

CONSENT SOLICITATION STATEMENT

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA EDUCATIONAL FACILITIES REVENUE BONDS SERIES 2017A (AVERETT UNIVERSITY)

DATED: August 11, 2025

Maturity Date (October 1)	CUSIP No.¹	Interest Rate
2027	236887 AW5	4.00%
2032	236887 AX3	4.75%
2047	236887 AY1	5.00%

Record Date: August 8, 2025 at 5:00 p.m. EDT.

Expiration Date: The date which is the earlier of (a) 5:00 p.m. EDT on August 28 2025, or (b) the date upon which the Information and Tabulation Agent (as defined herein) has accepted the Requested Consents (as defined herein) (the “Expiration Date”).

SUMMARY

This summary is subject in all respects to more complete information contained in this Consent Solicitation Statement and should not be considered a complete statement of the facts material to making an informed decision. Bondholders are requested to read and consider carefully the information contained in the entire Consent Solicitation Statement. Capitalized terms used in this summary shall have the meanings as defined herein.

Averett University runs a private nonprofit college in Danville, Virginia. To raise money for the school, bonds were issued by a third-party (the Issuer), and the funds from those bonds were loaned to the University. The University agreed to repay the loan in amounts and on a schedule that covers the bond payments. The bonds are backed by certain financial accounts, the University’s loan payments, a specific note, a legal claim on property and revenue, and income from the University’s operations. The University is furnishing this Consent Solicitation Statement to the Record Date Beneficial Owners of the outstanding Bonds to solicit the consent of at least a majority of the outstanding principal held by Beneficial Owners to three requested consents (collectively, the “Requested Consents”).

Request for Consent #1

In the 2023 and 2024 fiscal years, the University did not meet the required financial ratio (Debt Service Coverage Ratio) set by the bond agreement. As a result, it hired an Independent Consultant, as required, who has been advising the University on how to improve its financial position. In addition, in the 2024

¹ * CUSIP® is a registered trademark of the American Bankers Association (the “ABA”). CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Bonds. CUSIP numbers have been assigned by an independent company not affiliated with the Obligated Group Representative and are included solely for the convenience of the holders of the Bonds. The University is not responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for Bonds bearing interest at any rate is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such Bonds.

fiscal year, the University did not meet the Liquidity Covenant set by the bond agreement. ***Taken together with the Debt Service Coverage Ratio, this was an event of default under the bond agreement. However, the University has not missed any actual bond payments so far.***

- The University requests that you provide your consent to waive the covenant defaults with respect to the noncompliance by the University with the Debt Service Coverage Ratio for the Fiscal Years ending on June 30, 2023 and 2024 and Liquidity Covenant for the Fiscal Year ending on June 30, 2024, as described under the caption “Proposed Waiver of Debt Service Coverage Ratio and the Liquidity Covenant”;

Request for Consent #2

In addition, the University missed the deadline (December 1, 2024) to file its official audited financial report for the 2024 fiscal year. On May 30, 2025, it submitted a draft version of the report to EMMA and the Bond Trustee (defined below), hoping that most of the bondholders would agree to waive the missed deadline (the “Audit Covenant Default”).

- The University requests that you provide your consent to waive the Audit Covenant Default with respect to noncompliance with the December 1, 2024 deadline for filing its Audited Financial Statements Report for Fiscal Year 2024.

Request for Consent #3

The University is working on a sale and leaseback transaction (the “Sale/Leaseback Transaction”) involving its North Campus, which includes sports fields, training areas, academic buildings, and other facilities. The University plans to sell this property to regional investors, then lease it back so the University can continue using it. However, the North Campus is currently restricted by an agreement (called a “Negative Pledge”) under the bond contract that prevents the University from selling or transferring the property without getting approval from the bondholders. So, for the sale/leaseback transaction to occur, the University needs the bondholders’ permission. If approved, the University will sell the property but continue using it by paying rent equal to a 4.5% annual return on the investors’ purchase price. The lease will last for 10 years, with the possibility of extending it at the option of the University for another 10-year period. The University expects to receive \$18,150,000 in substantially equal payment installments over less than a 2-year period of time.

- The University requests that you provide your consent to waive the covenant preventing the sale of the property, which will allow the Sale/Leaseback Transaction (as defined herein) to move forward under the Master Indenture as described under the caption “Proposed Sale/Leaseback Transaction” below (collectively, the “Requested Consents”).

Please note, that the **University anticipates receiving the Consents of the Bondholder Representative, American Century Investment Management, Inc. (“American Century”), an institutional investor and the holder of approximately 25% of the outstanding Bonds as of the Record Date to all the Requested Consents.**

Consent Fee: Upon the terms and conditions described below under “*Consent Fee*,” the University will pay twenty-five cents (\$0.25) per \$1,000.00 of the principal amount of each Bond to each such Holder who has granted the Requested Consents.

Additional Benefits Being Offered to Bondholders

If the University gets the necessary approvals (Consents) from more than 50% of the bondholders, the bondholders will receive some additional benefits:

1. **Regular Updates:** The University will give bondholders financial and operational updates twice a year,

including scheduled calls with the University's President and Chief Financial Officer.

