INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

4TH FLOOR CONFERENCE ROOM

September 12, 2023

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. MEETING MINUTES

1. August 8, 2023 IDA Minutes
   Council Letter Number CL - 844.

D. FINANCIAL REPORT

1. Industrial Development Authority Statement of Accounts as of August 31, 2023

E. STAFF UPDATES

F. RESOLUTIONS

1. Request to authorize PLAN Danville to utilize the parking lot located at 520 Main Street for a public event on November 2, 2023.

2. Lease Agreement between Danville Industrial Development Authority and Mind Body Wellnes Pilates LLC

3. Amend Lease agreement between the Danville Industrial Development Authority and The Launch Place

4. Request to authorize interior construction at 406 Jefferson Street to accommodate a new tenant.

5. Transfer two (2) parcels located at the commercial corner known as Five Forks (Parcel Ids 22970 and 22969) from Five Forks LLC to IDA.

6. Request to enter into contract with Dewberry to design a stormwater management system at Five Forks.

7. Request to authorize the installation of a storm water management system at Five Forks.

8. 424 Memorial Drive Lead Based Paint Removal

9. Refinance Loan Renewals for 500 Cane Creek Parkway

G. CLOSED MEETING

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property; and

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

A. Motion to Convene in Closed Meeting
B. Motion to Reconvene in Open Meeting
C. Motion to Certify Closed Meeting

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

I. ADJOURN

MINUTES OF MEETING
TUESDAY, AUGUST 8, 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 (IDA) was held in the Fourth Floor Conference Room of the Municipal Building on Tuesday, August 8, 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 (Arrived after Minutes Approved) Kristen Barker Dave Cumbo Philip Hall Robert Woodall
ABSENT:	
ALSO PRESENT:	W. Clarke Whitfield, Jr., City Attorney Kimberly L. Gibson, Legal Assistant/Paralegal Michael Adkins, Financial Director Corrie Bobe, Economic Development Director Ken Larking, City Manager

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

ROLL CALL

MINUTES

COPIES OF THE MINUTES OF THE JULY 11, 2023, REGULAR MEETING WERE DISTRIBUTED TO THE MEMBERS WITH THEIR IDA AGENDA PACKETS. MR. HALL MADE A VERBAL MOTION 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	- ARRIVED AFTER VOTE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

FINANCES

COPIES OF THE CURRENT FINANCIAL STATEMENTS OF THE IDA ENTITLED "STATEMENT OF ACCOUNTS AS OF JULY 31, 2023" WERE DISTRIBUTED WITH THEIR IDA AGENDA PACKET. MICHAEL ADKINS, THE FINANCE DIRECTOR, EXPLAINED THE PACKET IN DETAIL TO THE MEMBERS. MR. REYNOLDS MADE A VERBAL MOTION 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	- ARRIVED AFTER VOTE
MRS. BARKER	- AYE
MR. CUMBO	- AYE
MR. HALL	- AYE
MR. WOODALL	- AYE

UPDATES FROM STAFF

Corrie gave the IDA updates on present projects underway. Including that a Motion was needed for additional sitework cost at 120 Slayton Avenue.

RESOLUTIONS

A VERBAL MOTION WAS MADE BY MR. REYNOLDS TO APPROVE THE ADDITIONAL SITEWORK COST AT 120 SLAYTON AVENUE IN AN AMOUNT NO TO EXCEED $14,000. THE MOTION WAS SECONDED BY MR. CUMBO AND CARRIED WITH THE FOLLOWING MEMBERS PRESENT VOTING AS:

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

A RESOLUTION APPROVING AND AUTHORIZING THE ADDITIONAL FUNDING IN AN AMOUNT NOT TO EXCEED $25,000 FOR SITEWORK EXPENDITURES AT 231 MAIN STREET, DANVILLE, VIRGINIA.

MOTION MADE BY: MR. HALL; 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

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE AN AGREEMENT OF PURCHASE AND SALE BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY AND GENESIS NORTH UNION PROPERTIES, LLC FOR THE PROPERTY IDENTIFIED AS PARCELS NOS. 20598, 21954, AND 23112 AND COMMONLY KNOWN AS 200-204 NORTH UNION STREET.

MOTION MADE BY: MR. LARAMORE; 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 AUTHORIZING AND APPROVING EXECUTION OF A CONSULTING SERVICES AGREEMENT BY AND BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND CHERRY BEKAERT ADVISORY, LLC.

MOTION MADE BY: MR. WOODALL; 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 APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE ATTACHED LOAN RENEWAL COMMITMENT LETTER WITH AMERICAN NATIONAL BANK AND TRUST COMPANY IN AN AMOUNT NOT TO EXCEED $561,892.88 FOR THE RENEWAL LOAN AGAINST REAL PROPERTY LOCATED AT 527 BRIDGE STREET.

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

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

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT AND PROMISSORY NOTE TO REFINANCE IMPROVEMENTS LOCATED AT 527 BRIDGE STREET FROM AMERICAN NATIONAL BANK AND TRUST COMPANY.

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

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

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE ATTACHED LOAN RENEWAL COMMITMENT LETTER WITH AMERICAN NATIONAL BANK AND

TRUST COMPANY IN AN AMOUNT NOT TO EXCEED $967,330.11 FOR THE RENEWAL LOAN AGAINST REAL PROPERTY LOCATED AT 979 LOCKETT DRIVE.

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	- NAY

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT AND PROMISSORY NOTE TO REFINANCE IMPROVEMENTS LOCATED AT 979 LOCKET DRIVE FROM AMERICAN NATIONAL BANK AND TRUST COMPANY.

MOTION 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 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. LARAMORE AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

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

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

UPON RECONVENING, MR. WOODALL 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. HALL

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

Motion made by Mr. Reynolds to adjourn , seconded by Mr. Hall, consensus vote of all present AYE.

ADJOURN

By: JOHN LARAMORE
Title: SECRETARY

By: T. NEAL MORRIS
Title: CHAIRMAN

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

Regular Checking	$	500,587.97
USDA Loan Account	$	59,369.92
Community Capital Bank (500 CC)	$	20,943.58
City Funded Loan Account	$	851,334.92
North Union Properties/Master Tenant	$	13,343.22
Reserve Account	$	3,156,176.52

Reserve Account Details

Hold for FY23 Debt Svc	*854,692.91*	
Hold for Shell Building	*63,919.63*	
Hold for Enterprise Zone	*430,905.00*	
Hold for Dan River Falls	*(560,878.60)*	grant funds to replenish ($500,000)
Hold for FY22 Edev Incenti	*1,962,612.00*	
Hold for FY23 Edev Incenti	*367,925.58*	
Hold for 217 N Union	*37,000.00*	
Available	*(0.00)*	
	3,156,176.52	

City Funded Loans:

Beginning Balance August 1, 2023	$	833,119.95
The Bee - Monthly Payment		18,179.41
Interest /Bank Fees		35.56
Ending Balance August 31, 2023	$	851,334.92

Industrial Development Authority
Statement of Account - Regular Checking
For the month ended August 31, 2023

Beginning Balance at July 1, 2023		$ 521,110.92
RECEIPTS:		
Rent:		109,092.56
Utility/Insurance Reimbursement:		
DR Foundation	1,376.48	
Averett	9,165.81	10,542.29
Transfer In from Reserve Acct/City		1,186,417.42
Interest Income/Wire Fees		(31.17)
DISBURSEMENTS:		
AMNB Loan - Lockett Drive	(12,218.56)	
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	(4,078.59)	
AMNB - 1350 Barker Road	(7,306.55)	
VSBFA - 500 Cane Creek	(3,142.83)	
First National - Gaither Rd Prop	(3,136.84)	
Movement Bank - Monument	(2,651.24)	
US Bank Bond Debt Service	(13,666.67)	
Blair Construction - Shell Bldg	(251,301.56)	
Beechgrove Designs - Witcher	(9,523.17)	
First American Title - DR Falls	(930,863.85)	
Luck's Lawncare Monument Lynn	(105.00)	
Public Wrks Bldg Maint Jan - Jun	(33,977.01)	
WRT - Schoolfield	(5,450.00)	
Whitman Engineer - Shell Bldg	(467.95)	
Utility Bills/Elevator Maint	(13,135.82)	
Insurance	(8,445.80)	(1,326,544.05)
PASS THROUGHS:		
From City for Incentives		20,000.00
Kegerreis Digital		(20,000.00)
Ending Balance at August 31, 2023		**$ 500,587.97**

125 N Union	250.00	
Averett	22,780.00	
Barry Smith	260.00	
Belk	7,102.50	
City - Gang Prev.	1,500.00	
City - IT Dept.	17,040.00	
DR Foundation	5,610.00	
Earnhardt Plumbing	2,556.55	
GSO	2,950.00	
Launch Place	-	7/31
Link's Café	3,000.00	
Lizzy Lou	1,600.00	
Mind Body Wellness	700.00	
Morrisette Paper	5,750.00	
Overfinch	12,587.80	
Parking - 600 Craghd	4,704.00	
River District Assoc	-	7/31
Riverside Running	2,812.48	
Robert Stephens	250.00	
Site Collaborative	800.00	
Sth VA Legal	-	7/28
Vintages	2,000.00	
Walraven	14,839.23	
	109,092.56	

Industrial Development Authority
Statement of Account
USDA Loan Funds

For the month ended August 31, 2023

Beginning Balance at July 1, 2023				$ 58,797.31
RECEIPTS:				
		Dry Fork Fruit Dist.	-	
	Received March 30	Donnachaidh	570.09	
		River City Escapes	-	
		Interest	2.52	
				572.61
DISBURSEMENTS:			-	
				-
Ending Balance at August 31, 2023				**$ 59,369.92**

