INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

4TH FLOOR CONFERENCE ROOM

April 11, 2023

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. MINUTES

1. IDA Minutes for March 14, 2023

D. FINANCE REPORT

1. Statement of Accounts As Of March 31,2023

E. ITEMS FOR DISCUSSION

F. INDUSTRIAL DEVELOPMENT AUTHORITY

G. RESOLUTIONS

1. Interior demolition and clean up at 406 Jefferson Street
2. Interior demolition, reconstruction of the second floor support system and facade stabilization at 400 Jefferson Street

3. Danville Industrial Development Authority/MEP Commitment Letter from The Virginia Small Business Financing Authority (VSBFA)

H. CLOSED MEETING

I. RETURN TO OPEN MEETING

J. CERTIFY CLOSED MEETING

K. CONSIDER AND TAKE ACTION UPON ANY AND ALL BUSINESS THAT MAY BE LAWFULLY ENACTED

L. ADJOURN

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
MARCH 14, 2023

Pursuant to a Written Notice, a copy of which is attached hereto, a Regular Meeting of the Board of Directors of the Industrial Development Authority of Danville, Virginia (IDS) was held in the Fourth Floor Conference Room of the Municipal Building on Tuesday, March 14, 2023,at 10:30 a.m.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT:	T. Neal Morris, Chairman Russell Reynolds, Vice Chairman John Laramore, Secretary/Treasurer Kristen Barker Dave Cumbo Philip Hall Robert Woodall
ABSENT:	None
ALSO PRESENT:	W. Clarke Whitfield, Jr., City Attorney Kimberly L. Gibson, Legal Assistant/Paralegal Ken Larking, City Manager Michael Adkins, Financial Director Corrie Bobe, Economic Development Director Kelvin Perry, Economic Development Philip Haley, Utilities Department Power and Light Councilman Whittle

T. Neal Morris, Chairman, called the meeting to order at 10:30 a.m.

ROLL CALL

MINUTES

Copies of the minutes of the March 14, 2023, Regular Meeting were distributed to the members with their IDA Agenda Packets. A verbal motion was made by Mr. Hall to approve the minutes as presented. The motion was seconded by Mr. Reynolds and carried with the members present voting as follows:

Mr. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

FINANCES

Copies of the current financial statements of the IDA "Statement of Accounts As of March 31", 2023, with their IDA Agenda Packet. Michael Adkins, the Finance Director, explained the packet in detail to the members. A verbal motion was made by Mr. Laramore to approve the financial statements as presented. The motion was seconded by Mr. Hall and carried with the members present voting as follows:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR, HALL	- AYE
MR. WOODALL	- AYE

UPDATES FROM STAFF

Kelvin Perry advised the IDA Members that staff was working with Unison Tube, LLC to restructure their loan and payment agreement.

RESOLUTIONS

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEAS AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND CHARLES

EARNHARDT AND EARNHARDT PLUMBING LLC FOR THE PROPERTY IDENTIFIED AS PARCEL #24160 LOCATED AT 816 MONUMENT STREET, DANVILLE, VIRGINIA.

MOTION MADE BY: MRS. BARKER; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A SECOND LEASE RENEWAL WITH THE LAUNCH PLACE AS ALLOWED BY THE ORIGINAL LEASE AGREEMENT EXECUTED ON DECEMBER 21.

MOTION MADE BY: MR. HALL; SECONDED BY: MR. REYNOLDS

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENED IN EXECUTIVE CLOSED MEETING FOR THE PURPOSES:

1. *DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED*.

2. *DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (*A)(3) OF SECTION 2.2-3711 OF *THE CODE OF VIRGINIA, 1950, AS AMENDED.*

MOTION WAS MADE BY: MR. REYNOLDS; SECONDED BY: MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. CUMBO AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

UPON RECONVENING, MR. REYNOLDS MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT:

1. *ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711; AND*

2. *ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING.*

MOTION WAS MADE BY: MR. REYNOLDS; SECONDED BY: MR. CUMBO

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

ADJOURN

JOHN LARAMORE
SECRETARY

T. NEAL MORRIS
CHAIRMAN

Industrial Development Authority
Statement of Accounts
As of March 31, 2023

Regular Checking		$ 717,230.01
USDA Loan Account		$ 57,077.38
Community Capital Bank (500 CC)		$ 30,835.09
City Funded Loan Account		$ 760,271.33
North Union Properties/Master Tenant		$ 36,965.91
Reserve Account		$ 5,092,774.40
Reserve Account Details		
Hold for FY23 Debt Svc	*541,716.76*	
Hold for Pedestrian Bridge	*55,640.00*	
Hold for Shell Building	*597,515.60*	
Hold for Enterprise Zone	*430,905.00*	
Hold for Dan River Falls	*1,099,459.46*	
Hold for FY22 Edev Incentives	*1,962,612.00*	
Hold for FY23 Edev Incentives	*367,925.58*	
Hold for 217 N Union	*37,000.00*	
Available	-	
	5,092,774.40	

City Funded Loans:

Beginning Balance March 1, 2023	$ 742,059.78
The Bee - Monthly Payment	18,179.41
Interest /Bank Fees	32.14
Ending Balance March 31, 2023	$ 760,271.33