2. **Interest Reserve Fund:** The University will set up a reserve fund equal to one year's worth of interest payments on the bonds. This fund will be built up over two years (half in year 2 and half in year 3 of the Sale/Leaseback deal).
3. **Added Security:** Bondholders will get a security interest (legal claim) on the second and third payments the University expects to receive from the Sale/Leaseback Transaction.

If the University avoids any default for two consecutive years, the money in the Interest Reserve Fund (plus any interest earned) will be returned to the University.

Finally, the University plans to sell or lease some of its real estate properties to raise extra cash. This money will help keep the University running and ensure it meets the required Debt Service Coverage Ratio. These efforts include, but are not limited to, the previously mentioned Sale/Leaseback Transaction.

INTRODUCTION

The Industrial Development Authority of Danville, Virginia Educational Facility Revenue Bonds, Series 2017A (Averett University), dated December 5, 2017 (the "Bonds") were issued by the Industrial Development Authority of Danville, Virginia (the "Issuer") for the benefit of Averett University of Danville, Virginia, a Virginia non-stock, not for profit corporation (the "University") that has been in operation since it was founded in 1859 as Union Female College, accredited as a Junior College in 1917 and its name was changed to Averett University of Danville, Virginia in 2001. Pursuant to the Loan Agreement, dated as of December 1, 2017, by and between the Issuer and the University (the "Loan Agreement"), the University has agreed to make loan payments to the Issuer at the time and in the amounts necessary to pay debt service on the Bonds when due.

To secure the University's obligations under the Loan Agreement, the University has issued its Series 2017 Note to the Issuer (the "Series 2017 Note"), which Series 2017 Note is issued under and secured by the Master Trust Indenture, dated as of December 1, 2017 (the "Master Indenture"), by and between the University and U.S. Bank Trust Company, National Association, as master trustee (the "Bond Trustee"). The Issuer has assigned the Series 2017 Note to the Bond Trustee for the Bonds under the Master Trust Indenture, as supplemented by the Supplemental Master Indenture No. 1 between the University and the Bond Trustee dated as of December 1, 2017, by and between the Issuer and the Bond Trustee (the "Supplemental Master Indenture", together with the Master Indenture, the "Master Indenture").

Pursuant to the Loan Agreement, the Issuer loaned the proceeds of the Bonds to the University, and the University agreed to make loan payments to the Issuer at the times and in the amounts necessary to pay debt service on the Bonds when due. The Bonds are secured by: (i) certain funds and accounts established under the Master Indenture; (ii) amounts payable to the Issuer by the University under the Loan Agreement; (iii) the Series 2017A Note issued under the Indenture, (iv) a Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, and (v) revenue derived from the operation of the University.

CONSENT SOLICITATION

The University is furnishing this Consent Solicitation Statement, as the same may be amended or supplemented from time to time (the "Consent Solicitation Statement"), to the beneficial owners (each, a "Beneficial Owner" and, collectively, the "Beneficial Owners") of the outstanding Bonds to solicit the Consent (the "Consent Solicitation") of the Beneficial Owners of at least a majority of the outstanding principal amount of the Bonds for three requested Consents which consist of the following items (collectively, the "Requested Consents"):

- I. The consent to waive the covenant default with respect to the noncompliance by the University with the Debt Service Coverage Ratio for Fiscal Years ending on June 30, 2023 and June 30, 2024 and the Liquidity Ratio for Fiscal Year ending June 30, 2024, as described under the caption “Proposed Waiver of Debt Service Coverage Ratio and Liquidity Covenant” as set forth below;
- II. The consent to waive the covenant default with respect to noncompliance with the December 1, 2024 deadline for filing its Audited Financial Statements Report for Fiscal Year 2024 as described under the caption “Proposed Waiver of Default in Timely Compliance with Filing of Fiscal Year 2024 Final Audited Financial Statement Reports”; and
- III. The consent to waive the Sale, Lease or Other Disposition of Cash, Securities and Operating Assets covenant under the Master Indenture to allow for the Sale/Leaseback Transaction (as defined herein) as described under the caption “Proposed Waiver of the Covenant Allowing for Sale/Leaseback Transaction” below.

Nothing in this Consent Solicitation Statement constitutes or pertains to an offer to purchase any of the Bonds. Capitalized terms used herein and not defined herein shall have the meanings given to such terms in the Master Indenture.

The information contained in this Consent Solicitation Statement has been provided by the University. The Bond Trustee and the Issuer disclaim any responsibility for the accuracy or completeness of any information provided by the University in connection herewith and makes no recommendation to the holders of the Bonds concerning the Consent Solicitation.

Regardless of the outcome of the Consent Solicitation, the Bonds will continue to be outstanding and will continue to bear interest as provided in the Master Indenture to their maturity or prior redemption. Requested Consents will not alter the University’s obligation to pay the principal of or interest on the Bonds.

