

RESOLUTION NO. 20-2025

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DANVILLE, INDIANA, ESTABLISHING A REVOLVING FUND PURSUANT TO INDIANA CODE 5-1-14-14, AUTHORIZING A LOAN UNDER SUCH REVOLVING FUND, AND CERTAIN RELATED MATTERS

WHEREAS, the Town Council of the Town of Danville, Indiana (the “Town Council”), the executive and legislative body of the Town of Danville, Indiana (the “Town”), desires to establish a revolving fund pursuant to Indiana Code 5-1-14-14(b), as amended (the “Act”), to be funded from a portion of the Town’s distributive share of the local income tax revenues received by the Town under Indiana Code 6-3.6-9, as amended, and allocated for economic development purposes under Indiana Code 6-3.6.-6-9 (the “LIT Revenues”), for the purpose of making one or more loans to borrowers approved pursuant to the Act; and

WHEREAS, the Town Council further desires to make an initial deposit into said revolving fund, to be hereafter referred to as the “Town of Danville Economic Development Revolving Fund” (the “Fund”), of LIT Revenues up to Three Hundred Thousand Dollars (\$300,000); and

WHEREAS, the Town Council further desires to authorize the lending of monies in the Fund to Danville CRE, LLC, or an affiliate thereof (the “Borrower”), in an amount not to exceed Three Hundred Thousand Dollars (\$300,000), subject to the Town Council making certain required findings under the Act; and

WHEREAS, the lending of monies in the Fund to the Borrower shall be evidenced by one or more loan agreements between the Town and the Borrower, a substantially final form of which is attached hereto as Schedule A, with the repayment obligation of the Borrower under each such loan agreement to be evidenced by one or more promissory notes of the Borrower to the Town, a substantially final form of which is attached hereto as Schedule B, in a combined principal amount equal to the combined principal amount lent to the Borrower;

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Danville, Indiana, that:

1. The Town Council hereby establishes the Fund pursuant to Indiana Code 5-1-14-14(b), which Fund shall be funded from LIT Revenues in amounts to be approved by the Town Council from time to time in accordance with law.

2. The Fund shall be initially funded with LIT Revenues in an amount up to Three Hundred Thousand Dollars (\$300,000), with the final amount to be finally determined by the Town Council pursuant to this Section 2. The Clerk-Treasurer of the Town is hereby directed to cause to be transferred from the Town’s Local Income Tax Fund to the Fund, upon receipt of a written request executed by a majority of the Town Council, the amount of money designated in such request; provided, however, that the combined amount of such transfers shall not exceed Three Hundred Thousand Dollars (\$300,000).

3. Notwithstanding anything herein to the contrary, monies may not be lent from the Fund unless the use of such LIT Revenues has been included in the local income tax capital improvement plan of the Town (the "LIT Plan") pursuant to Indiana Code 6-3.6 and are otherwise legally available and appropriated for such purposes. The Town's LIT Plan is hereby amended to include the Town's loan to the Borrower described herein.

4. The Town Council hereby authorizes the lend in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) to the Borrower, subject to the Town Council making prior findings that such loan will be used by the Borrower for one or more of the economic development purposes set forth in the Act.

5. Upon the Town Council making the findings as described in Section 4 hereof, the Town Council may make one or more loans to the Borrower in a combined amount not to exceed Three Hundred Thousand Dollars (\$300,000) for purposes set forth in one or more loan agreements. Such loan or loans shall be evidenced by one or more loan agreements between the Town and the Borrower substantially in the form of the loan agreement attached hereto as Schedule A, with such changes as may be approved by a majority of the Town Council, such approval to be conclusively evidenced by the execution of a loan agreement by a majority of the Town Council. The Town Council is hereby authorized to execute and the Clerk-Treasurer of the Town is authorized to attest each loan agreement, subject to the terms and conditions of this Resolution.

The obligation of the Borrower to repay the loan or loans shall be evidenced by one or more promissory notes from the Borrower to the Town substantially in the form of the promissory note attached hereto as Schedule B, with such changes as may be approved by a majority of the Town Council, such approval to be conclusively evidenced by the execution of an acknowledgment of receipt of a promissory note by a majority of the Town Council. The promissory note or notes shall be in a combined principal amount equal to the combined principal amount borrowed by the Borrower under the loan agreement or loan agreements, shall bear interest at an interest rate of 0%, and shall have a repayment date as set forth in said note.

6. The Town Council and the Clerk-Treasurer of the Town are, and each of them is, hereby authorized and directed to take all such actions and to execute all such instruments, including, without limitation, each loan agreement, as are desirable to carry out the transactions contemplated by this Resolution, in such forms as the Town Council and the Clerk-Treasurer of the Town executing the same shall deem proper, to be conclusively evidenced by the execution thereof.