Industrial Development Authority
Statement of Account - Regular Checking

For the month ended March 31, 2023

Beginning Balance at March 1, 2023		$ 557,239.25
RECEIPTS:		
Rent:		116,200.12
Utility/Insurance Reimbursement:		
DR Foundation	2,261.32	
Averett	-	2,261.32
Transfer In from Reserve Acct/City		1,058,334.98
Transfer to North Union Account		(30,000.00)
Transfer to VCC Account		(30,000.00)
VBAF Grant		50,000.00
Interest Income/Wire Fees		(64.71)
DISBURSEMENTS:		
AMNB Loan - Lockett Drive	(10,197.02)	
AMNB - 500 Stinson Drive #1	(4,887.77)	
AMNB - 500 Stinson Drive #2	(5,717.03)	
AMNB - 512 Bridge Street	(16,467.81)	
AMNB Loan - Old Belt One	(5,872.86)	
AMNB - 1350 Barker Road	(7,306.55)	
VSBFA - 500 Cane Creek	(2,993.17)	
Movement Bank - Monument	(2,651.24)	
US Bank Bond Debt Service	(27,333.34)	
Blair Construction - Shell Bldg	(62,559.12)	
First American Title - DR Falls	(846,292.83)	
Cherry Bekaert - CDE	(3,861.25)	
Novogradac - CDE	(4,750.00)	
Architectural Partners - W Mill	(2,704.27)	
Armstrong & Assoc. - Ecomnets	(5,900.00)	
Brown Edwards - FY22 Audit	(3,000.00)	
Fire Sprinkler - 300 Lynn	(1,459.50)	
Centech - Acrees Parking	(5,761.28)	
Gentry Locke - Westover Prop	(337.50)	
Reynolds Clark - Coleman Site	(13,750.00)	
Site Collaborative - DR Falls	(985.00)	
Cardno - DR Falls	(829.50)	
WRT - Schoolfield	(57,236.25)	
Christian & Barton - DR Falls	(409.00)	
Whitman Engineer - Shell Bldg	(2,557.59)	
Utility Bills/Elevator Maint	(28,279.47)	
Insurance	(2,641.60)	(1,126,740.95)
PASS THROUGHS:		
From City for Incentives		170,000.00
Masonic Temple		(50,000.00)
River Dist Assoc ($75,000)	to be paid	-
Ma's Cakes ($20,000)	to be paid	-
Chamber Bus. Launch ($25,000)	to be paid	-
Ending Balance at March 31, 2023		**$ 717,230.01**

125 N Union	250.00
Averett	11,390.00
Barry Smith	520.00
Belk	14,205.00
City - Gang Prev.	1,500.00
DR Foundation	5,610.00
Earnhardt Plumbing	6,391.38
GSO	5,900.00
Launch Place	3,000.00
Link's Café	-
Lizzy Lou	800.00
Morrisette Paper	5,750.00
Noblis	8,360.00
Overfinch	12,587.80
River District Assoc	3,020.00
Riverside Running	2,812.48
Robert Stephens	250.00
Site Collaborative	1,600.00
Sth VA Legal	1,575.00
Vintages	1,000.00
Walraven	29,678.46
	116,200.12

Industrial Development Authority
Statement of Account
USDA Loan Funds

For the month ended March 31, 2023

Beginning Balance at March 1, 2023			$ 55,934.82
RECEIPTS:			
	Dry Fork Fruit Dist.	-	
	Donnachaidh	1,140.18	
	River City Escapes	-	
	Interest	2.38	
			1,142.56
DISBURSEMENTS:		-	
			-
Ending Balance at March 31, 2023			**$ 57,077.38**

Reconciliation to original USDA grant of $99,000

ORIGINAL USDA FUNDS			$ 99,000.00
LESS OUTSTANDING LOANS:			
	River City Escapes	12,043.59	
	Donnachaidh	19,080.57	
	Dry Fork Fruit Dist.	11,025.02	(42,149.18)
INTEREST EARNED			19,634.26
DEFAULTED LOANS			(19,457.70)
PENALTIES EARNED			50.00
BALANCE IN ACCOUNT			**$ 57,077.38**

Industrial Development Authority of Danville
A/R Aging Summary
As of April 4, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
125 North Union	0.00	250.00	0.00	0.00	0.00	250.00
127 North Union	0.00	315.00	315.00	315.00	4,410.00	5,355.00
310-312 Main Street	0.00	1,000.00	0.00	0.00	0.00	1,000.00
A La Carte	0.00	0.00	0.00	0.00	533.00	533.00
Averett University	5,246.86	0.00	6,783.96	0.00	0.00	12,030.82
Danville Regional Foundation	1,748.96	5,610.00	0.00	0.00	0.00	7,358.96
GSO Aviation	0.00	2,950.00	0.00	0.00	0.00	2,950.00
J&W Associated LLC dba Links Cafe	0.00	3,000.00	3,000.00	3,000.00	300.00	9,300.00
Lizzy Lou Boutique	0.00	800.00	0.00	0.00	0.00	800.00
Lou's Antiques Co	0.00	0.00	0.00	0.00	26,000.00	26,000.00
Morrisette Paper	0.00	5,750.00	0.00	0.00	0.00	5,750.00
Overfinch North America	0.00	12,587.80	0.00	0.00	0.00	12,587.80
Riverside Running Co., LLC	0.00	2,812.48	0.00	0.00	0.00	2,812.48
Robert David	0.00	1,500.00	0.00	0.00	0.00	1,500.00
Robert Stephens	0.00	250.00	250.00	100.00	0.00	600.00
Site Collaborative, LLC	0.00	800.00	800.00	0.00	0.00	1,600.00
The Launch Place	0.00	3,000.00	0.00	0.00	0.00	3,000.00
Unison Tube, LLC	0.00	0.00	0.00	0.00	69,032.50	69,032.50
TOTAL	**6,995.82**	**40,625.28**	**11,148.96**	**3,415.00**	**100,275.50**	**162,460.56**