The University has appointed Globic Advisors as information and tabulation agent (“**Information and the Tabulation Agent**”) for Consents with respect to the Consent Solicitation. Except for statements made by American Century herein the section titled Bondholder Representative by American Century, **none of the University, its Financial Advisor or Legal Counsel, the Bond Trustee, or the Information and the Tabulation Agent makes any recommendation as to whether or not Bondholders should deliver Consents in response to the Consent Solicitation. This Statement does not constitute accounting, legal or tax advice. Bondholders should seek advice from their own consultants, advisors and agents on this matter.**

BACKGROUND – EVENT OF DEFAULT

For the Fiscal Years ended June 30, 2023 and June 30, 2024, the University failed to maintain the required Debt Service Coverage Ratio under the Master Indenture. In addition, for the Fiscal Year ended June 30, 2024, the University failed to maintain the required Liquidity Covenant under the Master Indenture. Subsequently, the University engaged an Independent Consultant, as provided by the Master Indenture, which consultant has delivered its reports to the University concerning recommendations to increase the Debt Service Coverage Ratio for subsequent fiscal years from time to time since such Independent Consultant was engaged. **No payment default on the Bonds has occurred to date.**

PROPOSED WAIVER OF DEBT SERVICE COVERAGE RATIO AND LIQUIDITY COVENANT

The University has covenanted in the Master Indenture to maintain a Debt Service Coverage Ratio as of the end of each Fiscal Year of 1.20, which ratio is generally calculated as Net Income Available for Debt Service divided by the aggregate maximum annual scheduled debt service on Long-Term

Indebtedness of the University. For the Fiscal Year ended June 30, 2024, the University reported a Debt Service Coverage Ratio of -4.46, down from 1.08 for the Fiscal Year ended June 30, 2023 and down from -3.12 for the Fiscal Year ended June 30, 2022. The decrease in the Debt Service Coverage Ratio for the Fiscal Year ended June 30, 2024 was largely the result of decreased operating revenue and increased operating expenses.

As a result of the University's failure to maintain the required Debt Service Coverage Ratio, the University is requesting that the Bondholders Consent to a waiver of the University's compliance with the Debt Service Coverage Ratio for the Fiscal Years ending June 30, 2023 and June 30, 2024 and the Liquidity Covenant for the Fiscal Year ending on June 30, 2024. This waiver would prevent any declaration of an Event of Default under the Master Indenture for such Fiscal Years solely by reason of a failure to maintain the required Debt Service Coverage Ratio or the Liquidity Covenant. The Debt Service Coverage Ratio is not in compliance with Section 5.9(d) of the Master Indenture for Fiscal Year 2023 and 2024 and the University is not in compliance with the Liquidity Covenant in Section 5.10 of the Master Indenture for Fiscal Year 2024.

The calculations by the University for the Debt Service Coverage Ratio and the Liquidity Coverage for the past five years as set forth in the Fiscal Year 2024 Averett University Annual Report for Bondholders is set forth in the tables below:

FINANCIAL COVENANTS

Debt Service Coverage Ratio

Debt Service Coverage Ratio	FY2020	FY2021	FY2022	FY2023	FY2024
Total Operating Revenues	\$ 32,655,276	\$ 33,938,826	\$ 33,909,413	\$ 38,040,735	\$ 32,527,693
Total Operating Expenses	\$ 31,706,043	\$ 33,458,825	\$ 39,887,142	\$ 40,141,363	\$ 41,230,363
Change in Unrestricted Net Assets	\$ 949,233	\$ 480,001	\$ (5,977,729)	\$ (2,100,628)	\$ (8,702,670)
Plus: Interest Expense	\$ 814,787	\$ 831,418	\$ 842,835	\$ 894,549	\$ 1,131,432
Plus: Depreciation	\$ 2,043,069	\$ 2,034,847	\$ 2,110,278	\$ 2,206,881	\$ 3,249,664
Plus: Amortization	\$ 33,428	\$ 33,429	\$ 33,429	\$ 33,429	\$ 33,428
Plus: Unrealized (Gains)/Losses on Investment	\$ -	\$ -	\$ -	\$ -	
Net Revenues Available to Pay Debt Service	\$ 3,840,517	\$ 3,379,695	\$ (2,991,187)	\$ 1,034,231	\$ (4,288,146)
Pro Forma Maximum Annual Debt Service	\$ 956,075	\$ 960,475	\$ 959,275	\$ 957,675	\$ 960,675
Debt Service Coverage Ratio	4.02	3.52	-3.12	1.08	-4.46
Debt Service Coverage Ratio Requirement	1.20	1.20	1.20	1.20	1.20

Liquidity Covenant

Section 5.10 provides for a Liquidity Covenant ratio of not less than 0.75. It also contemplates the satisfaction of the test for 2 consecutive annual periods.

Liquidity Ratio	FY2020	FY2021	FY2022	FY2023	FY2024
Cash	\$ 2,700,161	\$ 2,671,930	\$ 1,301,386	\$ 1,339,436	\$ 2,813,521
Investments	\$ 22,454,147	\$ 27,381,338	\$ 22,689,129	\$ 20,742,758	\$ 5,692,844
Total Cash and Investments	\$ 25,154,308	\$ 30,053,268	\$ 23,990,515	\$ 22,082,194	\$ 8,506,365
Long Term Debt	\$ 15,675,425	\$ 16,501,776	\$ 17,463,257	\$ 20,137,261	\$ 14,338,881
Liquidity Ratio	\$ 160.5%	\$ 182.1%	137.4%	109.7%	59.3%
Liquidity Ratio Proposed Covenant	\$ 75%	\$ 75%	75%	75%	75%

**PROPOSED WAIVER OF DEFAULT IN TIMELY COMPLIANCE
WITH FILING OF FISCAL YEAR 2024 FINAL AUDITED FINANCIAL STATEMENT
REPORTS**