Reconciliation to original USDA grant of $99,000

ORIGINAL USDA FUNDS			$ 99,000.00
LESS OUTSTANDING LOANS:			
	River City Escapes	12,043.59	
	Donnachaidh	17,076.46	
	Dry Fork Fruit Dist.	11,025.02	(40,145.07)
INTEREST EARNED			19,922.69
DEFAULTED LOANS			(19,457.70)
PENALTIES EARNED			50.00
BALANCE IN ACCOUNT			**$ 59,369.92**

Industrial Development Authority of Danville
A/R Aging Summary
As of August 31, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
127 North Union	0.00	315.00	0.00	315.00	5,985.00	6,615.00
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	-18,192.25	0.00	0.00	0.00	0.00	-18,192.25
Caesars Virginia	0.00	0.00	0.00	0.00	20.00	20.00
Danville Regional Foundation	1,529.25	0.00	0.00	0.00	0.00	1,529.25
J&W Associated LLC dba Links Cafe	0.00	3,000.00	0.00	3,000.00	300.00	6,300.00
Lou's Antiques Co	0.00	0.00	0.00	0.00	26,000.00	26,000.00
Mind Body Wellness Pilates LLC	0.00	-700.00	0.00	0.00	0.00	-700.00
Robert Stephens	0.00	250.00	0.00	92.00	0.00	342.00
Unison Tube, LLC	0.00	0.00	0.00	0.00	69,032.50	69,032.50
TOTAL	**-16,663.00**	**1,865.00**	**0.00**	**3,407.00**	**101,870.50**	**90,479.50**

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

		Aug 31, 23
ASSETS		
Current Assets		
Checking/Savings		
Community Capital - GOK		20,943.58
Loans (City Funded)		851,334.92
North Union Master Tenant LLC		7,163.53
North Union Properties, LLC		6,179.69
Regular Checking		500,587.97
Reserve Account		3,156,176.52
US Bank - 2021A Project Fund		6,672,395.27
USDA Checking		59,369.92
Total Checking/Savings		11,274,151.40
Accounts Receivable		
Rent Receivable		84,362.50
Utilities Receivable		6,117.00
Total Accounts Receivable		90,479.50
Other Current Assets		
Allowance for Rent		-101,017.50
Due from City/County		13,818,542.63
Lease Interest Rec. - GASB 87		29,541.11
ST Lease Rec. - GASB 87		639,111.85
Total Other Current Assets		14,386,178.09
Total Current Assets		25,750,808.99
Fixed Assets		
Accumulated Depreciation		-5,457,143.84
Buildings		24,679,739.58
Construction In Progress		6,715,798.19
Equipment		75,000.00
Land		5,944,749.76
Land Improvements		2,580,260.66
Total Fixed Assets		34,538,404.35
Other Assets		
Allowance for Doubtful Accounts		-74,078.35
Interest Receivable		9,523.93
LT Lease Rec. - GASB 87		7,426,227.18
Notes Receivable		
123 South Union LLC Note Receiv	2,831,126.41	
Donnachaidh	17,161.59	
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		3,070,004.36
Total Other Assets		10,431,677.12
TOTAL ASSETS		**70,720,890.46**

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

		Aug 31, 23
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Accrued Interest		25,503.75
Security Deposits		117,522.45
Total Other Current Liabilities		143,026.20
Total Current Liabilities		143,026.20
Long Term Liabilities		
Bonds Payable		2,988,000.00
Deferred Lease Rev - GASB 87		7,862,078.75
Lease Revenue Note - 2021A		10,000,000.00
Notes Payable		
1st National Gaither Rd Parcels	491,076.02	
AMNB - 1350 Barker Road	887,875.87	
AMNB - 206/208 N Union Loan	704,475.22	
AMNB - 500 Stinson Drive	728,871.06	
AMNB Loan - 500 Stinson #2	182,660.36	
AMNB Loan - Locket Drive	970,336.73	
AMNB Loan - Old Belt 1 Upfit	561,892.88	
Community Cap - 500 Cane Creek	1,041,925.75	
DIMON Construction Loan	1,544,347.23	
Movement Bank - 816 Monument	495,205.56	
VBSFA - 1 Ecomnets Way	1,190,725.30	
VCC - Cyber Park Shell Building	1,730,194.92	
VSBFA - 500 Cane Creek	298,588.42	
Total Notes Payable		10,828,175.32
Revolving Loan Fund - USDA		99,000.00
Total Long Term Liabilities		31,777,254.07
Total Liabilities		31,920,280.27
Equity		
Contributed Capital		150,000.00
Opening Bal Equity		4,856,400.56
Retained Earnings		32,459,831.25
Net Income		1,334,378.38
Total Equity		38,800,610.19
TOTAL LIABILITIES & EQUITY		**70,720,890.46**

Industrial Development Authority of Danville
Profit & Loss
July through August 2023

		Jul - Aug 23
Ordinary Income/Expense		
Income		
Grants		
Grants - City of Danville	1,565,383.32	
Total Grants		1,565,383.32
Parking Space Rental Income		4,704.00
Rental Income		186,134.62
Total Income		1,756,221.94
Gross Profit		1,756,221.94
Expense		
Bank Service Charges		273.66
Incentive Payments		295,000.00
Insurance		18,844.25
Interest Expense		110,414.56
Office Supplies		138.63
Professional Fees		
Consulting	13,904.42	
Legal Fees	0.00	
Professional Fees - Other	1,068.75	
Total Professional Fees		14,973.17
Repairs		
Building Repairs	4,459.11	
Total Repairs		4,459.11
Telephone		521.44
Utilities		24,486.68
Total Expense		469,111.50
Net Ordinary Income		1,287,110.44
Other Income/Expense		
Other Income		
Interest Income		47,267.94
Total Other Income		47,267.94
Net Other Income		47,267.94
Net Income		**1,334,378.38**

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Renee Burton, Division Director of Planning

RE: Request to authorize PLAN Danville to utilize the parking lot located at 520 Main Street for a public event on November 2, 2023.

The goal of PLAN Danville is to actively involve the citizens of Danville in the Comprehensive Plan process. Our community engagement includes surveys, block parties, a community store front and pop-up events by our Community Ambassadors. Our first block party, on North Union Street, yielded over 300 participants. Our second event, held at Coates Recreation Center, yielded between 50 - 60 participants.

The next PLAN Danville event is scheduled for November 2, 2023. We would like to hold this event at 500 & 520 Main Street in anticipation that the location will bring greater participation than what was seen at Coates Recreation Center. PLAN Danville has received permission to utilize 500 Main Street and to close N Union Street from Main Street to Spring Street for this event.

PLAN Danville requests permission from the IDA to utilize the parking lot at 520 Main Street for a community event on November 2, 2023. The event will take place from 5:30 - 7:30.

ATTACHMENTS

1. 808-IDA RES CITY USE PARCEL 21608 FOR PLAN DANVILLE
2. Main Street Parking Lot Aerial

PRESENTED:______September 12, 2023__

ADOPTED: ________September 12, 2023__

RESOLUTION NO. 2023-________

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE USE OF THE PARKING LOT, IDENTIFIED AS PARCEL 21608, BY THE CITY OF DANVILLE TO CONDUCT A "PLAN DANVILLE" COMMUNITY EVENT ON NOVEMBER 2, 2023.

WHEREAS, the Industrial Development Authority of Danville, Virginia (IDA) owns the parking lot on Main Street, identified as Parcel 21608; and

WHEREAS, "PLAN Danville" is requesting authorization to utilize Parcel ID 21608, also known as 520 Main Street, to conduct a community event on November 2, 2023, and

NOW THEREFORE, BE IT RESOLVED by the IDA that it hereby approves and authorizes "PLAN Danville" to utilize Parcel ID 21608, also known as 520 Main Street, to conduct a community event on November 2, 2023; and

BE IT FURTHER RESOLVED that 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 FINALLY RESOLVED that the Chairman, or in his absence, any Officer, be, and is hereby, authorized to sign any and all documents necessary to complete the above transaction.

Approved:

____
Chairman

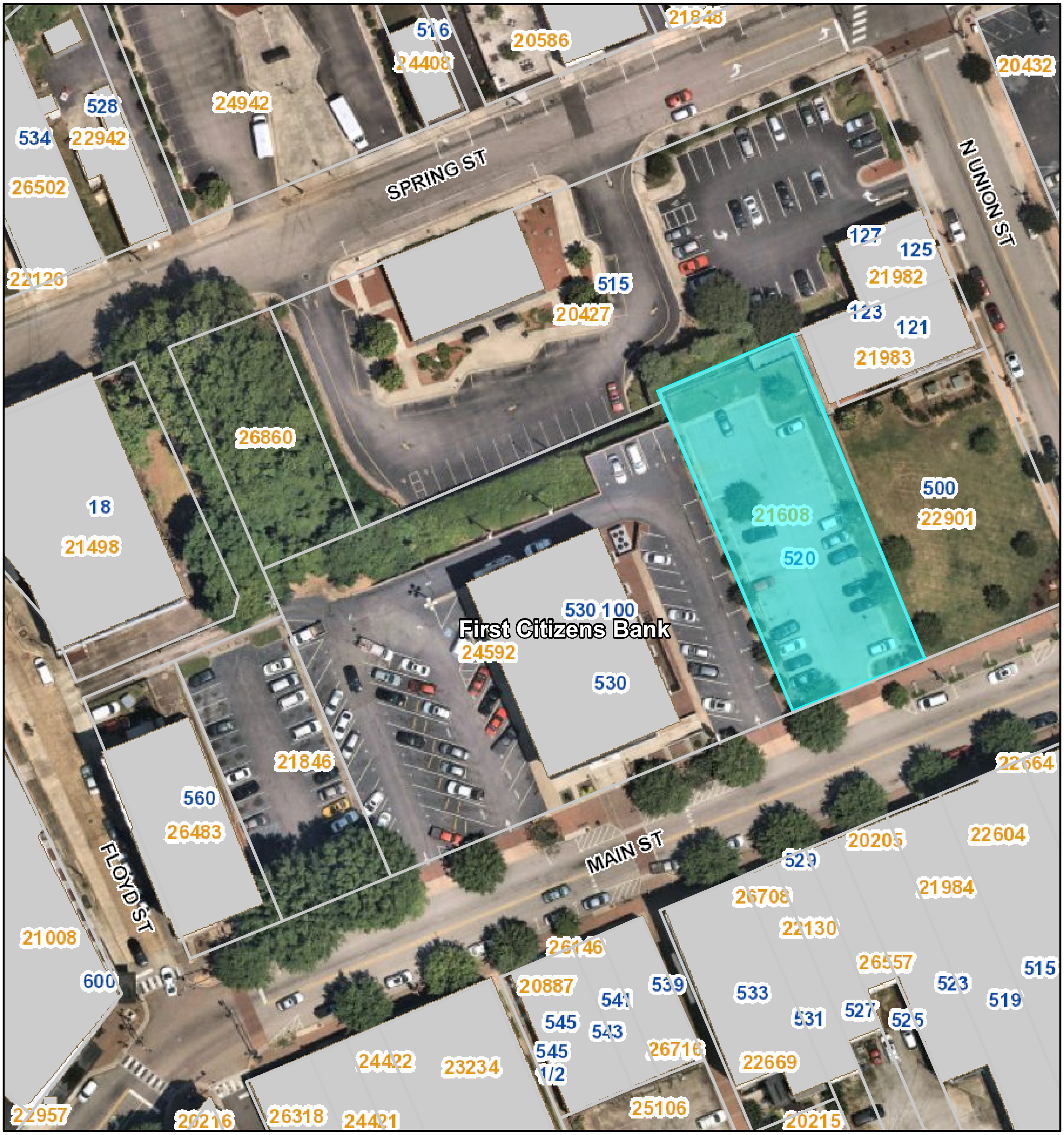
Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

Main Street Parking Lot



September 1, 2023

1:1,128

0 40 80 160 ft

0 12.5 25 50 m

Street Names

House Numbers

Parcel Numbers

Buildings

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism

RE: Lease Agreement between Danville Industrial Development Authority and Mind Body Wellnes Pilates LLC

Request to approve to amend the current lease agreement between Danville Industrial Development Authority and Mind Body Wellness Pilaates LLC to transfer lease space from 208 N. Union Street Suite 202 to 206 N. Union Street Suite 203.

ATTACHMENTS

1. 833-IDA RES w-Mind Body Wellness 206 N Union St Ste 202
2. 833-IDA Attachment-Amended Lease Agreement-Mind Body Wellness

PRESENTED: September 12, 2023

ADOPTED: September12, 2023

RESOLUTION NO. 2023-________

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN NORTH UNION PROPERTIES, LLC, A LIMITED LIABILITY COMPANY, WHOSE SOLE MEMBER IS THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND MIND BODY WELLNESS PILATES, LLC FOR THE PROPERTY IDENTIFIED AS 206 N. UNION STREET, SUITE 203 DANVILLE VIRGINIA.

WHEREAS, Mind Body Wellness Pilates, LLC currently has a lease agreement with the Industrial Development Authority of Danville, Virginia (IDA) for 208 N. Union Street Suite 202 Danville, Virginia; and

WHEREAS. Mind Body Wellness Pilates, LLC wishes to relocate their rental space from the 208 N. Union Street, Suite 202 to 206 N. Union Street, Suite 203; and

WHEREAS, this new lease will replace any and all previous lease agreements between the parties relating to the property and render them no longer valid.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a Lease Agreement between North Union Properties, LLC and Mind Body Wellness Pilates, LLC, in a form substantially attached hereto and made a part hereof; and

BE IT FURTHER RESOLVED, by the IDA that it hereby approves and authorizes a lease term of Twenty-four (24) months at a lease rate of $900 per month with an option to renew; and

BE IT FURTHER RESOLVED, that upon the execution of the lease agreement authorized hereby, that any and all previous lease agreements between the parties relating to the property shall be no longer valid; and

BE IT FINALLY RESOLVED by IDA that it hereby directs the Chairman, or in his absence any Officer, to execute any and all documents necessary to complete the transaction described in this resolution.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

LEASE GREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into and effective as of this _______ day of _______________________, 2023, between **NORTH UNION PROPERTIES, LLC**, a Virginia Limited Liability Company whose sole member is the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia ("Landlord"), **and GINGY CAGUIOA-BLAKELY (in her personal and individual capacity), and MIND BODY WELLNESS PILATES LLC (Virginia lD # S8608327)** ("Tenants").

WITNESSETH

FOR and in consideration of the mutual promises and covenants of the parties to this Lease, the parties do covenant and agree as follows:

1. Definitions: The following words or phrases shall have the following meanings when used in this Lease, unless otherwise specifically provided:

   "Agreement" shall mean this lease agreement including all terms, conditions, rights, and responsibilities between the above-named Landlord and Tenants.

   "Building" shall mean all of the building or other structure located on, or hereafter placed upon, the property **located at 206 N. Union Street, Suite 203 and bearing tax Parcel ID number 24488.**

   "Commencement date" shall mean September 1, 2023.

   "Premises" shall mean the second floor of the building (approximately 900 sq. ft.) known as 206 N. Union Street, (parcel #24488), also identified as Suite 203 in such building

   "Real Estate Taxes" shall mean all real estate taxes, assessments, or charges upon all or any portion of the Entire Property or any Buildings or improvements thereon or the Premises or improvements thereon.

2. Recitals: The parties to this Lease recite the following facts:

   A. Landlord is North Union Properties, LLC, a Virginia Limited Liability Company, whose sole member is the Industrial Development Authority of Danville, Virginia (IDA), a political subdivision of the Commonwealth of Virginia.

B. Tenants are **Gingy Caguioa-Blakely and Mind Body Wellness Pilates, LLC.**

C. The Landlord desires to lease the Premises to the Tenants and the Tenants desire to lease the Premises from the Landlord for the primary purpose of office space and a pilates workout area in the Central Business District.

3. Lease of Premises:

Landlord hereby leases to Tenants, and Tenants hereby lease from the Landlord the premises, as defined in paragraph 1.

4. Term:

A. Initial Term:
The initial term of this Lease ("Term") shall begin upon the commencement date of this Lease by the parties hereto and shall extend for twenty-four (24) months after the Commencement Date to the Termination Date.

B. Renewal Lease Term:
If the Lease is still in full force and effect, Tenant, with written approval by Landlord, may renew the lease for as many as two (2) new twenty-four (24) month renewal, provided written notice of the election to renew shall be delivered to Landlord not less than sixty (60) days prior to the expiration of the previous lease term. If said extension is duly exercised by Tenant and approved by Landlord, the Term of this Lease shall be automatically extended for an additional twenty-four-month period upon all of the same terms, provisions and conditions set forth in this Lease **except** the new amount of rent for each renewed term.

5. Rent:

A. Tenants shall pay as rent to Landlord Nine Hundred and 00/100 Dollars ($900.00) per month for the first twenty-four (24) months of the lease beginning on September 1, 2023. Rent is payable and due in advance on the first day of each calendar month during the Lease term to Landlord at such place designated by written notice from Landlord or Tenants. The rental payment amount for any partial calendar months included in the Lease term shall be prorated on a daily basis.

B. **The rental rate for any Renewal Lease term, if exercised by the Tenants as permitted under this Lease, shall be as follows. Tenants will pay $900.00 per month for the duration of the lease term.**

C. A security deposit of $900.00 equal to the first month's rent is required to be paid prior to the Commencement Date as defined in paragraph 1 above for both the initial term and each subsequent renewal term.

6. Maintenance, Improvement and Repairs:

A. Tenants shall make, at Tenant's expense, all necessary improvements to the Premises including floors, walls, ceilings, plumbing, and lighting. Routine on-going repairs of interior areas not defined as the Premises and the exterior of the building including the roof, walls, foundation, gutters, downspouts, drainage systems, (signage excepted) shall be responsibility of the Landlord.

B. If Repairs relate to an insurable claim, the Party entitled to insurance recovery must pay for the repairs.

C. Tenants are responsible for their own trash disposal, janitorial, and any needed security services.

7. Alterations and Improvements:

A. Tenants, at Tenants, expense, shall have the right following Landlord's written consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Premises from time to time as Tenants may deem desirable, provided the same shall not adversely affect the structural integrity of the Building and are made in compliance with all applicable codes and are otherwise performed in a workmanlike manner and utilizing good quality materials.

B. Tenants shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenants at the commencement of the Lease term or placed or installed on the Leased Premises by Tenants, thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenants shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenants at Tenants' expense.

8. Use.

A. Tenants shall not use nor cause to be used all or a portion of the Premises for any of the following: 1), adult oriented business as defined in Chapter 41 of the Danville City Code, 2) billiard parlor or pool hall, 3) any use which is not permitted by right under zoning classification applicable to the Premises, and 4) any other use which is illegal under any laws applicable to the Premises.

B. Tenants shall use Premises for the operation of a retail and clothing storage business. In the event that Tenants no longer uses Premises as a fitness center this Lease shall end upon thirty (30) days' notice by Landlord.