Industrial Development Authority of Danville
Balance Sheet
As of March 31, 2023

	Mar 31, 23	
ASSETS		
Current Assets		
Checking/Savings		
Community Capital - GOK		30,835.09
Loans (City Funded)		760,271.33
North Union Master Tenant LLC		7,162.02
North Union Properties, LLC		29,803.89
Regular Checking		717,230.01
Reserve Account		5,092,774.40
US Bank - 2021A Project Fund		7,338,563.20
USDA Checking		57,077.38
Total Checking/Savings		14,033,717.32
Accounts Receivable		
Rent Receivable		60,462.22
Utilities Receivable		6,783.96
Total Accounts Receivable		67,246.18
Other Current Assets		
Accounts Receivable		-11,342.50
Allowance for Rent		-97,237.50
Due from City		13,854,272.95
Lease Interest Rec. - GASB 87		29,541.11
ST Lease Rec. - GASB 87		639,111.85
Total Other Current Assets		14,414,345.91
Total Current Assets		28,515,309.41
Fixed Assets		
Accumulated Depreciation		-4,801,255.49
Buildings		25,232,542.86
Construction In Progress		1,705,993.01
Equipment		75,000.00
Land		5,380,604.23
Land Improvements		2,464,220.66
Total Fixed Assets		30,057,105.27
Other Assets		
Allowance for Doubtful Accounts		-51,009.74
LT Lease Rec. - GASB 87		7,426,227.18
Notes Receivable		
123 South Union LLC Note Receiv	2,874,404.28	
Donnachaidh	19,080.57	
Dry Fork Distillery N/R	11,025.02	
Eng Biopharmaceut Inc.	150,000.00	
Parco International, LLC	33,610.81	
River City Escapes Note Receiva	12,043.59	
Southside Ice	15,036.94	
Total Notes Receivable		3,115,201.21
Total Other Assets		10,490,418.65
TOTAL ASSETS		**69,062,833.33**

Industrial Development Authority of Danville
Balance Sheet
As of March 31, 2023

	Mar 31, 23	
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Accrued Interest		19,326.23
Security Deposits		116,822.45
Total Other Current Liabilities		136,148.68
Total Current Liabilities		136,148.68
Long Term Liabilities		
Bonds Payable		3,273,000.00
Deferred Lease Rev - GASB 87		7,862,078.75
Lease Revenue Note - 2021A		10,000,000.00
Notes Payable		
AMNB - 1350 Barker Road	908,148.73	
AMNB - 206/208 N Union Loan	714,509.84	
AMNB - 500 Stinson Drive	740,023.24	
AMNB Loan - 500 Stinson #2	207,672.14	
AMNB Loan - Locket Drive	1,000,317.21	
AMNB Loan - Old Belt 1 Upfit	576,193.55	
Community Cap - 500 Cane Creek	1,061,766.19	
DIMON Construction Loan	1,599,861.08	
Movement Bank - 816 Monument	504,264.45	
VBSFA - 1 Ecomnets Way	932,595.35	
VCC - Cyber Park Shell Building	1,699,280.61	
VSBFA - 500 Cane Creek	308,536.58	
Total Notes Payable		10,253,168.97
Revolving Loan Fund - USDA		99,000.00
Total Long Term Liabilities		31,487,247.72
Total Liabilities		31,623,396.40
Equity		
Contributed Capital		150,000.00
Opening Bal Equity		4,856,400.56
Retained Earnings		32,804,151.90
Net Income		-371,115.53
Total Equity		37,439,436.93
TOTAL LIABILITIES & EQUITY		**69,062,833.33**

Industrial Development Authority of Danville
Profit & Loss
July 2022 through March 2023

	Jul '22 - Mar 23
Ordinary Income/Expense	
Income	
Grants	
Grants - City of Danville	3,574,978.53
Grants - Commonwealth of VA	263,667.00
Total Grants	3,838,645.53
Parking Space Rental Income	18,844.00
Program Fees	242,500.00
Rental Income	760,694.01
Total Income	4,860,683.54
Gross Profit	4,860,683.54
Expense	
Bank Service Charges	569.00
Grant Repayments	2,650,000.00
Incentive Payments	985,362.77
Insurance	101,804.23
Interest Expense	415,670.65
Licenses and Permits	4,445.00
Loan Fees	166,635.50
Office Supplies	156.63
Professional Fees	
Accounting	56,992.50
Consulting	611,947.09
Legal Fees	187,493.30
Professional Fees - Other	71,843.84
Total Professional Fees	928,276.73
Repairs	
Building Repairs	55,914.80
Total Repairs	55,914.80
Taxes	4,489.30
Telephone	2,472.56
Utilities	54,425.58
Total Expense	5,370,222.75
Net Ordinary Income	-509,539.21
Other Income/Expense	
Other Income	
Gain on Disposal	16,794.71
Interest Income	121,628.97
Total Other Income	138,423.68
Net Other Income	138,423.68
Net Income	**-371,115.53**

STAFF REPORT

DATE: April 11, 2023

TO: Industrial Development Authority

FROM:

RE: **Interior demolition and clean up at 406 Jefferson Street**

Staff requests that the City be allowed to enter into a contract with Daniel Builders LLC at 406 Jefferson Street to complete interior demolition. The demolition work will include removal of an interior staircase, miscellaneous interior wall/floor assemblies, and unnecessary plumbing pipes and light fixtures. Daniel Builders LLC will furnish labor, material. equipment, and supervision to complete interior demolition and clean up at 406 Jefferson Street.

The subject property, 406 Jefferson Street and additional properties on the corner of Jefferson Avenue, Jefferson Street and Pine Street are collectively known as Five Forks. Five Forks is historically a commercial corner serving the Old West End Historic District and surrounding area. Today we have prospects interested in expanding their businesses to this area.

To prepare 406 Jefferson Street for occupancy, a facade and stabilization project was completed in 2022 and a new roof installation completed in March 2023. With the exterior complete, the City has turned its focus to the interior. Demolition of miscellaneous wall/floor assemblies, removal of light fixtures, removal of the interior staircase, removal of unnecessary plumbing pipes and fixtures as well as removal of the ceiling to expose the ceiling joists are part of this next phase of preparation. Daniel Builders, LLC has quoted this job at $8, 965.00. There is currently $49,991.00 set aside for the renovations at Five Forks. The interior demolition and clean up at 406 Jefferson Street will be deducted from this fund.