The University submitted its draft Audited Financial Statements Report on May 30, 2025 (the “Draft Audited Financial Statements Report”). Such information was posted on EMMA and delivered to the Bond Trustee. The Draft Audited Financial Statements Report was submitted in anticipation of the receipt of a covenant default waiver from a majority of the Bondholders. Brown Edwards, the University’s auditor (the “Auditor”) is requiring the delivery of such a waiver as a condition precedent to the removal of the decision in the Draft Audited Financial Statements Report to treat the Bonds as if they were to be accelerated as current debt payable by the University in full, even though the Bondholders have not accelerated the debt, or expressed any interest in accelerating the Bonds to the Bond Trustee or the University. If the Requested Consents are obtained, the Auditor’s requirements will be satisfied and a Final Audited Financial Statement for Fiscal Year 2024 is expected to be issued by the Auditor and the default will be waived.

In addition to the foregoing financial statement issues described above, the final Audited Financial Statements Report was due to the Department of Education (the “DOE”) on March 30, 2025. The DOE will not accept the Draft Audited Financial Statements Report. A comprehensive report was also due to the Southern Association of Colleges and Schools Commission on Colleges (“SACSCOC”) on or before July 15, 2025. Failure to comply with such deadlines for the delivery of the Final Audited Financial Statements Report for Fiscal Year 2024 could have a material adverse impact on the University because of the economic resources and the oversight of the University’s operations over which DOE and SACSCOC have responsibility.

Just as importantly, the University needs the Bondholder covenant default waiver in order to access \$500,000 of proceeds from the E. Stuart James Grant Charitable Trust deposited in an account set up for the University. Such funds cannot be used until the current Draft Audited Financial Statement Reports that was posted on EMMA on May 30th and is now available to the Bondholders is finalized. Those funds have been historically used to supplement working capital available for additional operating flexibility for University expenditures and will be needed this year as well. The Auditor will not modify the Draft Audited Financial Statements Report until the covenant default waiver is obtained from the majority of the Bondholders.

**PROPOSED WAIVER OF COVENANT ALLOWING
SALE/LEASEBACK TRANSACTION**

The University is in the process of establishing a Sale/Leaseback transaction (the “Sale/Leaseback Transaction”) with regional investors involving the transfer of real estate referred to as the North Campus (the “North Campus”) which consists of athletic fields, training facilities and academic buildings for the University and other improvements. Since the North Campus is prohibited from being sold under Section 5.11 of such Master Indenture and in Exhibit A and other provisions of the Master Indenture, the Consent of more than 50% of the Bondholders to waive this covenant is necessary for the Sale/Leaseback Transaction to move forward. As a result of the Sale/Leaseback Transaction, the University is expected to make rental payments in an amount equal to a 4.5% annual return on the investment payable to the Buyer (as defined below). The University has agreed to lease the North Campus property back for a period of ten (10) years after the start of the lease. This lease may be extended for an additional ten (10) years at the option of the University.

The University anticipates executing a Term Sheet in September of 2025 with regional investors, including the Danville Regional Foundation (the “Term Sheet”). In accordance with the Term Sheet, the University will sell the approximately 72.33 acre real estate parcel referred to as the North Campus to a consortium of regional investors (collectively, the “Buyer”) for an aggregate sale price of \$18,150,000 (the “Purchase Price”) payable at the closing of the transaction and on July 1, 2026 and July 1, 2027 thereafter

(the “Payment Amount”). The North Campus real estate was appraised at \$20,150,000 in 2025. The Buyer is acquiring the North Campus as a passive investment and not for commercial development.

At the closing of the Sale/Leaseback Transaction, the University will receive a payment of \$6,750,000 on or about the middle of September 2025, \$6,750,000 on July 1, 2026 and \$4,650,000 on July 1, 2027. Accordingly, the University is scheduled to receive the Payment Amount in full over a period of time that is less than twenty four (24) months.

The Sale/Leaseback Transaction will be structured as a triple net lease. The University will be the Lessee and the Buyer (as joint owners of the North Campus) will be the Lessor. The term of the lease arrangement between the University and the Buyer is for approximately ten years and will end on June 30, 2035, subject to an option granted to the University to extend the term of the lease for an additional ten year period (the “Lease Term”). The University shall be provided with a repurchase right (together with successors in interest approved by the Buyer) that may be exercised at any time during the Lease Term in consideration for the payment by the University of the cumulative sale price paid by the Buyer for the North Campus.

The Buyer will retain the right, but not the obligation, to cure any default incurred by the University (including those under the Master Indenture) and seek reimbursement from the University for costs advanced. The Buyer shall also provide the University and the Bondholders with a first priority security interest in future payments from the Buyer of the North Campus as security for the Payment Amount due.

The University is expected to retain operational control over the North Campus throughout the Lease Term. Athletic fields, training facilities and academic buildings located there will continue to serve students and be maintained in a manner consistent with past practices.

THE CONSUMMATION OF THE SALE/LEASEBACK TRANSACTION IS CONTINGENT UPON THE RECEIPT OF THE REQUESTED CONSENTS OF THE BONDHOLDERS.