7. This Resolution shall be in full force and effect from and after its adoption by the Town Council.

Adopted this 5th day of November, 2025.

TOWN OF DANVILLE, INDIANA

By: Its Town Council

President

Vice President

Member

Member

Member

ATTEST:

Clerk-Treasurer

SCHEDULE A

[*attached*]

REVOLVING FUND LOAN AGREEMENT

THIS REVOLVING FUND LOAN AGREEMENT (the “Loan Agreement”) having been made and entered into this ____ day of _____, 2025, by and between the Town of Danville, Indiana (the “Town”), an Indiana political subdivision, by and through its Town Council (the “Town Council”), and Danville CRE, LLC (the “Borrower”), an Indiana limited liability company;

WITNESSETH:

WHEREAS, on November 5, 2025, the Town Council adopted its Resolution No. 20-2025 (the “Resolution”) which authorizes the lending of money from the Town of Danville Economic Development Revolving Fund (the “Fund”), in an aggregate principal amount not to exceed Three Hundred Thousand Dollars (\$300,000), under one or more loan agreements; and

WHEREAS, pursuant to the terms of the Resolution and this Loan Agreement, the Town will lend to the Borrower from the Fund the principal amount of Three Hundred Thousand Dollars (\$300,000); and

WHEREAS, the Borrower shall use the loan proceeds solely for the purpose of _____, as set forth in Appendix 1 to the Note; and

WHEREAS, the Town Council has determined that such use of the loan proceeds will [promote significant opportunities for the gainful employment of the Town’s residents/attract a major new business enterprise to the Town/retain or expand a significant business enterprise to the Town] because _____; and

WHEREAS, the Borrower shall execute its Series 2025 Note (the “Note”) to evidence the Borrower’s obligation to repay the loan made hereunder;

NOW, THEREFORE, the Town and the Borrower agree:

1. The Town agrees to lend to the Borrower the principal amount of Three Hundred Thousand Dollars (\$300,000). The loan shall bear interest at the rate of 0%. The loan shall be repaid on the same terms and subject to the same provisions as set forth in Appendix 1 to the Note, provided that the Borrower may, in its discretion, prepay the Note in whole or in part on any business day.
2. To evidence the obligation of the Borrower to repay the loan made hereunder, the Borrower is this date executing its Note, a copy of which is attached hereto and the terms of which are made a part hereof. In addition, the terms of the Resolution are incorporated herein by reference.
3. As a condition for the making of the loan hereunder, the Borrower unconditionally agrees to use the proceeds of the loan for the purposes set forth in Appendix 1 to the Note. Upon satisfaction of the conditions set forth in Appendix 1 of the Note, the loan will be forgiven in its entirety and the Note will be canceled.

4. It is an event of default hereunder if (a) the Borrower has failed to repay the principal amount of the Note in accordance with the terms thereof, or (b) the Borrower uses the proceeds of the loan made hereunder in violation of the permitted uses described in Section 3 hereof. In the event of a default hereunder, the entire principal of the Note shall be immediately due and payable, anything in the Note or in this Loan Agreement contained to the contrary notwithstanding. The Borrower hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the Town under or in connection with the Note. All amounts payable under the Note are payable with reasonable attorney fees and costs of collection and without relief from valuation and appraisal laws.

5. The obligations of the Borrower under this Loan Agreement and the Note may not be assigned to any other person or entity without the prior written consent of the Town.

6. Pursuant to the Resolution, this Loan Agreement shall constitute the written request and direction by the Town Council to the Clerk-Treasurer of the Town to transfer an amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Fund and to deliver such funds to the Borrower in accordance with Section 7 hereof.

7. Distributions from the Fund to the Borrower shall be made in three separate distributions. The first two (2) distributions must be at least \$100,000 each. Amounts in the Fund may be drawn down by the Borrower in order to reimburse the Borrower for payment made for the for the purposes set forth in Appendix 1 to the Note, upon receipt by the Town of a written request in the form of Exhibit A hereto signed by an authorized representative of the Borrower and approved by the Town Council.

8. If any provision of this Loan Agreement is held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

9. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Town and the Borrower each agree that it will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

10. No waiver by either the Town or the Borrower of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

11. This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the Town and the Borrower relating to the subject matter hereof and constitutes the entire agreement between the Town and the Borrower in respect hereof.

12. This Loan Agreement shall be governed by and construed and enforced in accordance with Indiana law.

The Town and the Borrower have caused this Loan Agreement to be entered into on the date first above written.