ATTACHMENTS

1. Proposal
2. 436 RESOLUTION 406 Jefferson St - Contract Daniel Builders to Demolition on inside of building

DANIEL Builders LLC
phone (434) 685-7486 • fax (434) 685-7487 • cell (434) 334-6901 • john@danielbuildersllc.com
257 Saddle Road • Danville, VA 24541 • VA.CLASS A 2705 075131A

March 7, 2023

Mrs. Renee Burton
City of Danville
427 Patton Street
Danville, Virginia 24541

Re: 406 Jefferson St Interior Demo

Dear Mrs. Burton:

Daniel Builders LLC is pleased to offer the following proposal to complete the work outlined below. This proposal is based on our site visit. We propose to furnish labor, material, equipment, and supervision to complete the following:

1. Remove and/or demo all interior walls/wall assemblies on first floor.
2. Remove and/or demo all miscellaneous existing debris on the first floor.
3. Remove and/or demo the interior stairs stopping at the second floor.
4. Remove and/or demo all lighting on the first floor.
5. Remove and/or demo all ceiling materials including bead board. All ceiling materials will be removed to expose the existing ceiling joist.
6. Saw cut a straight line 3ft above finish floor into the existing plaster on the exterior wall in the space on the left hand side of the building. Remove all plaster on the same wall from finish floor up to 3ft above finish floor.
7. Demo all plumbing pipes that extend to the second floor.

Base Bid **$8,965.00** (Eight Thousand Nine Hundred Sixty-Five Dollars 0/100)

Clarifications and Exclusions:

1. Any work not specifically stated above is not included.
2. No asbestos abatement and / or lead paint abatement
3. No unforeseen / concealed work
4. Virginia sales tax is included
5. Payment shall be expected within **30 days** upon receipt of billing.
6. Work to be performed during normal business hours.
7. This proposal is good for 30 days from date of the proposal.

Sincerely,
Brian K. Shelton
Brian K. Shelton
Daniel Builders, LLC

"Together, we can build the future"

PRESENTED: 04/11/2023

ADOPTED: 04/11/2023

RESOLUTION NO. 2023_04_.01.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CITY OF DANVILLE TO PERFORM INTERIOR DEMOLITION AND CLEAN UP AT 406 JEFFERSON STREET.

WHEREAS, the Industrial Development Authority of Danville, Virginia (IDA) is the owner of 406 Jefferson Street further identified as Parcel ID #24730; and

WHEREAS, this parcel is part of a set of properties commonly known as Five Forks and is historically a commercial corner serving the Old West End Historic and surrounding areas; and

WHEREAS, there are prospects interested in expanding their businesses to this area; and

WHEREAS, the City currently has funds set aside for the renovations of the properties located in the Five Forks area.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia hereby approve and authorize the City of Danville to furnish labor, material, equipment, and supervision to complete interior demolition and clean up; and

BE IT FURTHER RESOLVED that the City will provide a Certificate of Insurance and Policy Endorsement evidencing at least One Million Dollars ($1,000,000) in liability insurance naming the IDA as an additional insured; and

BE IT FURTHER RESOLVED, by the Industrial Development Authority of Danville, Virginia, that this action is contingent upon the City strictly adhering to the Virginia Public procurement Act; and

BE IT FINALLY RESOLVED, by the Industrial Development Authority of Danville, Virginia, that the Chairman, or in his absence any Officer, be, and is hereby, authorized to sign any required documents and perform any other duties needed to complete the above-mentioned transaction.

Approved:

_____
Mayor

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

STAFF REPORT

DATE: April 11, 2023

TO: Industrial Development Authority

FROM:

RE: **Interior demolition, reconstruction of the second floor support system and facade stabilization at 400 Jefferson Street**

Staff requests that the City be allowed to enter into a contract with Diversified Services at 400 Jefferson Street to complete interior demolition, reconstruction of walls and the second story support system, and facade stabilization. The demolition work will include removal of an interior staircase, miscellaneous interior wall/floor assemblies, unnecessary plumbing pipes and light fixtures and the first floor facade. Construction will include interior walls with new foundations per engineering specifications, a new interior staircase and replacement of the existing header to build a temporary stable and secure facade with access door. Diversified Services will furnish labor, material. equipment, and supervision to complete interior demolition, reconstruction of walls and the second story support system, and facade stabilization at 400 Jefferson Street.

The subject property, 400 Jefferson Street and additional properties on the corner of Jefferson Avenue, Jefferson Street and Pine Street are collectively known as Five Forks. Five Forks is historically a commercial corner serving the Old West End Historic District and surrounding area. Today we have prospects interested in expanding their businesses to this area.

To prepare 400 Jefferson Street for occupancy, a facade removal and new roof installation project was completed several years ago. There is still work to complete on the exterior. However, the instability of the second story floor system and facade must be addressed before the City can move forward with additional renovation work. has turned its focus to the interior. Diversified Services has quoted this job at $65,000.00. There are currently funds set aside for the renovations at Five Forks. The interior demolition, reconstruction of walls and the second story support system, and facade stabilization will be deducted from this fund.

ATTACHMENTS

1. Proposal
2. 437-RES 400 Jefferson Street Contract With Diversified Services -FINAL PER CLARKE

Diversified Services
Construction Class A Contactor # 2705154662

1715 Walnut Creek Rd
Danville VA 24540
434-548-8819

400 Jefferson, AKA Piano building, Estimate

Invoice #: ------ Date: 3-29-2023

Project #: Piano Building

Work to be Completed at 400 Jefferson St:

- - Remove rotted flooring, debris, subflooring and floor joists on second floor----------$7500
- - Replace and rebuild floor joist system with LVLs and install subflooring----------$29500
- - Build interior walls with new foundations* per engineering recommendations--------$13750
- - Remove current facade and replace header** per engineering recommendations -----$8125
- - Build temporary façade and install temporary door to secure building and create an aesthetically pleasing view from road----------$6000

Total ----------$65000

*contingent on soil under existing floor meeting engineering specifications for density and compaction.