BONDHOLDER REPRESENTATIVE

American Century Investment Management, Inc. is a well-known institutional investor (“American Century”). On the Record Date, American Century was the holder of \$3,240,000 of the \$12,965,000 Bonds currently outstanding, or approximately twenty four and ninety nine one hundredths of a percent (24.99%) of the total amount of such outstanding debt. The Requested Consents of the University have the full support of American Century.

American Century has been designated as the Bondholder Representative by the University. That role has been accepted by American Century, which the University believes is by far the Holder of the largest ownership position in the Bonds, which is primarily held by retail investors. There are certain investors that may hold up to approximately \$250,000 of the Bonds, but the vast majority of the Bondholders are investors that individually hold less than \$50,000 of such debt. As a result, in addition to the support of American Century, Requested Consents must also be provided by more than an additional twenty-five percent of Holders of the outstanding Bonds on the Record Date and, therefore, American Century and the University urge all Bondholders to vote in favor of the Requested Consents.

AMERICAN CENTURY HAS AGREED TO VOTE IN FAVOR OF ALL THREE OF THE UNIVERSITY’S REQUESTS AND WILL BE PROVIDING CONSENT TO BOTH OF THE COVENANT DEFAULT WAIVERS AND THE SALE/LEASEBACK TRANSACTION.

IF THE REQUESTED CONSENTS ARE NOT GRANTED, IT WILL TRIGGER EVENTS, AS DESCRIBED IN THIS CONSENT SOLICITATION STATEMENT, THAT ARE

DETRIMENTAL TO THE OPERATIONS AND FINANCIAL HEALTH OF THE UNIVERSITY.

CONSENT FEE

The University will cause to be paid to each Bond Holder for the submission of Requested Consents, submitted for consent through the submission of a validly executed and accepted Master Consent Form from the respective DTC Participant, in cash, a consent fee of twenty-five cents (\$0.25) per \$1,000 principal amount of the Bonds (“**Consent Fee**”). Payment of such Consent Fee is subject to the University’s acceptance, in its sole discretion, of Requested Consents for the Bonds.

Eligibility for payment of the Consent Fee shall be determined as follows:

- (i) The Consent Fee shall be paid to Bondholders submitting Requested Consent as determined by the time of e-mail receipt of the Master Consent Form by the Information and Tabulation Agent; and
- (ii) The University reserves the right to accept any Consents received after the Expiration Date and to pay the Consent Fee to such Bondholder.

On the date on which the Requested Consents are received (“Effective Date”), the Bondholder will be bound upon the receipt of the Requested Consents, and the University, Bond Trustee and the Auditor will be bound by the terms of the written Consents. Bondholders should note that the Effective Date may be prior to the Expiration Date and Bondholders will not be given prior notice of such Effective Date.

If the Requested Consents are not delivered by holders of more than fifty percent (50%) of the outstanding principal of the Bonds, no Holder will be eligible to receive the Consent Payment, including Holders who have validly delivered their Consent. The Consent Payment will be made by the University for the benefit of the Holders who delivered (and did not revoke) such valid Consents if the Requested Consents are obtained prior to the Expiration Date. Holders of Bonds for which no Consent is delivered will not receive the Consent Payment, even though the Requested Consents, once effective, will bind all Holders and their transferees. See “The Consent Fee.” No Consent Payment will be payable unless the Requested Consents are delivered on or prior to the Expiration Date, the other conditions described here have been satisfied or waived, and the Master Indenture and related documents are executed and delivered by the parties thereto.

UNIVERSITY BUSINESS INITIATIVES INFORMATION

The waiver of the University’s financial covenant defaults by the Bondholders will allow the University the appropriate time to fully implement not only the Independent Consultant’s recommendations but also other initiatives underway by the University in consultation with its Board of Trustees. Under the leadership of Dr. Thomas Powell, the newly appointed Chief Executive Officer and President of the University, the University is assembling a comprehensive strategy with identified key initiatives. Each initiative is designed to increase net revenue, minimize expenses, and bolster the University’s long-term financial stability. These initiatives function as interconnected elements, all contributing to the greater goal of maintaining the University’s academic excellence and ensuring student success. For additional information on the business and operations of the University, please refer to the Averett University Annual Report for Bondholders in the Continued Disclosure Report posted on EMMA on May 30, 2025.

STUDENT ENROLLMENT INFORMATION

The University is poised to welcome a new class of students for its fall semester for the current fiscal year. Enrollment has remained strong despite industry trends. The total fall enrollment is currently estimated to be approximately 1,326 students when last reported. Historical information on student

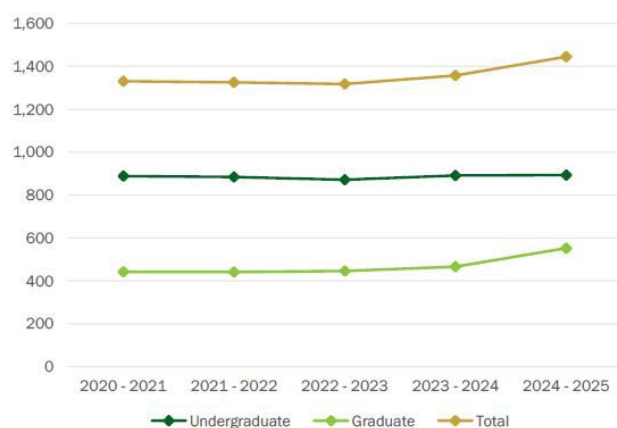
enrollment over the past five years is set forth below.