9. Taxes.

A. Personal Property Taxes: Tenants shall be responsible for paying all personal property taxes with respect to Tenants' personal property at the Premises.

B. Real Estate Taxes: Tenants shall be responsible for paying all real estate taxes for the Premises (approximately 900 sq. ft.) known as 206 N. Union Street Street STE 203 (parcel #24488)

10. Insurance.

A. Landlord shall maintain fire and extended coverage insurance on the Building and the Premises in such amounts as Landlord shall deem appropriate.

(i) Tenants shall be responsible, at its expense, for fire and extended coverage insurance on all its personal property, including removable trade fixtures, located in the Premises.

B. Tenants and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than $1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenants' policy or policies of comprehensive general liability insurance, and Tenants' compliance with this Paragraph. Tenants shall obtain the agreement of Tenants' insurers to notify Landlord that a policy is due to expire at least (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

11. Utilities.

Tenants shall pay all charges for water, sewer, gas, electricity, telephone, internet and all other services of and for leased premises.

12. Signs.

Tenants shall have the right to place on the Premises any sign which is permitted by applicable zoning ordinances and private restrictions. Tenants shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenants.

13. Entry.

Landlord shall have the right to enter upon the Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with business of the Tenants on the Premises. Landlord will attempt to contact Tenants twenty- four (24) hours prior to entry except in the case of an emergency in which case no notice would be required.

14. Damage and Destruction.

If the Premises or any part thereof or any appurtenance thereto is so damaged, not caused by Tenants, by fire, casualty, or structural defects that the same cannot be used for Tenants' purposes, then Tenants shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage, not caused by Tenants, to any part of the Premises, and if such damage does not render the Premises unusable for Tenants' purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, epidemics, swarms of boll weevils, plagues of locusts, inability to obtain necessary permits, materials, or labor or other matters, which are beyond the reasonable control of Landlord. Tenants shall be relieved from paying rent and other charges during any portion of the Lease term that the Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenants' purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenants. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence, which is beyond Tenants' reasonable control, and which renders the Premises, or any appurtenance thereto, inoperable, or unfit for occupancy or use, in whole or in part, for Tenants' purposes.

15. Default.

If default shall at any time be made by Tenants in the payment of rent when due to Landlord as herein provided, and if said default shall continue for five (5) days after written notice thereof shall have been given to Tenants by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenants, and such default shall continue for ten (10) days after notice thereof in writing to Tenants by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenants written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenants default, either in law or equity.

16. Quiet Possession.

Landlord covenants and warrants that upon performance by Tenants of its obligations hereunder, Landlord will keep and maintain Tenants in exclusive, quiet, peaceable, undisturbed, and uninterrupted possession of the Leased Premises during the term of this Lease.

17. Condemnation.

If any legally, constituted authority condemns the building or such part thereof which shall make the Premises unsuitable for leasing, this Lease shall cease when the public authority issues the condemnation order, and Landlord and Tenants shall account for rent as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

18. Subordination.

Tenants accept this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenants agree that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust, or other lien now existing or hereafter placed upon the Leased Premises of the Building and Tenants agree upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request Tenants agree that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenants alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

19. Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord:
Industrial Development Authority of Danville, Virginia
C/O City Attorney's Office
P.O. Box 3300
Danville, VA 24543

With a copy to:
City Attorney's Office
P.O. Box 3300
Danville, VA 24543

If to Tenants:
Gingy Caguioa-Blakely
202 Forestroad Drive
Danville, Virginia 24540

20. Brokers.

Tenants represent that Tenants were not shown the Premises by any real estate broker or agent and that Tenants have not otherwise engaged in any activity, which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. Waiver.

No waiver of any default of Landlord or Tenants hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenants shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

23. Successors.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenants and their respective legal representatives, successors and assigns.

24. Consent.

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

25. Performance.

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenants to Landlord specifying the default, Tenants may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenants shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the Landlord of five percent (5%) per annum. If this Lease terminates prior to Tenants' receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenants on demand.

26. Compliance with Law.

Tenants shall comply with all laws, orders, ordinances, and other public requirements now or hereafter pertaining to Tenants' use of the Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

27. Applicable Law and Entire Agreement.

A. This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

B. This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

Landlord:

Industrial Development Authority
of Danville, Virginia

By: ____
Name: T. Neal Morris
Its: Chairman

Tenant:_____________________________________

Name: **Gingy Caguioa-Blakely (in her personal and individual capacity)**

By: ____
Name: **Gingy Caguioa-Blakely**

Tenant:

Mind Body Wellness Pilates, LLC SCC # S8608327

By ____
Name: **Gingy Caguioa-Blakely**
Title: Managing Member

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Assistant Director of Economic Development and Tourism

RE: Amend Lease agreement between the Danville Industrial Development Authority and The Launch Place

Staff request to amend the current lease agreement between the Danville Industrial Development Authority and The Launch Place for up to five twelve (12) months periods effective October 1, 2023.

ATTACHMENTS

1. 834-2023-09-12 RES New Lease Renewal with Launch Placefinal
2. 834-ATTACHMENT New Lease for Launch Place 527 Bridge Street

PRESENTED: September 12, 2023

ADOPTED: September 12 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT WITH THE LAUNCH PLACE AT 527 BRIDGE STREET, SUITE 200. .

WHEREAS, The Industrial Development Authority of Danville approved and authorized a lease renewal between the Industrial Development Authority and The Launch Place on March 14, 2023 for a five (5) year term; and

WHEREAS, the Launch Place has requested to change the term length of the lease Agreement from Five (5) years to One (1) year, with an option to renew for five (5) One (1) year terms; and

WHEREAS, this new lease will replace any and all previous lease agreements between the parties relating to the property and render them no longer valid.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby approves and authorizes a new lease agreement with a One (1) year term, with the option for Five (5) (1) year term renewals of the lease between the Industrial Development Authority of Danville, Virginia and The Launch Place, for 527 Bridge Street, commonly known as Old Belt One.

BE IT FURTHER RESOLVED that upon the execution of this lease agreement authorized hereby, that any and all previous lease agreements between the parties relating to the property shall no longer be valid; and

BE IT FINALLY RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any officer, to execute any and all other documents necessary to complete the transaction described in this resolution.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

LEASE

THIS LEASE ("Lease") is entered into and effective as of the ___day of __________________, 2023 between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE**, a political subdivision of the Commonwealth of Virginia ("Landlord"), and **Southside Business Technology Center, aka The Launch Place**, a corporation existing under the laws of the Commonwealth of Virginia ("Tenant").

RECITALS:

This Lease is made with reference to the following facts:

A. Landlord owns a certain building identified as "Old Belt Tobacco Storage No. 1" (the "Building" located in the City of Danville, Virginia, more particularly described on Exhibit A and located on that certain real property owned by Landlord and more particularly described in Exhibit A hereto (the "Land").

B. Landlord has made specific improvements to the second floor using its own funds, to prepare office space for the Tenant. (The "Landlord Improvements"). All improvements on the second floor space for this Tenant will be collectively referred to as "Improvements." The land and the building are referred to collectively to as the "Property" and the improvements are referred to as the "Premises."

NOW THEREFORE, in consideration for the promises contained herein and other good and valuable consideration the receipt of which is hereby acknowledged the parties agreed as follows:

1.1 Agreement to Lease. Landlord shall lease to Tenant, and Tenant shall rent, hire, and take of and from Landlord, for the Term and upon the terms, covenants, and conditions set forth in this Lease, the premises.

1.2 Commencement Date. The "Commencement Date" shall be the date Landlord delivers possession of the Premises to Tenant in a condition ready for move in and operation.

1.3 Delivery Date. On the Commencement Date, the Landlord shall deliver possession of the premises to Tenant in vacant, broom clean, structurally sound condition, fully serviced with all utility infrastructures, in compliance with all laws, with no defects or conditions that would restrict or impair the Tenant's ability to perform their operation or occupy the Premises. Tenant's acceptance of the Premises shall not be deemed a waiver of Tenant's right to have defects in the Premises repaired at no cost to Tenant at the time of delivery. Tenant shall give notice to Landlord of any such defect reasonably apparent and Landlord shall repair such defect as soon as practicable.

1.4 Term. The initial term of this Lease shall begin as of the Commencement Date and shall end Twelve (12) months after the Commencement Date. If the Lease is still in full force and effect, Tenant, with written approval by Landlord, shall have the right to renew the lease for as many as Five (5) new Twelve (12) month renewal terms, provided written notice of the election to renew shall be delivered to Landlord not less than six (6) months prior to the expiration of the previous lease term. If said extension is duly exercised by Tenant and approved by Landlord, the Term of this Lease shall be automatically extended for an additional (12) Twelve month period upon all of the same terms, provisions and conditions set forth in this Lease except that parties shall negotiate in good faith to establish the new amount of rent for each renewed term. The initial term and any renewal terms shall be referred to collectively as the "Term" for the purposes of this Lease.

1.5 Deposit. A deposit equal to the first month's rent is required to be paid prior to the Commencement Date as defined in 1.2 above for both the initial term and each subsequent renewal term.

ARTICLE 2 – RENT AND SPACE

2.1 Determination of Fixed Rent and Space Leased. The Tenant will lease approximately three thousand square feet (3,000 square feet) of space on the second floor of Old Belt One Building. The"Base Rent" for the space is three thousand dollars ($3,000) per month or thirty-six thousand dollars ($36,000) per year. The Total rent shall be the Base Rent plus the payment of "Additional Rent" (taxes, utilities, insurance and maintenance). At the option of the IDA, rent payments shall be transferred electronically to the account of the IDA no later than the applicable due date.