** Built with LVLs per engineering and architectural plans

- Work would be done in 8-10 weeks, Diversified would be responsible for discarding of waste materials and keeping a clean environment throughout the demolition and construction process Thank you for allowing Diversified Services Construction to assist with your construction needs.

Estimate amount: $65,000

PRESENTED:_____

ADOPTED: _____

RESOLUTION NO. 2023____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CITY OF DANVILLE TO PERFORM INTERIOR DEMOLITION, RECONSTRUCTION AND FAÇADE STABILIZATION AT 400 JEFFERSON STREET.

WHEREAS, the Industrial Development Authority of Danville, Virginia (IDA) is the owner of 400 Jefferson Street further identified as Parcel ID #25567; and

WHEREAS, this parcel is part of a set of properties commonly known as Five Forks and is historically a commercial corner serving the Old West End Historic and surrounding areas; and

WHEREAS, there are prospects interested in expanding their businesses to this area; and

WHEREAS, the City currently has funds set aside for the renovations of the properties located in the Five Forks area; and

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia hereby approves and authorizes the City of Danville to furnish labor, material, equipment, and supervision to complete interior demolition, reconstruction and façade stabilization; and

BE IT FURTHER RESOLVED, that the City will provide a Certificate of Insurance and Policy Endorsement evidencing at least One Million Dollars ($1,000,000) in liability insurance naming the IDA as an additional insured; and

BE IT FURTHER RESOLVED, by the Industrial Development Authority of Danville, Virginia, that this action is contingent upon the City strictly adhering to the Virginia Public procurement Act; and

BE IT FINALLY RESOLVED, by the Industrial Development Authority of Danville, Virginia, that the Chairman, or in his absence any Officer, be, and is hereby, authorized to sign any required documents and perform any other duties needed to complete the above-mentioned transaction.

Approved:

_____
Mayor

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

STAFF REPORT

DATE: April 11, 2023

TO: Industrial Development Authority

FROM:

RE: **Danville Industrial Development Authority/MEP Commitment Letter from The Virginia Small Business Financing Authority (VSBFA)**

Request approval to execute a commitment letter from The Virginia Small Business Financing Authority(VSBFA) to The Danville Industrial Development Authority (IDA) and MEP.

ATTACHMENTS

1. 440 RESOLUTION IDA Approve Commitment Letter with Virginia Small Business Authority - Commercial Business Equipment
2. 2023-04-11 MTG Attachment MEP Loan Document

PRESENTED: 04/11/2023

ADOPTED: 04/11/2023

RESOLUTION NO. 2023 04 . 03 .

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE COMMITMENT LETTER WITH THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY IN AN AMOUNT NOT TO EXCEED $984,000 FOR THE FINANCING OF COMMERCIAL BUSINESS EQUIPMENT.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia (IDA) that they approve and authorize the execution of the attached Commitment Letter with The Virginia Small Business Financing in an amount not to exceed Nine Hundred Eighty-four ($984,000) for the financing of Commercial Business Equipment; and

BE IT FURTHER RESOLVED that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for this Commitment Letter and any and all other documents as needed to complete this transaction.

Approved:

_____
Mayor

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

DocuSign Envelope ID: 0711D26F-A19C-44F1-83E8-B06E720F56BD

VSBFA
Virginia Small Business Financing Authority

P.O. Box 446
Richmond, VA 23218-0446
804-371-8254 / f 804-225-3384
sbsd.virginia.gov

March 13, 2023

Ms. Corrie Teague Bobe
Director of Economic Development
City of Danville, Virginia
427 Patton Street
P.O. Box 3300
Danville, VA 24543-3300

RE: VSBFA *Economic Development Loan Fund* Commitment –MEP Project

Dear Corrie:

I am pleased to advise that the Virginia Small Business Financing Authority ("Lender") has approved the request of The Industrial Development Authority (IDA) of Danville, Virginia ("Borrower") for a loan in an amount not to exceed nine hundred eighty-four thousand dollars ($984,000) (the "Loan") subject to the terms and conditions herein.

1. **Basic Terms:**

   (a) **Borrower:** Industrial Development Authority (IDA) of Danville, Virginia.

   (b) **Co-Borrower:** Making Everything Possible, LLC

   (c) **Loan Amount**: Not to exceed Nine Hundred and Eighty-Four Thousand Dollars and no/00's ($984,000).

   (d) **Interest Rate:** Interest will be fixed at Interest will be fixed at five and a half percent (5.5%) per annum. Interest shall be computed based on the actual number of days the Loan is outstanding as if each year were composed of 365 days. In the event of default under any of the Loan Documents, the interest rate on the Loan may be increased by 5%.

   (e) **Closing Date:** Closing shall take place no later September 1, 2023.

   (f) **Maturity Date:** The maturity date shall be **ten years** (120 months) from the Note Date.

2. **Project Location:** 150 Slayton Avenue, Danville, Virginia.

3. **Purpose of Loan:** To finance the acquisition of acquisition of equipment to be used by the Co-Borrower at the Project Location.

4. **Payments:** Following an interest only period of twelve (12) months, (the "Interest Only period"), the Loan shall be amortized on a Fifteen (15) year basis. Beginning the same day of the succeeding month immediately following the conclusion of the Interest Only period and on the same day of each succeeding calendar month thereafter, Borrowers shall make one hundred and eight (108) principal and interest payments in the approximate amount of $8,039 each month until the Maturity Date, at which time all outstanding amounts owing under the Loan are due in full.

   Notwithstanding the foregoing, all principal, interest, late charges and other outstanding amounts owing under the Loan shall be due and payable on the Maturity Date. Any payments which are not received by the Lender within ten (10) days of the due date shall be subject to a late charge of five percent (5%), or $250, whichever is less.

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5. **Loan Advances:** All requests for advances of the Loan shall be submitted to the Lender within twelve (12) months of the Note Date.

6. **Guarantors:** Phil Hart will provide a personal guaranty of the Loan. The loan will also be supported by a Moral Obligation from the City of Danville (the "City").