Enrollment Update



University Enrollment	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
Traditional Undergraduate	888	884	871	891	893
Graduate and Profession Studies	442	441	446	466	552
Total Enrollment	1,330	1,325	1,317	1,357	1,445

Historic Enrollment



Trends and Observations

- Enrollment has remained strong despite industry trends.

PLAN FOR FUTURE ASSET SALES, LEASES AND/OR OTHER DISPOSITIONS

Going forward, the University intends to strategically reduce its campus footprint by selling and/or leasing certain property, in compliance with the Master Indenture as applicable. The University is currently considering the following transactions related to this strategy:

- The sale of over 100 acres of non-core and unencumbered land in North Carolina currently used as an equine facility is currently being marketed at a list price of \$1,600,000 as of the Record Date.
- The Sale/Leaseback Transaction with respect to the North Campus will be sold by the University with estimated cash proceeds of \$18,150,000, as described herein (revenue expected in September of 2025, and July of 2026 and 2027).
- The lease or sale of certain property located near the University's Campus is being marketed, along with other residential real estate properties gifted to the University in various locations.

IMPORTANT INFORMATION

All of the information, terms and conditions relating to the Consent Solicitation are set forth in this Consent Solicitation Statement. Beneficial Owners are requested to read and consider carefully the information contained in this Consent Solicitation Statement. Recipients of this Consent Solicitation Statement and the accompanying materials should not construe the contents hereof or thereof as legal, business or tax advice.

Any Beneficial Owner desiring to consent to the Requested Consents should follow the procedures

set forth below under the caption “Consent Procedures.” Beneficial Owners whose Bonds are held in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to deliver their Consents with respect to the Bonds so registered and instruct the nominee to deliver their Consents on the Beneficial Owner’s behalf. The Consent will bind the Bondholder executing the Consent Form and all future holders of the Bonds with respect to the existing events of default described herein and the Sale/Leaseback Transaction.

Beneficial Owners delivering Consents will not be obligated to pay fees, commissions or other expenses of the Information and Tabulation Agent. Requests for assistance relating to the Consent documents may be directed to the Information and Tabulation Agent at the address and telephone number set forth below.

This Consent Solicitation Statement does not constitute a solicitation of Consents to or from any person in any jurisdiction in which it is unlawful to make such solicitation under applicable state or foreign or “blue sky” laws. The delivery of this Consent Solicitation Statement shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein. No person has been authorized to give any information or to make any representation not contained in this Consent Solicitation Statement and, if given or made, such information or representation may not be relied upon as having been authorized by the University or its Financial Advisor and Legal Counsel, the Issuer, the Bond Trustee or the Information and Tabulation Agent.

The Consent Solicitation is made subject to the terms and conditions set forth herein. This Consent Solicitation Statement contains important information, which should be read carefully before any decision is made with respect to the Consent Solicitation.

The University has appointed Globic Advisors, Inc. as information and tabulation agent (the “Information and Tabulation Agent”) in connection with this Consent Solicitation. None of the University, the Issuer, the Bond Trustee or the Information and Tabulation Agent makes any recommendation as to whether or not the Beneficial Owners should deliver Consents in response to this Consent Solicitation. This Consent Solicitation Statement does not constitute accounting, legal or tax advice. Beneficial Owners should seek advice from their own consultants, advisors and agents on this matter.

Subject to any extension as provided herein, the Consent Solicitation being made pursuant to this Consent Solicitation Statement shall expire on the date (the “Expiration Date”) which is the earlier of (a) 5:00 p.m. EDT on August 28, 2025 or (b) the date upon which the Information and Tabulation Agent has accepted the Requested Consents. The University expressly reserves the right, in its sole discretion, to extend the Expiration Date. Notice of an extension of the Expiration Date will be given to The Depository Trust Company (“DTC”) on the first (1st) Business Day following the then-current Expiration Date and will be effective when such notice of an extension is given. Notice of an extension will also be given through EMMA.

The Consent to the waiver of the Debt Service Coverage Ratio and Liquidity Covenant events of default and the Audit Covenant Default, each as described herein, and the Consent to the Sale/Leaseback Transaction, is conditioned upon the receipt by the Bond Trustee or the Information and Tabulation Agent of the Requested Consents of the Bondholders of at least a majority of the aggregate principal amount of the outstanding Bonds. As of the Record Date hereof, \$12,965,000 of the aggregate principal amount of the Bonds remains outstanding.

All properly executed Consents provided by a holder of the Bonds pursuant hereto shall be irrevocable. If a holder of the Bonds as of the Record Date provides its Consent to the Information and Tabulation Agent as described herein, and subsequently transfers all or any portion of such Bonds prior to the Expiration Date (or any extended Expiration Date as provided herein), the transferor holder’s Consent shall nonetheless be considered effective and the Bond Trustee shall treat such transferee holder as having

provided the Requested Consent in the same manner as the transferor holder.

