STAVE MILL
IN DANVILLE, VIRGINIA INC., a
Virginia corporation**

By: _____
J. Darren Whitmer
President and General Manager

STATE OF _____

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____ 2024, by **J. DARREN WHITMER** in his capacity as President and General Manager of **SPEYSIDE BOURBON STAVE MILL IN DANVILLE, VIRGINIA INC.**, a Virginia corporation.

My commission expires: _____.

(if in Virginia:) My registration no.: _____.

Notary Public

[SEAL]

EXHIBIT A
(The Property)

GPINs: 1368-55-6709 Lot 7
1368-56-4743 Lot 9

All those certain lots, tracts or parcels of land, together with improvements thereon and appurtenances thereunto belonging, situate in Pittsylvania County, Virginia, and more particularly described as follows:

That certain tract or parcel of land with improvements thereon, situate in Tunstall District, Pittsylvania County, Virginia, approximately three miles from the City of Danville, Virginia, containing **seventy-six (76) acres, more or less**, described as follows:

BEGINNING at Peter D. Guerrant's corner Chestnut, thence along John Davis' new lines north 5 west 40 poles to pointers, north 45½ west 120 poles crossing said long branch to a rock in John Lewis' lines, then along his line south 27½ west 33 poles to a sassafras on said branch, then up the same as it meanders to pointers, thence along said Lewis' line south 39 east 8½ poles to sweetgum, south 37½ west 36 poles crossing a branch to a white oak, thence Owen's line south 5 east 62 poles to red oak, thence John Gray's line and said Guerrant's line, north 83½ east 126 poles to the beginning; **AND BEING**, in fact, the same property conveyed by James D. Adams to Industrial Development Authority of Pittsylvania County, Virginia, by deed dated April 16, 2003, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia (the "**Clerk's Office**") as Instrument No. 03-03864, Deed Book 1363 at page 306, to which deed reference is here made for a more particular description of the property herein conveyed (the "**Land**"); **AND BEING**, in fact, **Lot 7** and **Lot 9**, containing approximately **7.113 acres** and **36.501 acres**, respectively, as shown on that certain Plat of Subdivision Brosville Industrial Park Plat of Subdivision For: Industrial Development Authority of Pittsylvania County, made by Dewberry & Davis, Inc., File V3010B, dated February 22, 2007, and recorded in the Clerk's Office in Map Book 44-55C, to which deed reference is here made for a more particular description of the Land herein conveyed.

The Land described above is subject to all easements, conditions, restrictions and agreements of record.

TOGETHER WITH (a) all buildings and other improvements now or hereafter erected on the Land (the "**Improvements**"); and (b) all rights, appurtenances, easements, privileges, remainders and reversions now or hereafter appertaining thereto.

EXHIBIT B

SIGNED LPA (WITHOUT EXHIBITS) TO BE ATTACHED ON FOLLOWING PAGES

4883-1820-9146, v. 10

Schedule 3(b)(i)
(Default Remedy Chart)

This chart is for illustrative purposes and the convenience of the parties only. In the event of a conflict this chart is superseded by the provisions of this Agreement, the PCIDA Land Clawback Option and the Deed of Trust, as applicable.

x = date of default from the Company Land Acquisition Closing

Default relating to Construction of New Facility			
Default	Years	PCIDA Remedy Options	Result
Failure to commence construction	x < 2 years	PCIDA Land Clawback Option	The Company sells back the Land to PCIDA at \$300,000 purchase price.
Failure to complete construction	x < 4 years	PCIDA Land Clawback Option	The Company sells back the Land to PCIDA at purchase price equal to \$300,000 for the Land, <i>plus</i> tax assessed value for improvements made by the Company.
Default relating to failure to achieve CapEx and New Jobs performance requirements or other default in Agreement. (Assumes New Facility construction has been completed and certificate of occupancy has been issued)			
Default	Years	PCIDA Remedy Options	Result
Failure: <ul style="list-style-type: none"> • \$15M capital investments (“CapEx”) • 40 New Jobs creation 	Date of certificate of occupancy for New Facility, plus 3 years (x < ~7 years)	Repayment of Real Property Incentive Grant Clawback (subject to applicable adjustments);	The Company repays \$350,000 subject to pro rata credit for partial performance pursuant to Section 10 of this Agreement.

Default relating to failure to maintain New Facility operations (Assumes New Facility construction has been completed and certificate of occupancy has been issued);			
y = Date of certificate of occupancy for New Facility			
Default	Years	PCIDA Remedy Options	Result: Liquidated Damages, subject to credit for real estate taxes paid to the County for then applicable tax fiscal year*
Failure: maintain New Facility operations	0 years \leq y < 1 years	Liquidated Damages	\$500,000.00
Failure: maintain New Facility operations	1 years \leq y < 2 years	Liquidated Damages	\$428,571.43
Failure: maintain New Facility operations	2 years \leq y < 3 years	Liquidated Damages	\$357,142.86
Failure: maintain New Facility operations	3 years \leq y < 4 years	Liquidated Damages	\$285,714.29
Failure: maintain New Facility operations	4 years \leq y < 5 years	Liquidated Damages	\$214,285.71
Failure: maintain New Facility operations	5 years \leq y < 6 years	Liquidated Damages	\$142,857.14
Failure: maintain New Facility operations	6 years \leq y < 7 years	Liquidated Damages	\$71,428.57
n/a	7 years < y	No Liquidated Damages	\$0.00

**In no event shall the Liquidated Damages be less than \$0.00 (i.e., the Company shall not be entitled to any refund by PCIDA or the County).*

4865-1354-4314, v. 10