7. **Collateral:** Repayment of the Loan will be secured by the following: a first priority UCC lien on the equipment to be purchased with the Loan proceeds.

   In no event shall Lender be required to enter into a subordination agreement (i) while a default under the Loan Documents shall have occurred and be continuing and (ii) by which Lender would waive or agree to postpone the exercise of any rights or remedies in the event of default under the Loan Documents. Lender shall require the parties referenced in this Section 7 to execute estoppel certificates and subordination and intercreditor agreements satisfactory to Lender in its sole discretion and provide Lender any information or documents requested.

8. **Quality of Documents and Items:** Each document and item required to be submitted to Lender pursuant to this Commitment shall be satisfactory in form and substance to Lender and its legal counsel, in their sole discretion.

9. **Required Jobs**: It is a requirement of the Loan that the Project shall create thirty-nine (39) permanent, full-time jobs and retain four (4) permanent, full-time jobs at the Project as a result of the within three years of the date of loan closing (collectively, "Required Jobs"). The shall Co-Borrower provide evidence of such Required Jobs to Lender as requested.

10. **Other Sources of Funding**:

    Borrower shall furnish evidence satisfactory to Lender **in its sole discretion** of the following additional sources of funds to Borrower for the Project:

    (a) Evidence of a cash equity investment in the equipment purchase, totaling $246,000 from Making Everything Possible, LLC.

11. **Conditions of Loan**: As conditions precedent to the Loan, all conditions and requirements in this Commitment must be satisfied to Lender's satisfaction, as determined by Lender in its sole discretion and Borrowers must have provided or caused to be provided to Lender, and Lender must have received, reviewed and found satisfactory, the following:

    (a) **Loan Documents**: Note with confession of judgement provisions, loan agreement, security agreement, Moral Obligation Support Agreement from City of Danville, Virginia ("Obligor"), personal Guaranty from Phil Hart ("Guarantor"), consents, and other documents as Lender may require (collectively, the "Loan Documents"), duly executed, acknowledged and/or sworn to and delivered, upon the terms of this Commitment and containing such representations and warranties and affirmative and negative covenants, together with other additional terms and conditions, as Lender may require.

    (b) **Authority and Capacity**: Evidence of the existence, good standing, authority, and capacity of the Borrowers and their respective constituents and representatives as Lender may require. Borrower's organizational documents shall be subject to review and approval by Lender.

    (c) **Survey:** N/A

    (d) **Flood Hazards:** N/A.

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(e) **Insurance:** Co-Borrower's effective, paid-up policies of fire and all-risk replacement cost coverage of all insurable Property with standard non-contributory mortgage clause in favor of Lender and with loss proceeds payable to Lender; comprehensive general public liability insurance with Lender as an additional insured; and such other or additional insurance, and covering such risks, as Lender requires. All policies must be written by insurers, in amounts, with endorsements, and on terms and conditions satisfactory to Lender.

(f) **Appraisal:** N/A

(g) **Financial Statements:** On an annual basis and within 180 days of the Borrower's and the City's year-end, the Borrower and the City shall each provide copies of their respective audited year-end financial statements, in form and content satisfactory to Lender.

(h) **Title Insurance:** N/A

(i) **Attorney's Opinion:** The written opinion(s) of counsel for Borrower and each Obligor addressed to Lender confirming the legal status and authority of Borrower and Obligor, the due authorization, execution and delivery, and the validity, binding effect and enforceability of the Loan Documents, the creation, validity, and perfection of the liens and security interests created by the Loan Documents and such other matters as Lender requests. Such counsel and opinion(s) must be satisfactory to Lender.

(j) **Project Condition and Compliance:** Evidence that the contemplated business operations at the Project comply with all applicable laws.

(k) **Environmental Compliance/Report:** Evidence satisfactory to Lender that the Project location does not contain and is not within any area designated as a hazardous waste site or as wetlands by any federal, state or other governmental authority, that such property of the Borrower nor any adjoining property does not contain or has ever contained any hazardous, toxic or regulated substance and that the intended use or activity on such property does not violate or could be subject to any response, remediation, clean-up or other obligation under any law or other legal requirement pertaining to health or the environment.

(l) **Additional Conditions:** The Loan Documents shall contain standard negative covenants, including prohibition against (i) payment of dividends or distributions of any kind to equity holders or management; or (ii) repayment of loans made to a Borrower by equity holders or management; (iii) repayment of any subordinated debt. **Borrower agrees to provide financial information, and other information in support of VSBFA's economic development reporting requirements (equity or capital investment, job creation, etc.), as may be reasonably requested from time to time.**

(m) **Date for Submissions:** All submissions must be made and all conditions must be satisfied by Borrower and/or Co-Borrower at least seven (7) business days prior to Loan closing (unless an earlier date is specified).

(n) **Costs:** Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with the Loan (pre- and post-closing), including, but not limited to, all insurance, appraisal, survey, recording, environmental, engineering, closing, escrow and title, title insurance fees and costs, and all fees and expenses of Lender's outside legal counsel and the cost of any other reports or tests deemed necessary by Lender to satisfy the requirements of Section 10(k). Such costs and expenses incurred at or prior to Loan closing shall be due and payable prior to the closing of the Loan. In the event the Loan Documents are not negotiated by Borrower or its counsel and Borrower is able to satisfy the conditions of this Commitment, Lender estimates that counsel fees for Lender will not

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exceed **$4,500.00**. The provisions of this paragraph shall survive the expiration or termination of this Commitment.

(o) **Miscellaneous:** Such other evidence, documents, certificates and items requested by Lender that are customarily provided in loan transactions of this type or necessary in connection with any other requirement of this Commitment.