CREDIT INFORMATION

The following information pertaining to the operations and financial condition of the University is available through continuing disclosure filings on EMMA as follows:

- Fiscal Year 2023 Annual Audited Financial Statements Report: <https://emma.msrb.org/P11786332-P11370799-P11808604.pdf>;
- Fiscal Year 2023 Continuing Disclosure Report: <https://emma.msrb.org/P11786335-P11370802-P11808608.pdf>;
- Fiscal Year 2024 Draft Annual Audited Financial Statements Report: <https://emma.msrb.org/P11861676-P11424914-P11868994.pdf>; and
- Fiscal Year 2024 Continuing Disclosure Report: Averett University Annual Report for Bondholders <https://emma.msrb.org/P11861676-P11424914-P11868995.pdf>;

Additional information is available on EMMA related to the May 30 Bondholder Consent Solicitation on May 30, 2025 and the Bondholder Status Call on July 7, 2025, both as conducted by the Bond Trustee on behalf of the University is available within the “Continuing Disclosure” tab at the following link: <https://emma.msrb.org/IssueView/Details/ER383957#tabContinuingDisclosure>.

CANCELLATION OF PRIOR CONSENT REQUEST

The Bond Trustee, at the request of the University, previously issued a request for consent to the Bondholders dated June 27, 2025, and conducted a Bondholder Status Report Conference on July 7, 2025, requesting the Requested Consents for a covenant default waiver from the Bondholders with respect to the outstanding covenant defaults under the Master Indenture, including the Debt Service Covenant Ratio, the Liquidity Covenant and the filing of a Draft Audited Financial Statements Report on May 30, 2025. No consents are being solicited pursuant to such prior request at this time, and any responses received from Bondholders with respect to such prior request will not be accepted by the Bond Trustee or the Information and Tabulation Agent.

CONSENT PROCEDURES

Any Beneficial Owner wishing to consent to the Requested Consents may direct their respective Direct Participant or Indirect Participant (each, a “DTC Participant”) to execute a Master Consent (a form of which is attached hereto as **Exhibit A** and which are being provided separately to the DTC Participants by Globic Advisors (the “Information and Tabulation Agent”) (each, a “Master Consent”) on such Beneficial Owner’s behalf and deliver the executed Master Consent to the Information and Tabulation Agent no later than the Expiration Date unless such time period is extended.

Each DTC Participant has been authorized by Omnibus Consent from DTC to consent to the Requested Consents, with respect to the CUSIP number(s) and principal amount of the Outstanding Bonds specified at such DTC Participant’s name in such Omnibus Consent and constituting the principal amount of the outstanding Bonds for which such DTC Participant serves as custodian on the books of DTC as of the Record Date.

The Information and Tabulation Agent will accept and record only properly executed Master Consents from those parties listed as a Bondholder (generally, the DTC Participants) in the Omnibus Consent provided by DTC to the Information and Tabulation Agent. If DTC or its nominee has authorized a proxy (a DTC Participant) to execute a Master Consent form, then the Master Consent form must be executed by the applicable DTC Participant.

The Beneficial Owner's respective DTC Participant should deliver the executed Master Consent to the Information and Tabulation Agent no later than the Expiration Date, via e-mail or facsimile to the following:

Globic Advisors
Attn: Robert Stevens
E-mail: rstevens@globic.com Fax: 212-271-3252
Document Website: www.globic.com/averett

Questions regarding the processing of your consent may be directed to Robert Stevens, President of Globic Advisors, at (212) 227-9622 or via email at rstevens@globic.com. In order to ensure a timely response, all questions or requests for additional information must be received by the Information and Tabulation Agent no later than 5:00 pm EDT on August 25, 2025.

All of the information, terms and conditions relating to the Consent Solicitation are set forth in this Consent Solicitation Statement, including the attachments appended hereto or by reference to the applicable documents which are available from the Bond Trustee or Globic Advisors. You should read each document thoroughly in order to make an informed decision regarding the Requested Consents.

The University reserves the right to terminate this Consent Solicitation at any time on or prior to the Expiration Date, as extended from time to time, in its sole discretion. Notice of any such termination will be given to the Beneficial Owners in accordance with the Master Indenture. Any properly executed Master Consents accepted by the Information and Tabulation Agent prior to such termination would be deemed null and void and of no force and effect upon such termination.

None of the University, its Financial Advisor and Legal Counsel, the Issuer, the Bond Trustee or the Information and Tabulation Agent makes any recommendations or gives any investment advice herein or as to the outstanding Bonds generally.

This Consent Solicitation Statement does not constitute accounting, legal or tax advice. Beneficial Owners should seek advice from their own consultants, lawyers and agents on this matter.

EXHIBIT A - MASTER CONSENT FORM

[SEE ATTACHED]

MASTER CONSENT FORM

regarding
Consent Solicitation Statement dated August 11, 2025

**INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
EDUCATIONAL FACILITIES REVENUE BONDS SERIES 2017A
(AVERETT UNIVERSITY)**

DATED: August 11, 2025

Maturity Date (October 1)	CUSIP No.*	Interest Rate
2027	236887 AW5	4.00%
2032	236887 AX3	4.75%
2047	236887 AY1	5.00%

Record Date: August 8, 2025 at 5:00 p.m. EDT.

Expiration Date: The date which is the earlier of (a) 5:00 p.m. EDT on August 28, 2025, or (b) the date upon which the Information and Tabulation Agent (as defined herein) has accepted the Requested Consents (as defined herein) (the “Expiration Date”).