2.2 Payment of Base Rent. Tenant shall pay Base Rent, in advance, on the first day of each calendar month beginning on the date which is the Rent Commencement Date. Landlord shall deliver to Tenant an invoice on or before the first day of each month setting forth any other charges owed under the Lease. Base Rent shall be paid in lawful money of the United States to the Landlord at IDA, City of Danville, P.O. Box 3300, Danville, Virginia 24543 or at the option of the IDA, rent payments shall be transferred electronically to the account of the IDA. No Base Rent shall be due until Commencement Date defined above in paragraph 1.2.

2.3 Lease Year. As used in this Lease, "Lease Year" means the period beginning on the Commencement Date and ending on the date twelve (12) months following the Commencement Date, and each consecutive twelve (12) month period thereafter during the Term.

ARTICLE 3 – USE

3.1 Permitted Use. Tenant may use the Premises for office, file storage, and light clerical purposes. Landlord hereby represents that such uses are permitted in the Premises under applicable law.

3.2 Compliance with Laws. Tenant is required to follow all zoning and building occupation codes as outlined by the City of Danville. In addition, Tenant shall obtain all business licenses, permits, and other approvals required for Tenant's operations and not specifically related to the physical structure of the Premises or the Property. Tenant shall throughout the term of this Lease promptly comply with all Applicable Laws with respect to the condition, use, or occupancy of the Premises, the Buildings, and all other Improvements.

3.3 Prohibition against Nuisance. Tenant shall not cause, maintain, or permit its agents, employees or contractors to do anything in or about the Premises which would constitute a nuisance.

ARTICLE 4 – HAZARDOUS MATERIALS

4.1 Acts of Tenant. Tenant may not use, keep and store Hazardous Materials on the Premises. Should any governmental authority having jurisdiction over the Premises require that a clean up or remediation plan be prepared or that a clean up or any other remediation action be undertaken because of the presence of, or any spills or discharges of Hazardous Materials at the Premises by Tenant, or its employees, agents, or invitees, then Tenant, at Tenant's own expense, shall prepare and submit the required plans and financial assurances, and carry out the approved plans.

4.2 Landlord's Representations. Landlord represents to Tenant that (a) no Hazardous Material is present on the Premises or the soil, surface water or groundwater thereof, including in the roofing or roof patching materials, (b) no underground storage tanks are present on the Premises, and (c) no action, proceeding or claim is pending or threatened regarding the Premises concerning any Hazardous Material or pursuant to any Environmental Law.

4.3 Indemnification/Tenant. Tenant shall indemnify, defend and hold the Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the Term as a result of any Hazardous Materials used or stored in the Premises by Tenant, its agents, employees or invitees in violation of this lease and

Environmental Laws. This indemnification of Landlord by Tenant includes, without limitation, costs, incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state, or local governmental agency or political subdivision because of any Hazardous Material present in the soil or ground water on or under the Land, or the Premises in violation of Environmental Laws due to the release or discharge thereof by Tenant or its employees, agents or invitees, and all costs incurred to comply with Tenant's obligations under the provisions of this Article 4.

4.5 Trash and Refuse. Tenant shall keep any and all trash, garbage, waste or other refuse in sanitary containers and shall regularly remove the same from the Premises. Tenant shall keep all incinerators, containers or other equipment used for the storage or disposal of such matter in a clean and sanitary condition.

4.6 Hazardous Material Defined. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local or state governmental authority, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is defined as a hazardous waste or hazardous substance or similar term denoting a hazard to the environment under any applicable state or federal laws, rules or regulations ("Environmental Laws") governing the use, storage or disposal of such Hazardous Materials, including any substance (a) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1317j); (b) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C 6901 et seq. (42 U.S.C. 6903); or (c) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C 9601 et seq. (42 U.S.C. 9601).

4.7 **Definitions.** As used in this Article 4, the following terms have the following definitions:

"Agencies" means any federal, state, or local governmental authorities, agencies, or other administrative bodies with jurisdiction over Tenant or the Premises.

"Environmental Laws" means any federal, state, or local environmental, health, or safety related laws, regulations, standards, court decisions, ordinances, rules, codes, orders, decrees, directives, guidelines, permits, or permit conditions, currently existing and as amended, enacted, issued, or adopted in the future relation to Hazardous Materials that are or become applicable to Tenant or the Premises.

ARTICLE 5 – <u>TAX AND INSURANCE EXPENSES</u>

5.1 <u>Taxes and Insurance.</u> The Landlord has basic insurance for the building, but the Tenant is responsible for any applicable insurance required for leasing space and owning equipment. The Tenant is responsible for any applicable personal and real property tax for the space being leased. The landlord will prorate the overall tax bill for the building based on the portion of the building being leased divided by the overall square footage of the building. The Landlord will bill the Tenant semi-annually and equally for the portion of the tax bill due to the City of Danville for real property. The Tenant will be billed directly for any personal property taxes. In the event of Tenant's nonpayment of Additional Rent, Landlord shall have all the same rights and remedies as Landlord has for the nonpayment of Base Rent. The term "<u>Rental</u>" and "<u>Rent</u>" as used in this Lease shall mean Base Rent and Additional Rent.

ARTICLE 6 – ALTERATIONS, MAINTENANCE, AND REPAIRS

6.1 <u>Alterations.</u> Tenant shall not make any repairs, improvements, additions or modifications to the Premises (collectively, "<u>Alterations</u>"), except in accordance with the provisions of this Article 6.

6.1.1 "<u>Major Alteration</u>" means any Alteration with a cost of $10,000 or more or an Alteration which Tenant elects to make which materially alters the exterior walls or skin of the Building, the foundation of the Building or the roof of the Building. Prior to commencing work on any Major Alteration, Tenant shall first submit to Landlord plans for the proposed Major Alteration and a written request that Landlord consent thereto, which consent shall not be unreasonably withheld or delayed. Landlord may withhold its consent to any such Alteration if Landlord reasonably determines that such Alteration will be materially detrimental to the integrity of the structure of the Building, the fair market value of the Premises or the exterior appearance of the Property.

6.1.2 "<u>Other Alteration</u>" means any Alteration other than a Major Alteration. Such Other Alteration will not be materially detrimental to the integrity of the structure of the Building, the fair market value of the Premises or the exterior appearance of the Property. Prior to commencing work on any Other Alteration, Tenant shall first submit to Landlord plans for the proposed Other Alteration and a written request that Landlord consent thereto, which consent shall not be unreasonably withheld or delayed. Landlord my withhold its consent to any such Other Alteration if Landlord reasonably determines that such Other Alteration will be materially detrimental to the integrity of the structure of the Building, the fair market value of the Premises or the exterior appearance of the Property.

6.1.3 Additional Requirements With respect to any Alteration made by Tenant, Tenant shall comply with the following provisions:

(a) Construction of the Alteration shall not be commenced until ten (10) business days after Tenant has received consent from Landlord so that Landlord can post an appropriate notice of non-responsibility.

(b) Tenant shall procure all applicable construction permits and authorizations required by law before commencement of construction of any Alterations.

(c) All Alterations shall be performed in a good and workmanlike manner and shall be completed with due diligence in accordance with all applicable laws.

(d) During the period of any construction work by Tenant on the Premises, Tenant shall procure, or cause Tenant's contractor to procure, at no expense to Landlord, builder's "all risk" insurance and worker's compensation insurance with an insurance company satisfying the Landlord.

(e) Tenant shall be required to provide a payment bond and performance bond equal to the value of Alterations made by Tenant. Tenant further agrees that Tenant shall keep the Premises and the Property at all times free from any liens.

(f) Tenant shall provide Landlord with "as built" plans for any Major Alteration performed by Tenant.

6.1.4 Removal of Alterations, Restoration. Any Alterations to the Premises shall remain on and be surrendered with the Premises and title thereto shall vest in Landlord upon expiration or termination of the Term, unless otherwise agreed by Landlord. With the exception of "Tenant's Specialty Property" which includes the following: (a) all Tenant's trade fixtures and business fixtures; and (b) the following: (i) all moveable partitions which are not affixed to the Premises; (ii) any other furniture, fixtures, equipment, machinery and systems, provided that the foregoing items described in clauses (i) and (ii) above were made or installed by Tenant or paid for by Tenant and which can be removed from the Premises without damage to the structure of the Building. Landlord shall have no lien or other interest in any item of Tenant's property, including Tenant's Specialty Property. Except for Alterations which cannot be removed without structural injury to the Premises, at any time Tenant may remove Tenant's Specialty Property or other Alterations paid for by Tenant from the Premises, provided that Tenant repairs all damage caused by such removal.

6.2 Maintenance and Repair

6.2.1 Tenant's Repairs. Tenant, at its sole cost and expense, shall maintain and make all repairs required to keep the leased 3,000 square foot Premises and adjoining common areas in good condition, appearance and repair, ordinary wear and tear and casualty excepted, throughout the Term of this Lease. The Tenant is responsible for the maintenance and upkeep of all utilities, including but not limited to, HVAC systems and power system requirements, and water and sewer facilities that are directly used by the Tenant for the leased Premises. The Tenant is responsible for all labor, materials, and supplies associated with the Premise repairs and maintenance.

6.2.2 Tenant Maintenance. Tenant is responsible for their own trash disposal, janitorial, and any needed security services.

6.3 Landlord's Warranties/Obligations. Landlord represents and warrants to Tenant as follows:

6.3.1 On the Commencement Date, Landlord shall deliver the Building to Tenant in full compliance with applicable laws and regulations and otherwise in the condition set forth in Section 1.2 above. Landlord shall, at its sole cost and expense, promptly upon Tenant's request, remedy any violations of such delivery conditions.