12. General Conditions

12.1 Termination of Commitment: Lender may terminate this Commitment if there shall have occurred, in the opinion of Lender, from the date of Borrower application for the Loan (a) any change in the ownership or capital structure of Borrower, (b) any material adverse change with respect to the security for the Loan or other source of repayment of the Loan, (c) any material adverse change in the business or financial condition of the Borrower, or in any other state of facts submitted to Lender in connection with the Loan, (d) any damage to the Property by fire, casualty or other cause or any part of the Property is taken in condemnation or other like proceeding, or any such proceeding is pending at the time of Closing, or (e) any pending or threatened litigation by any Borrower, or any affiliate of any Borrower against Lender.

12.2 Applicable Law: THIS COMMITMENT AND THE LOAN DOCUMENTS SHALL BE GOVERNED ENTIRELY BY VIRGINIA LAW AND APPLICABLE UNITED STATES FEDERAL LAW.

12.3 Entire Agreement: The terms set forth above represent the entire understanding between Borrowers and Lender with respect to the subject matter of this Commitment, and this Commitment supersedes any prior and contemporaneous agreements, commitments, discussions and understandings, oral or written, with respect to the subject matter hereof.

12.4 Controlling Agreement: This Commitment is hereby limited so that in no event shall the interest taken, reserved, contracted for, charged or received exceed the maximum nonusurious amount permitted by applicable law; and any provision possibly to the contrary shall be automatically reformed and the interest payable automatically reduced to such maximum amount, without necessity of execution of any amendment or new document.

12.5 Assignability: This Commitment cannot be assigned by Borrowers without Lender's prior written approval, nor shall any third party rely hereon or be deemed a party benefited hereby.

12.6 Costs: Borrowers shall pay all out-of-pocket costs and expenses incurred by Lender in connection with the Loan (pre- and post-closing), including, but not limited to, all insurance, recording, and all fees and expenses of Lender's outside legal counsel and the cost of any other reports or tests deemed necessary by Lender to satisfy the requirements of Section 10(k). Such costs and expenses incurred at or prior to Loan closing shall be due and payable prior to the closing of the Loan. The provisions of this paragraph shall survive the expiration or termination of this Commitment.

If, for any reason, the credit transaction currently under discussion between us fails to close on or before September 1, 2023, Lender agrees to terminate such initial financing statement (unless Borrowers otherwise agree to extend such date in writing.)

13. Acceptance; Termination: This Commitment shall terminate automatically without notice at 5:00 p.m. Richmond local time on **May 1, 2023 unless before that time the Borrower has accepted it by delivering to Lender one copy duly executed of this Commitment**. If all the conditions of this Commitment have not been satisfied or if Lender and each Borrower are unable to agree on and reduce to writing all of the Loan Documents in a manner satisfactory to both of them by the Closing Date, time being of the essence, or if there has been any misrepresentation or any material error in anything submitted to Lender regarding the Loan or pursuant to any other provision hereof, the Lender shall have the option to terminate this

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Commitment. Upon any such termination, all obligations hereunder shall terminate except as specified in Section 12.6.

14. Full Faith and Credit: Nothing in this Commitment shall be construed to create an obligation on the part of the Commonwealth of Virginia or any political subdivision thereof to pay any amounts referred to herein or any interest or other costs incident thereto, except from the revenue of Lender and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of any amounts due pursuant to this Commitment.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

Very truly yours,

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

DocuSigned by:
Anna Mackley
26760BC02B2B427...
Anna Mackley
Chief Credit Officer

The undersigned accept and agree to all of the terms and conditions of the foregoing Commitment.

Industrial Development Authority (IDA) of Danville, VA

By: _____

Name/Title: _____

Date: _____

Making Everything Possible, LLC.

By: _____

Name/Title: _____

Date: _____

BORROWER'S CLOSING ATTORNEY:

Name: _____

Law Firm: _____

Phone: _____

E-Mail: _____

DocuSign Envelope ID: 0711D26F-A19C-44F1-83E8-B06E720F56BD

EXHIBIT B

FEDERAL REQUIREMENTS

1. **PAYMENT OF TAXES.** Industrial Development Authority of Danville, Virginia ("Borrower") certifies that it has paid all taxes due and payable to the U.S. Internal Revenue Service and the Commonwealth of Virginia as of the Closing Date of the Loan.

2. **NOT LOCATED IN FLOOD PLAIN**. Borrower certifies that the building, either securing this Loan or containing assets that secure this Loan, is not located in a flood plain, or is covered by flood insurance as required by applicable law in accordance with paragraph 8 below.

3. **CIVIL RIGHTS**

(a) Borrower certifies that it is, and will be, in compliance with all Federal requirements and Federal and State laws regarding Civil Rights, including but not limited to:

(1) Section 601 of Title VI of the Civil Rights Act of 1964, codified at 42 U.S.C. 2000d et seq. (proscribing discrimination on the basis of race, color or national origin), and the Department of Commerce's implementing regulations found at 15 CFR part 8;

(2) 42 U.S.C. 3123 (Proscribing discrimination on the basis of sex);

(3) 29 U.S.C. 794, as amended, and the Department of Commerce's implementing regulations found at 15 CFR part 8b (proscribing discrimination on the basis of disabilities);

(4) 42 U.S.C. 6101, as amended, and the Department of Commerce's implementing regulations found at 15 CFR part 20;

(5) 42 U.S.C. 6709 (proscribing discrimination on the basis of sex under the Local Public Works Program); and

(6) Other Federal statues, regulations and Executive Orders as applicable.

(b) Borrower will not intimidate, threaten, coerce, or discriminate against, any person for the purpose of interfering with any right or privilege secured by section 601 of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, 42 U.S.C. 3123, 42 U.S.C. 6709, and the Age Discrimination Act of 1975, or because the person has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part.