Bondholders wishing to provide their consent should instruct their respective DTC Participants with custody of their Bonds to execute a Master Consent Form on their behalf and deliver the executed Master Consent Form to the Information and Tabulation Agent no later than the Expiration Date.

INSTRUCTIONS TO DTC PARTICIPANTS

- **Mark the box** below for your clients who are holders of the Bonds as of the Record Date, August 8, 2025, to approve (consent) or reject (not consent) to the Sale/Leaseback Transaction under the Master Indenture, and the waiver of the Debt Service Coverage Ratio and Liquidity Covenant (collectively, the “Requested Consents”), each as described in the Consent Solicitation Statement dated August 11, 2025 (the “Consent Solicitation Statement”), which is incorporated herein in full by reference.
- **Execute this Master Consent Form** (Step 1 and Step 2 of this Master Consent Form). This Master Consent Form must be executed by the DTC Participant in exactly the same manner as its name appears on DTC’s records for the Bonds, and the signature must be Medallion Guaranteed.
- **DELIVERY:** This executed Master Consent Form must be received by the Information and Tabulation Agent, Globic Advisors, no later than 5:00 p.m. EDT on August 28, 2025, via e- mail to Globic Advisors, Attn: Robert Stevens, Tel: (212) 227-9699, E-Mail: rstevens@globic.com.

Capitalized terms used but not defined herein shall have the meanings set forth in the Consent Solicitation Statement.

¹ CUSIP® is a registered trademark of the American Bankers Association (the “ABA”). CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Bonds. CUSIP numbers have been assigned by an independent company not affiliated with the Obligated Group Representative and are included solely for the convenience of the holders of the Bonds. The University is not responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for Bonds bearing interest at any rate is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such Bonds.

STEP 1: **CONSENT OR REJECT**

Please fill out based upon your client's vote/instruction. Add additional schedules as needed.

The undersigned represents and warrants that it is authorized to convey the vote to approve or reject the Requested Consents as described in the Consent Solicitation Statement on behalf of the holder in the principal amount of the Bonds specified below as of the Record Date.

- ☐ The undersigned hereby **CONSENTS** to the Requested Consents as described in the Consent Solicitation Statement.

CUSIP	PRINCIPAL AMOUNT CONSENTING
1.	\$
2.	\$
3.	\$

- ☐ The undersigned hereby **REJECTS** (does not consent to) the Requested Consents as described in the Consent Solicitation Statement.

CUSIP	PRINCIPAL AMOUNT CONSENTING
1.	\$
2.	\$
3.	\$

Each Bondholder shall indemnify and hold harmless the Bond Trustee and Globic Advisors, as applicable, together with directors, officers, employees and agents, from and against any and all damages, losses, costs and expenses (including, without limitation, legal fees and disbursements) which may be incurred as a result of or arising out of the Bond Trustee's reliance upon and compliance with this Master Consent Form. Each Bondholder further acknowledges and agrees that, pursuant to the Master Indenture, the Bond Trustee and Globic Advisors, Inc. may conclusively rely upon this Master Consent Form and shall incur no liability whatsoever as a result of or arising out of the Bond Trustee's or Globic Advisors' reliance upon and compliance with this Master Consent Form.

[Remainder of page intentionally left blank]

STEP 2: **CONSENT FEE PAYMENT INSTRUCTIONS**

Aggregate Amount Requested (across all consenting CUSIPs listed above) to be paid to the below listed DTC Participant for the benefit of its client, the Record Date Holder:

(\$0.25 per \$1,000 of Bonds held by Holder): \$ _____

Please choose payment delivery method.

Delivery Via Wire ☐

Bank Name: _____

City, State: _____

ABA or Bank Number: _____

Swift Code: _____

Account Name: _____

Account Number: _____

Re: _____

Taxpayer ID Number: _____

Delivery Via Check ☐

Issue Check to: _____

Name of Firm: _____

Attention: _____

Address: _____

Phone Number: _____

Taxpayer ID Number: _____

STEP 3: EXECUTION BY AUTHORIZED SIGNATORY

By signing below, the DTC Participant or other nominee hereby certifies that (i) the summary above is a true and accurate schedule of the Record Date holders who have delivered their consent, as described in the Consent Solicitation Statement, to the undersigned DTC Participant or other nominee, and (ii) the undersigned DTC Participant or other nominee is the Bondholder, through a position held at a securities depository, or in street name, of the Bonds set forth above.

Date Submitted: _____, 2025 DTC Participant Number: _____

Print Name of Company: _____

Authorized Employee Contact (Print Name): _____

Title: _____ E-Mail: _____

Tel. No.: _____ Fax No.: _____

Signature: _____

MEDALLION STAMP:

DELIVERY: This executed Master Consent Form must be received by the Information and Tabulation Agent, Globic Advisors, **no later than 5:00 p.m. EDT on August 28, 2025** (or such later date to which the deadline may be extended), via e-mail or facsimile to the following:

Globic Advisors, Inc.
Attn: Robert Stevens
E-mail: rstevens@globic.com Fax: 212-271-3252

This Master Consent Form may be executed in counterparts, and electronic signatures shall be treated as originals. Should a DTC Participant Bank have any difficulty with providing Medallion Stamp due to staffing or logistical issues, please contact the Information and Tabulation Agent.