TOWN OF DANVILLE, INDIANA

By: Its Town Council

President

Vice President

Member

Member

Member

ATTEST:

Clerk-Treasurer

DANVILLE CRE, LLC,
an Indiana Limited Liability Company

By: _____
_____, [President]

ATTEST:

_____, [title]

EXHIBIT A

STATEMENT NO. _____ REQUESTING DISBURSEMENT OF FUNDS PURSUANT TO
SECTION 7 OF THE LOAN AGREEMENT BETWEEN THE TOWN OF DANVILLE,
INDIANA AND DANVILLE CRE, LLC

Pursuant to Section 7 of the Loan Agreement, dated as of _____, 2025 (the “Loan Agreement”), between the Town of Danville, Indiana (the “Town”) and Danville CRE, LLC (the “Borrower”), the undersigned, as an authorized representative of the Borrower, hereby requests that the Town disburse to the Borrower the aggregate sum of \$_____, for advances, payments and expenditures made by it in connection with the items listed in the invoices attached hereto.

In support of this request, the Borrower hereby certifies as follows:

(a) Each item for which disbursement is requested hereunder and as set forth in the invoices attached hereto is properly payable for the purposes set forth in Appendix 1 to the Note (as defined in the Loan Agreement); none of those items has formed the basis for any disbursement heretofore made by the Town; such payment was not paid in advance of the time, if any, fixed for payment and was made in accordance with the terms of any contracts applicable thereto and in accordance with usual and customary practice under existing conditions; and such payment was made or incurred in accordance with the construction contracts, plans and specifications, or purchase contracts therefor currently in effect; and

(b) This statement and all exhibits hereto shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Town for its actions taken pursuant hereto.

IN WITNESS WHEREOF, the authorized representative of the Borrower has set his/her hand as of the _____ day of _____, 20____.

DANVILLE CRE, LLC
an Indiana Limited Liability Company

By: _____

SCHEDULE B

[*attached*]

DANVILLE CRE, LLC
SERIES 2025 NOTE

FOR VALUE RECEIVED, the undersigned, Danville CRE, LLC (the “Borrower”), a limited liability company organized and validly existing under the laws of the State of Indiana, hereby promises to pay to the order of the Town of Danville, Indiana (the “Town”), in immediately available funds, the principal sum of Three Hundred Thousand Dollars (\$300,000) without interest thereon, on the terms set forth in Appendix 1 hereto.

Payments of principal are to be made directly to the Town in the office of the Clerk-Treasurer of the Town.

This Note is issued pursuant to and secured by the Revolving Fund Loan Agreement dated _____, 2025 (the “Loan Agreement”), by and between the Town and the Borrower, and is entitled to the benefits, and is subject to the conditions thereof. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Town under the Loan Agreement or under any other agreement between the Borrower and the Town or out of any indebtedness or liability at any time owing to the Borrower by the Town or for any other reason.

The principal of this Note is subject to prepayment in whole or in part on any business day prior to maturity.

In certain events and in the manner set forth in the Loan Agreement, the entire principal amount of this Note may be declared to be immediately due and payable.

The Borrower hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the Town under or in connection with this Note. All amounts payable hereunder are payable with reasonable attorney’s fees and costs of collection and without relief from valuation and appraisal laws.

In any case where the date of payment hereunder is a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then such payment shall be made on the next preceding business day with the same force and effect as if made on the date of payment hereunder.

All terms used in this Note which are defined in the Loan Agreement shall have the meanings assigned to them in the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and attested by its duly authorized officer all as of _____, 2025.

Issue Date: _____, 2025

DANVILLE CRE, LLC
an Indiana Limited Liability Company

By:

_____, [President]

ATTEST:

_____, [title]

APPENDIX 1

Agreed Use of Proceeds of Loan by Borrower: masonry, structural carpentry, HVAC, and electrical repairs and improvements, together with outdoor improvements to the Twenty West Public House building located at _20 W. Main Street, Danville, IN 46122.

Principal installment payment dates and amounts:

<u>Principal Installment Date</u>	<u>Principal Amount</u>
[January 1, 2028	\$60,000
January 1, 2029	\$60,000
January 1, 2030	\$60,000
January 1, 2031	\$60,000
January 1, 2032]	\$60,000

Forgivability: On each principal installment payment date, the amount of the principal then due shall be forgiven in full if each of the following pre-conditions are satisfied in the previous year:

1. The Twenty West Public House must have continued operating and remains a “going concern.”
2. All property taxes have been paid in full for the property commonly known as the Twenty West Public House (20 W. Main Street, Danville, IN 46122).
3. Substantial compliance with the Borrower’s presentation to the Danville Redevelopment Commission on August 13, 2025.