6.3.2 Landlord shall, from time to time upon request of Tenant, execute such documents and instruments as Tenant may reasonably request to assign to Tenant all right, title and interest of Landlord in and to any warranties, guarantees and other contract rights with any contractors or subcontractors or consultants who have performed, or in the future will perform, work in connection with those portions of the Premises for which Tenant is responsible for the maintenance and repair. Landlord shall ensure that all contracts and subcontracts entered into by Landlord in connection with such Improvements shall permit the assignment of such warranties, guarantees and other rights to Tenant. If any such contracts or subcontracts are not assignable to Tenant, then, at Tenant's request, Landlord shall pursue in its own name any such warranty, guaranty or other right for the benefit of Tenant, so long as Tenant reimburses Landlord for Landlord's reasonable costs and expenses incurred in connection therewith.

6.4 Payment of Liens. During the Term, Tenant shall pay for, or cause to be paid for, all labor done or materials furnished for any work of construction, repair, maintenance or alterations done by or for Tenant in, upon or about the Premises, and shall keep and hold the Land and all improvements placed thereon free, clear and harmless of, from and against all liens arising by reason of labor done or materials furnished in connection with any construction work performed in, upon, or about the Premises at the request or direction of Tenant, its employees or agents.

Tenant shall indemnify, defend and hold Landlord harmless from and against all damages, costs, and expenses, including attorneys' fees (collectively, "Damages") which might accrue or be incurred by reason of or on account of any such lien or claim.

6.5 Discharge of Liens. Tenant shall pay and fully discharge any such lien or claim within thirty (30) days after written notice from Landlord of the existence thereof unless within such period, Tenant has notified Landlord of Tenant's intention to contest such lien or claim, or has commenced a contest thereof, in which case 6.6 below shall apply.

6.6 Lien Contests. Tenant shall have the right to contest the correctness or validity of any such lien or claim subject to the indemnification provisions of Section 6.4 above.

6.7 Notice of Non-responsibility. Landlord, at all reasonable times, shall upon reasonable notice to Tenant, have the right to go upon the Premises for the purpose of posting and keeping posted thereon such notices of non-responsibility as Landlord deems necessary for protection of the Premises from material suppliers' or mechanics' liens or other claims or liens of a similar nature.

ARTICLE 7 EXCULPATION, INDEMNITY, AND INSURANCE

7.1 Exculpation of Landlord. Landlord shall not be liable to Tenant and Tenant waives all claims against Landlord for any damage, injury, deterioration, or loss to a person or property ("Damage") suffered by Tenant or Tenant's property from any cause except for any claim or Damage caused by any acts, omissions, neglect or fault of Landlord, its officers, agents, contractors, representatives or employees, and except for any claim or Damage caused by any default by Landlord under this Lease.

7.2 Exculpation of Tenant. Tenant shall not be liable to Landlord and Landlord waives all claims against Tenant for any Damage to Landlord or landlord's property from any cause except for any claim or Damage caused by any acts, omissions, neglect or fault of Tenant, its officers, agents, contractors, representatives or employees, and except for any claim or Damage caused by any default by Tenant under this Lease.

7.3 Indemnity. Tenant shall indemnify, defend and hold the Landlord, its officers, directors, members, parents, affiliates, employees and representatives harmless from and against all claims or Damages caused by any willful misconduct, neglect or fault of the indemnifying party, its officers, agents, contractors, representative and employees. Tenant shall further indemnify, defend and hold the Landlord harmless from all claims or Damages arising from any breach or default in the performance of any obligation to be performed by the indemnifying party under the terms of this Lease, and from and against all costs, attorneys' fees, expenses and liabilities incurred as a result of or arising out of such claim or any action or proceeding brought thereon.

In case any action or proceeding shall be brought against Landlord by reason of any claims covered by this indemnity, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably approved by Landlord. The provisions of this Section shall survive the expiration or sooner termination of this Lease with respect to claims or liabilities occurring or arising prior to such expiration or termination.

7.4 Tenant's Insurance. At all times during the Term and any other period of occupancy, Tenant at its sole cost and expense, shall keep in full force and effect either a Commercial General Liability Insurance Policy (or an equivalent), an Excess Liability Policy and/or an Umbrella liability Policy insuring Tenant against any liability arising out of the leasing, use, occupancy or maintenance of the Premises such insurance shall be in the amount of Five Hundred Thousand Dollars ($500,000) Combined Single limit for injury to, or death of, one or more persons in an occurrence and for damage to tangible property (including loss of use) in an occurrence. The policy shall insure the hazards of the Premises and Tenant's operations thereon, and (i) shall name Landlord and any secured parties designated by Landlord as additional insureds and (ii) shall contain a cross liability provision.

7.5 Landlord's Insurance. From and after the Commencement Date, Tenant agrees to pay a percentage of the total insurance premium on the building based on leasing 3,000 square feet of space in a 48,000 total square foot building. Therefore, at all times during the Term, Landlord shall keep in full force and effect the following insurance which may be satisfied by coverage under one or more blanket policies covering multiple properties in which Landlord or its affiliates hold interests, directly or indirectly:

7.5.1 Standard form property insurance insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended all risk coverage and sprinkler leakage, as well as boiler and machinery insurance, including coverage for pressure vessels, air tanks, boilers, machinery, and pressure piping. This insurance policy shall be upon all Improvements, including the Building, in an amount not less than the full replacement value thereof with an "agreed amount" or "stipulated value" endorsement. Such policy shall name Landlord and any secured parties designated by Landlord as loss payees, as their respective interests may appear and the proceeds thereof shall be used in accordance with Article 8 below.

7.5.2 Any combination of a Commercial General Liability Insurance Policy (or an equivalent), an Excess Liability Policy and/or an Umbrella Liability Policy insuring Landlord against any liability arising out of the leasing, use, occupancy, or maintenance of the Property, such insurance shall be in the amount of not less than One Million Dollars ($1,000,000) Combine Single Limit for injury to, or death of, one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence.

7.6 Certificates of Insurance. All policies covered in sections 7.4 and 7.5 shall be written in a commercially reasonable form and shall be maintained with insurance companies holding a General Policyholder's Rate of "A-"or better, and a financial rating of "VIII" or better, as set forth in the most current issue of Best's Key Rating Guide, and, with respect to Tenant's general liability insurance, shall require thirty (30) days advance written notice to Landlord of any cancellation or modification.

7.7 Waiver of Subrogation. All policies of insurance required hereunder or otherwise obtained by either party shall include a clause or endorsement waiving, on behalf of the insurer, any rights of subrogation against the other party. Notwithstanding anything to the contrary herein, Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, directors, shareholders, partners, employees, agents and representatives of the other, on account of loss or Damage occasioned to such waiving party or its property or the property of owners under its control to the extent that such loss or Damage is caused by or results from a risk which is actually insured against, which is required to be insured against under this Lease, or which would normally be covered by all risk property insurance, without regard to the negligence or willful misconduct of the entity so released. All of Landlord's and Tenant's repair and indemnity obligations under this Lease shall be subject to the waiver contained in this paragraph. Landlord and Tenant shall each give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

7.8 Right to Procure Insurance. If either Tenant or Landlord fails or neglects to procure or maintain any insurance required to be carried in this Lease, pays the premiums thereof or renew the same, then in any of such events, the other party at its option, may (but shall not be required to) obtain such insurance and pay the premium therefore only after fifteen (15) days written notice (or less notice if the policy might expire) to the party failing to maintain such required insurance. The cost thereof together with interest thereon at the rate of ten percent (10%) per annum shall become due and payable as additional rent to Landlord together with Tenant's next monthly installment of Base Rent if such failure or neglect is attributable to the Tenant, or become due and payable to Tenant if such failure is attributable to Landlord.

ARTICLE 8 – DAMAGE OR DESTRUCTION

8.1 Destruction. If during the Term, the Premises and/or the Building are totally or partially destroyed, damaged, or disfigured ("Destruction") by any cause whatsoever, whether from a risk covered by the insurance described in Article 7, from a risk not covered by such insurance, or any combination of such risks, Tenant shall promptly notify Landlord of such Damage or Destruction. Subject to the terms and conditions of this Article 8, Landlord, up to the insurance limits, shall be responsible for the repair, restoration and rehabilitation to the same condition prior to such Damage or Destruction ("Restore" or "Restoration") of any Damage to or

Destruction of the Improvements except for any damage due to negligence, recklessness, willful misconduct, or intentional damage on the part of the Tenant or its agents, employees or contractors; Tenant shall be responsible for the repair and Restoration of any personal property of Tenant.

8.2 Application of Insurance Proceeds. The insurance proceeds maintained by Landlord and Tenant with respect to the Improvements and the Building shall be applied to the Restoration of the Improvements.

8.2.1 If the total estimated costs of Restoration of Improvements (other than Tenant's personal property), shall exceed any amount of proceeds of insurance applicable and available therefore, such excess shall be borne and paid solely by Tenant.

8.2.2 If the net proceeds of insurance applicable to the Improvements and Building exceed the total actual cost of Restoration, the balance remaining after payment of the cost of such Restoration to the Premises shall be paid to the party which maintains the insurance policy.

8.2.3 Base Rent and other charges under this Lease shall be equitably abated from the date of the occurrence of any Damage until such Damage is fully repaired or restored.

8.3 Right to Terminate. If the Premises are subject to any Destruction, then Tenant shall have the option to terminate this Lease if the Premises cannot be, or are not in fact, fully restored to their prior condition within one hundred twenty (120) days after the damage.

ARTICLE 9 – TAXES

9.1 Personal Property Taxes. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in, on or about the Premises. Tenant shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Landlord.

