



ACTION REQUIRED

NOTICE OF AMENDMENT AND THIRD EXTENSION OF EXPIRATION DATE

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

Regarding its Consent Solicitation Statement 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%

PLEASE CONSENT

Without majority Bondholder Consent, the University may be unable to implement essential financial measurements, jeopardizing its continued operations and long-term viability.

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

New Expiration Date: The date which is the earlier of (a) 5:00 p.m. EDT on October 7, 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”).

By way of its Consent Solicitation Statement dated August 11, 2025, (the “Consent Statement”), Averett University of Danville, Virginia, a Virginia non-stock, not for profit corporation (the “University”) is soliciting (the “Solicitation”) the holders of 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”) as of the Record Date on August 8, 2025 (the “Record Date”) (the “Bondholders”) for three requested consents (collectively, the “Requested Consents”), which are described in the Consent Solicitation Statement, available at www.globic.com/averett, and summarized below. Capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Consent Solicitation Statement.

As of expiration, the University has received participation from 46.09% of the outstanding bonds, with 99.6% of responding bondholders voting in favor of the Requested Consents. To achieve the requisite majority of Bondholders providing their consent, the University has elected to extend the Solicitation. Bondholders will now have until **5:00 p.m. EST on October 7, 2025** (the “Third Extended Expiration

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Date”) to participate in the Solicitation. **The University needs the vote of Bondholders holding only an additional \$510,000 in order to successfully complete the consent solicitation process. EVERY vote, in any small amount, matters.**

The University is now increasing the incentive to Bondholders providing the Requested Consents to payment of one dollar (\$1.00) per \$1,000.00 of the principal amount of each Bond to each such Holder (the “Consent Payment to Bondholders”) who grants the Requested Consents, under the terms and conditions described in the Consent Solicitation Statement under “Consent Payment to Bondholders” as modified to reflect the increase in the amount of the Consent Payment to Bondholders.

All Bondholders that have not yet responded are urged to provide the Requested Consents as soon as possible. The Consent Solicitation Process is very close to receiving the Required Consents of more than fifty percent (50%) of the principal amount of the Bonds held by the beneficial owners thereof. The University intends to shut down the Consent Solicitation as soon as the Requested Consents exceed the majority ownership threshold, therefor Bondholders should act on an expedited basis to ensure that the Consent Payment to Bondholders remains available to them.

If the Requested Consents are not granted, the operations and financial health of the University will be adversely impacted. Without majority Bondholder Consent, the University will be unable to implement essential financial measurements, jeopardizing its continued operations and long-term viability. Time is of the essence.

******Bondholders wishing to provide their Consent should contact their respective bank, brokerage, financial advisors that custodies their investments to instruct that bank/brokerage to Consent on their behalf no later than the Extended Consent Expiration Date.******

Bondholders, who have already participated in the Solicitation, need not take any additional action. Failure of the University to obtain the Requested Consents from non-responding Bondholders may significantly undermine the University's financial condition and limit its ability to serve its students and the community effectively.

Questions regarding the processing of your consent may be directed to Robert Stevens at 212-227-9699 or via e-mail at rstevens@globic.com.

Dated: September 29, 2025

SUMMARY

This summary is subject in all respects to more complete information contained in the 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 therein.

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 has never failed to make payments on the Bonds when due. The University is furnishing the Consent

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Solicitation Statement and extensions 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 the three 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 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, 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 3-year period of time as a result of such transaction.

- 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” in the Consent Solicitation Statement.

Please note, that the **University received the consent 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.**

Bondholder Consent Benefits

Increased Consent Payment to Bondholders: Upon the terms and conditions described below under “*Consent Payment to Bondholders*,” the University will now pay one dollar (\$1.00) per \$1,000.00 of the principal amount of each Bond to each such Holder who has granted the Requested Consents prior to the closing of the consent solicitation period.

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 Transaction).
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 facilitate compliance with the required Debt Service Coverage Ratio. These efforts include, but are not limited to, the previously mentioned Sale/Leaseback Transaction.

How to Provide My Consent:

Any Holder wishing to consent to the Requested Consents may direct their respective DTC Participant (bank, broker, or financial advisor that is the custodian of their Bonds) to deliver their Consent to Globic Advisors, as “Tabulation Agent.” Please call or check your bank’s online portal for instructions as how to process your Consent. **The Third Extension currently ends on October 7. Time is of the essence for the University.**