4. **ENVIRONMENT**. Borrower certifies that it is, and will be, in compliance with all Federal and State laws, including but not limited to:

a) The Clean Air Act, as amended (42 U.S.C. 7401 et seq.);

b) The Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.);

c) The Coastal Zone Management Act of 1972, P.L. 92-583, as amended (l6 U.S.C. 1451, et seq.);

d) Executive Order 11988, Floodplain Management (May 24, 1977), and regulations and guidelines issued thereunder by the Economic Development Administration;

e) Executive Order 11990, Protection of Wetlands (May 24, 1977);

DocuSign Envelope ID: 0711D26F-A19C-44F1-83E8-B06E720F56BD

f) The Endangered Species Act of 1973 P.L. 93-205, as amended (16 U.S.C. 1531, et seq.);

g) The Safe Drinking Water Act, P.L. 93-523, as amended (42 U.S.C. 300f-300J-26);

h) The Wild and Scenic Rivers Act, as amended (16 U.S.C. 1271, et seq.);

i) The Resource Conservation and Recovery Act of 1976, P.L. 94-580, as amended (42 U.S.C. 6901);

j) Historical and Archeological Data Preservation Act, Pub. L. 86-523, as amended, 16 U.S.C. § 469a-1 et. seq.;

k) National Historic Preservation Act of 1966, Pub. L. 89-665, as amended, 16 U.S.C. § 470 et.seq.;

l) Flood Disaster Protection Act of 1973, Pub. L. 93-234, as amended, 42 U.S.C. § 4002 et seq.;

m) Farmland Protection Policy Act, Pub. L. 97-98, as amended, 7 U.S.C. § 4201 et.seq.; and

n) Other Federal Environmental Statutes and Executive Orders, and state laws as applicable.

5. ENVIRONMENTAL REQUIREMENTS

Borrower agrees to be responsible for all liabilities that might be incurred as a result of providing an award to assist, directly or indirectly, in the preparation of site construction, renovation, or repair of any facility or site, if applicable, to the extent that such liabilities are incurred because of ground water, surface soil, or other conditions caused by operations of Borrower or any of its predecessors on the property.

Borrower further agrees to provide a Phase I environmental audit of the real estate, if any, held as collateral acceptable to Lender and agrees to comply with applicable laws and statutes including, but not limited to, those listed in this Agreement.

6. ELIGIBLE LENDING AREA

Borrower agrees to maintain its operations within ☒ CITY ☐ COUNTY of Danville, Virginia. In the event that operations are moved out of this community, the outstanding balance of the Loan will be immediately due and payable.

7. EARTHQUAKE REQUIREMENTS. For new building construction projects: Borrower is aware of and intends to comply with one of three model Codes outlined by the Committee on Seismic Safety in Construction (ICSSC): 1991 ICBO Uniform Building Code; 1992 Supplement to the BUCA National Building Code; or 1991 Amendments to the SBCC Standard Building Code.

8. FLOOD HAZARD INSURANCE. Where applicable, Borrower will obtain flood hazard insurance pursuant to the Flood Disaster Protection Act of 1973, P.L. 93-234, as amended (42 U.S.C. 4002, et seq.)

9. DAVIS-BACON ACT. Borrower certifies that if construction is being financed in whole or in part by the Loan and when any related construction contract exceeds $2,000, it will comply with the Davis-Bacon Act, as amended [40 U.S.C. 276a-276a-5); 42 U.S.C. 3222]

10. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT 7 ANTI-KICKBACK ACT

Borrower certifies that, if applicable, it will comply with the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333) and with the Anti-Kickback Act, as amended (40 U.S.C. 276 (c); 18 U.S.C. 874).

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11. ACCESS FOR THE HANDICAPPED. Borrower certifies that if the Loan is used in whole or in part to finance a building or facility intended for use by the public or the employment of physically handicapped, it must be accessible to the physically handicapped, pursuant to Public Law 90-480, as amended (42 U.S.C. 4151, et seq.), and the regulations issued thereunder.

12. CONFLICT OF INTEREST

a) Borrower certifies that, to its knowledge, no owner of an interest in Borrower is related by blood, marriage, law or business arrangement to the Lender or an employee of Lender or any member of Lender's Board of Directors, or a member of any other Board (hereinafter referred to as "other Board") which advises, approves, recommends or otherwise participates in decisions concerning loans or the use of grant funds.

b) Borrower certifies that it is aware that no officer, employee, or member of Lender's Board of Directors, or other Board, or person related to the officer employee, or member of the Board by blood, marriage, law, or business arrangement may receive any benefits resulting from the use of loan or grant funds, unless the officer, employee, or Board member affected first discloses to the Lender of public record the proposed or potential benefit and receives Lender's written determination that the benefit involved is not so substantial as to affect the integrity of Lender's decision process and of the services of the officer, employee or board member.

13. NOTICE OF DEBARMENT. Borrower agrees to notify the Lender immediately upon notification that it has been debarred, suspended, or otherwise excluded from receiving federal financial assistance.

Industrial Development Authority of Danville, Virginia

By: _____
Title: _____
Name: _____

Date: _____

DocuSign Envelope ID: 0711D26F-A19C-44F1-83E8-B06E720F56BD

EXHIBIT C

Virginia Small Business Financing Authority

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Industrial Development Authority of Danville, Virginia
Name of Applicant Business

_____
Tax ID #

(1) The applicant business certifies, to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;

(b) Have not within a three-year period preceding the application for this loan been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification, and

(d) Have not, within a three-year period preceding the application for this loan, had any public transaction (Federal, State, or local) terminated for cause or default.

(2) Where the applicant business is unable to certify to any of the statements in this certification, such applicant business shall attach an explanation to this proposal.

Borrower Name: Industrial Development Authority of Danville, Virginia

Date: _____, 2023

By: _____
Signature of Authorized Representative

_____
Name and Title of Authorized Representative

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Form **W-9**
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶ _____ ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.) | Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
___ ___ ___ – ___ ___ – ___ ___ ___ ___

or

Employer identification number
___ ___ – ___ ___ ___ ___ ___ ___ ___

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ▶ Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Cat. No. 10231X — Form W-9 (Rev. 11-2005)

PLEASE RETURN THIS COMPLETED FORM WITH EXECUTED COMMITMENT LETTER