9.2 Real Property Taxes. From and after the Commencement Date only, Tenant agrees to pay a percentage of the total real property taxes on the building based on leasing 3,000 square feet of space in a 48,000 total square foot building (6.25% of square footage) . The Real Property Taxes will be based on the value of the building as set by the Danville Property Assessor. Landlord will provide notice and detailed explanation of how amount was derived.

ARTICLE 10 – UTILITIES

10.1 Payment. Tenant shall make arrangements for and pay for all water, gas, power, electrical current, telephone, broadband other utilities, heat and air conditioning used by or supplied to the 3,000 square feet rented by the Tenant. Nothing in the foregoing sentence shall be construed to relieve Landlord of its obligations for the construction and maintenance of utility systems to the extent such construction is required pursuant to the terms of this Lease. If the Premises should become not reasonably suitable for Tenant's use as a consequence of cessation of utilities or other services (except for nonpayment of utilities or other services), interference with access to the Premises, legal restrictions or the presence of any Hazardous Material which does not result from the release or emission of such Hazardous Material by Tenant or its agents, employees or invitees, and in any of the foregoing cases the inference with Tenant's use of the Premises persists for seven (7) days, then Tenant shall be entitled to an equitable abatement of rent to the extent of the interference with Tenant's use of the Premises occasioned thereby. If the interference persists for more than ninety (90) days, Tenant shall have the right to terminate this Lease.

10.2 Installation. Tenant shall have the right to install at any time emergency power equipment servicing the Premises and Landlord shall cooperate with Tenant's installation, use and testing thereof.

ARTICLE 11 – ASSIGNMENT AND SUBLETTING

11.1 Restrictions on Assignment. Except as provided elsewhere herein, Tenant shall neither voluntarily nor by operation of law assign, sell nor otherwise transfer all or any part of Tenant's leasehold estate hereunder, without Landlord's prior express written consent. Consent by Landlord to one or more assignments of this Lease shall not constitute a waiver of Landlord's right to require consent to any future assignment.

11.2 Tenant's Notice. Except as provided in Section 11.1 above, if Tenant desires at any time to assign this Lease, then Tenant first shall notify Landlord of its desire to do so and shall submit in writing to Landlord (i) the name and legal composition of the proposed assigned; (ii) the nature of the proposed assignee's business to be carried on in the Premises; and (iii) such reasonable business and financial information as Landlord may reasonably request concerning the proposed assignee. With respect to an assignment, the assignee must expressly assume all prospective obligations of Tenant under this Lease accruing after the assignment. Notwithstanding the assumption of the obligations of this Lease by the assignee no assignment shall relieve Tenant of liability under this Lease. The obligations and liability of Tenant hereunder shall continue notwithstanding the fact that Landlord may accept rent and other performance from the assignee.

The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment.

11.3 Restrictions on Subletting. Tenant may sublease all or portions of the Premises from time to time with the written consent of Landlord, and Landlord shall give written notice to Tenant of its consent or denial within fifteen (15) business days after receipt of reasonable information regarding the proposed sublessee. Such consent shall be in the sole discretion of the Landlord. Any such sublease shall be subject to the terms and provisions of this Lease. No sublessee shall have a right to further sublet without Landlord's prior written consent, such consent shall be in the reasonable discretion of the Landlord, and any assignment by a sublessee of the sublease shall be subject to Landlord's prior written consent in the same manner as if Tenant were entering into a new sublease. No sublease, once consented to by Landlord shall be modified or terminated by Tenant without Landlord's prior written consent, such consent being in the reasonable discretion of the Landlord.

11.4 Failure to Comply. Any sale, assignment, mortgage or transfer of this Lease or subletting which does not comply with the provisions of this Section 11 shall be void.

ARTICLE 12 – DEFAULTS, REMEDIES, TERMINATION by TENANT

12.1 Late Payments. If any payment or amount due by Tenant is received more than five (5) days after such amount is due, such past due amount plus a late payment penalty of three hundred dollars ($300) shall be due.

12.2 Events of Default by Tenant. The occurrence of any one or more of the following events shall constitute a material default of this Lease by Tenant:

12.2.1 The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due where such failure shall continue for a period of ten (10) business days after a written notice thereof from Landlord to Tenant.

12.2.2 The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than as described in Section

12.2.1 hereof, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant (or such longer period as may be reasonably necessary to cure such failure, as long as Landlord continues to exercise reasonable efforts to cure same).

12.2.3 The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises, or of Tenant's interest in this Lease, where possession is not restored to Tenant with sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

12.2.4 Notices given pursuant to this Section 12.2 shall specify the alleged default and the applicable Lease provisions and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time or vacate the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the notice.

12.3 Remedies of Landlord. Following any material default by Tenant as defined in Section 12.2 hereof which is not cured within the time set forth within, and at any time thereafter prior to Tenant's cure, and without Limiting Landlord's exercise of any right or remedy which Landlord may have in law or equity. Landlord shall have the right to: (i), terminate this Lease after giving Tenant thirty (30) days written notice of its intention to do so and in accordance with any laws governing such termination, and Tenant shall then surrender the Premises to Landlord; or (ii) enter and take possession of the Premises, in accordance with any laws governing such repossession, and remove Tenant, after having terminated the Lease; and/or (iii) declare six months of rents and fees due,. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender of the Premises by Tenant.

12.4 Landlord Defaults. If Landlord fails to perform any obligations under this Lease and such failure continues for a period of thirty (30) days following the date of Tenant's written notice to Landlord specifying such failure (or such longer period as may be reasonably necessary to cure such failure, as long as Landlord continues to exercise reasonable efforts to cure same) then in such event Tenant may in addition to exercising any and all remedies available at law or in equity perform such obligations on behalf of Landlord. If Landlord has not cured such default, Landlord will reimburse Tenant for all third party costs actually incurred by Tenant to cure such default, together with interest thereon at the rate of ten percent (10%) per annum. Tenant may act sooner in the event of an emergency involving imminent risk of death, personal injury or property damage as long as Tenant has first taken reasonable measures to notify Landlord, and once the emergency has come under control, permits Landlord to control any remaining corrective measures.

12.5 Remedies Cumulative: No Waiver. All rights, options and remedies of Landlord and Tenant contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and each party shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity (including injunctive relief), whether or not stated in this Lease. No waiver of any default of either party hereunder shall be implied from any acceptance of any rent or other payments due hereunder or any omission by the non defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of Landlord or Tenant to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary the consenting party's consent or approval to or of any subsequent similar acts by the other party.

ARTICLE 13 – CONDEMNATION

13.1 Definition As used in this Article 13:

13.1.1 "Condemnation" means (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (b) a voluntary sale or transfer by Landlord to any condemnor, while legal proceedings for condemnation are pending.

13.1.2 "Date of Taking" means the date the condemnor has the right to possession of all or part of the Premises or any interest thereon being condemned.

13.1.3 "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation of the Land, any improvements thereon, any personal property or trade fixtures located at the Premises without regard for the person or entity entitled to recover or receive such award.

13.1.4 "Condemnor" means any public or quasi public authority having the power of condemnation.

13.1.5 "Taking" means a condemnor has gained the right to possession of all or part of the Premises or any interest thereon being condemned

13.2 Taking. If, at any time prior to the expiration of the Term, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation, this Lease shall terminate as to the portion of the Premises being Condemned. Tenant may recover an award for Tenant's relocation expenses, loss of goodwill, any improvements paid for or installed by Tenant, Tenant's personal property and equipment, the "bonus value" of this Lease and, except as provided below, such other costs and losses incurred by Tenant and generally compensable to Tenant under the laws of the Commonwealth. Such recovery shall only be made against Landlord if landlord is responsible for said taking. Landlord shall be entitled to receive, subject to the rights of any mortgagee of the Property, the compensable value of Landlord's fee interest in the Property and such other compensation generally available to Landlord under the laws of the Commonwealth.

13.3 Entire Taking. If the entire Premises are taken by Condemnation, this Lease shall terminate effective upon the Date of Taking.

13.4 Partial Taking. If part, but not all, of the Property shall be taken by Condemnation, this Lease shall terminate as to the part so taken and remain in effect as to the remainder not so taken. If part, but not all, of the Property is taken by Condemnation, effective as of the Date of Taking, the Base Rent then in effect shall be equitably abated in proportion to the area of the Premises and the Land subject to the taking. With respect to any partial Condemnation of the Property, if such partial Condemnation affects any Improvements, then Tenant, shall take reasonable steps to restore the Improvements to a condition as close as practical to the condition exiting immediately prior to such Condemnation. In addition, Tenant shall have the right to terminate this Lease if, as a result of the partial taking, Tenant's use of the Premises is materially impaired.

ARTICLE 14 – EXTERIOR AND SIGN REGULATION

The parties acknowledge and recognize that the Property is located within the City's Tobacco Warehouse District. Tenant agrees to utilize signage that is appropriate to the building and of similar style and nature to surrounding properties and approved by the Landlord. Tenant shall conform with all zoning and building regulations of the City and the State regarding signage and renovations of the Property.

ARTICLE 15 – WARRANTIES

15.1 Title. Landlord warrants and represents to Tenant that Landlord has full authority to enter into this Lease.

15.2 Public and Private Approvals and Entitlements. Landlord warrants and represents that it has obtained all public and private approvals and entitlements necessary to permit the development of the Improvements.

ARTICLE 16 – SURRENDER

16.1 Surrender of Lease Not Merger. A surrender of this Lease by Tenant, a cancellation of this Lease by mutual agreement between Landlord and Tenant, or a termination of this Lease for any reason shall not automatically work a merger.

16.2 Condition of Premises. Upon the expiration or earlier termination of the term, Tenant shall surrender possession of the Premises to Landlord in reasonably good order, condition and repair, excepting reasonable wear and tear, casualties, condemnation and any damage or repair that landlord is required to restore or repair pursuant to this Lease. In such event, Tenant, at its expense, shall promptly remove or cause to be removed from the Premises all debris, rubbish, furniture, and other similar articles of movable personal property owned by Tenant or placed by Tenant at its expense in the Premises, and all similar articles of any other persons claiming under Tenant. In addition, Tenant may elect to remove any of Tenant's Specialty Property and other personal property or Alterations owned by Tenant or installed or placed by Tenant at its expense in the Premises. Tenant also shall repair, at its sole cost and expense, all damages which removals from or Restoration of the Premises may cause.

ARTICLE 17 – ESTOPPEL CERTIFICATE; SUBORDINATION; NON-DISTURBANCE; NOTICE TO LANDLORD'S MORTGAGEE

17.1 Estoppel Certificate. The parties agree, at any time and from time to time, upon not less than twenty (20) days' prior written notice by either, to execute, acknowledge and deliver to the other, by deposit in the United States mail, a statement in writing certifying that (i) this Lease is unmodified, in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified, and identifying the modification), (ii) the date to which the rent and other charges have been paid in advance, if any, (iii) whether or not there is any existing default by either party or notice thereof served by either party, (iv) and such other information as may be reasonably requested by such party, provided that such statement shall not modify any party's rights or obligations under this Lease or impose any additional liability on any party. Any such statement may be conclusively relied upon by any prospective purchaser, assignee, encumbrancer of the Premises or the Lease.

ARTICLE 18 – QUIET ENJOYMENT

Quiet Enjoyment. Subject to Landlord's rights under Article 12, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises in accordance with this Lease.

ARTICLE 19 – GENERAL PROVISIONS

19.1 Severability. The invalidity, illegality or unenforceability of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity, legality or enforceability of any other provision hereof.

19.2 Time. Time is of the essence in the performance of all terms, covenants, warranties and conditions of this lease.

19.3 Captions. The article and paragraph captions hereto have been inserted solely as a matter of convenience and such captions in no way shall be deemed to define or limit the scope or intent of any provision of this Lease.

19.4 Notices. Any notice, request, approval or other communication required or permitted under this Lease shall be in writing and will be deemed to have been duly delivered upon personal delivery, or on the second business day after deposit with Federal Express or other overnight courier service, or as of the third business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Landlord and Tenant respectively at the addresses set forth below or at such other addresses as may from time to time be designated in writing by Landlord or Tenant by notice pursuant hereto

Landlord:

Industrial Development Authority of Danville
c/o The City Attorney's Office
P.O. Box 3300
Danville, VA 24543
(434) 799-5122

With a copy to:

City Attorney
P.O. Box 3300
Danville, VA 24543
(434) 799-5122

Tenant:

Southside Business Technology Center, aka The Launch Place
527 Bridge Street
Danville, VA 24543
Attn: Eva Doss

19.5 Waiver. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof. Consent to or approval of any act by one of the parties hereto shall not be deemed to render unnecessary the obtaining of such party's consent to or approval of any subsequent act. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant or any provision hereto, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

19.6 Holding Over. If Tenant continues to use the Premises, or any part of the Premises, after the expiration of the Term, then Tenant's holdover tenancy shall be on a month-to-month basis, and shall not be construed as a tenancy at sufferance. Tenant shall pay Landlord monthly during the month-to-month holdover term a sum equal to (i) 150% of the Base Rent which was payable for the last month of the Term or any renewal term, together with (ii) any additional charges payable by Tenant under this Lease for the period of such holdover.

19.7 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but, wherever possible, shall be cumulative with all other remedies at law or in equity.

19.8 Successors. Subject to any provision in this Lease restricting assignment, subletting or other transfers by Landlord or Tenant, each and all of the covenants, agreements, obligations conditions and provisions of this Lease shall inure to the benefit of and shall bind (as the case may be) not only the parties hereto but each and all of the heirs, executors, administrators, successors and assigns of the respective parties hereto. Whenever a reference is made herein to Landlord or Tenant, such reference shall be deemed to include the respective heirs, executors, administrators, successors and assigns of Landlord or Tenant. All of these promises, covenants, agreements, obligations, conditions and provisions contained in this Lease shall be construed to be, and as, covenants running with the land, in the case of Landlord, and covenants running with Tenant's leasehold interest, in the case of Tenant, subject to the provisions of the Lease.

19.9 Choice of Law. This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

19.10 Attorneys' Fees. In the event either party brings any suit or other proceeding with respect to the subject matter or enforcement of this Lease or with respect to a breach of a representation or warranty hereunder, each party shall pay its own attorneys fees.

19.11 Entry by Landlord. Landlord and Landlord's authorized representatives and agents, at their sole risk, shall have the right to enter the Premises at any time during business hours and upon prior notice to Tenant of not less than 48 hours, after business hours, for the purpose of inspecting same, showing the same to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Premises as landlord may be required or permitted to make hereunder. Landlord, at its sole risk, may enter the Premises without 48 hours notice in the case of an emergency, provided Landlord has first made a reasonable attempt to notify Tenant's employees. Notwithstanding the above, if Landlord is required to enter into areas designated by Tenant as restricted access areas, Landlord or its representative shall be escorted by a Tenant representative at all such times. Any entry by landlord and Landlord's agents shall not impair Tenant's operations more than reasonably necessary, and shall comply with Tenant's reasonable security measures.

19.12 Tenant's Authority. Tenant is a corporation and each individual executing this Lease on behalf of said corporation is duly authorized to execute and deliver this Lease on behalf of said corporation, and this Lease is binding upon said corporation in accordance with its terms.

19.13 No Third Party Rights Conferred. Except as otherwise provided herein, nothing expressed or implied is intended, or shall be construed, to confer upon or grant to any third person any rights or remedies under or by reason of any term or condition contained in this Lease.

19.14 Integration. This Lease and the documents referred to herein and the agreements attached hereto as exhibits cover in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning the Premises and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement shall be held to vary the provisions hereof.

19.15 Number, Gender. Whenever the context of this Lease requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural.

19.16 Construction. Landlord and Tenant agree that each party has had the opportunity to have its legal counsel review and approve of the form of this Lease, and each has participated in the preparation of this Lease. Each party agrees to waive any right to have the provisions of this Lease construed against any party primarily responsible for drafting same.

19.17 Exhibits. Exhibits A and B are attached to this Lease and are incorporated herein by reference. Any reference to the term "Lease" also shall be deemed to refer to any applicable Exhibit.

19.18 Modification. None of the covenants, terms or conditions of this Lease to be kept and performed by Landlord or by Tenant shall be altered, waived, modified, changed or abandoned in any manner, except by a written instrument, duly executed (and, where applicable, acknowledged) and delivered by the parties hereto.

19.19 No Partnership. Nothing in this Lease, including the agreements of Tenant contained herein, shall be construed to indicate in any way that Tenant is a partner of, or a joint venture with, Landlord in respect of any construction required or permitted hereby or any other matter.

19.20 Waiver of Consequential Damages. Neither Landlord nor Tenant shall be liable to the other under or in connection with this Lease for any consequential, exemplary, special or punitive damages, and both Landlord and Tenant waive, to the full extent permitted by law, any claim for consequential, exemplary, special or punitive damages.

19.21 Force Majeure. After the Commencement Date, and except for payment of rent, neither party shall be responsible to the other for any losses resulting from the failure to perform any terms or provisions of this Lease if the party's failure to perform is attributable to war, riot, acts of God or the elements or any other unavoidable act not within the control of the party whose performance is interfered with and which by reasonable diligence such party is unable to prevent. However, neither party shall be excused from the timely performance of its obligations under this Lease for a period of time greater than (90) days on account of force majeure.

19.22 Proprietary Rights. Landlord has no right to market, advertise, promote or use any of Tenant's names, logos, images or property, in connection with the Building or otherwise, without the express written consent of Tenant. All Tenant trademarks, trade names and logos remain the exclusive property of Tenant and/or its affiliates.

IN WITNESS WHEREOF: Landlord AND Tenant have duly executed this Lease on the day and year first written above.

(Signatures on following page.)

LANDLORD:	TENANT:
INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, a political subdivision of the Commonwealth of Virginia	Southside Business Technology Center a Virginia corporation
By: ______________________________ Name: ____________________________ Title: _____________________________	By: __________________________________ Name: ________________________________ Title: _________________________________

EXHIBIT "A"

Legal Description of the Land

Being in fact property located at 527 Bridge Street and identified as Parcel Identification Number 92-21487 in the City of Danville; further described as lot fronting 94.25 feet on Bridge Street in the City of Danville, Virginia; and being the same property as identified in the attached City of Danville-Real Estate Assessment Card.

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Renee Burton, Division Director of Planning

RE: Request to authorize interior construction at 406 Jefferson Street to accommodate a new tenant.

The interior of 406 Jefferson Street is vacant and clean to the bare walls. The proposed project will upfit the interior for a proposed tenant. The construction will include tile floor, ceiling cover, new electric, plumbing and HVAC. There will be no exterior work on the building completed on this contract.

Requests for bids were sent to Diversified Services and Daniel Builders. LLC. Both contractors have previously completed work on this structure. Information packets were sent via email and a walk-thru of the property was conducted by myself and the architecture firm, Richard Morris Architecture, on August 23, 2023. Bids were requested by 5:00 pm on August 31, 2023.

The quick turnaround request for bids is due in part to the tenants' desire to occupy the space by the end of the year. We anticipate a contract for construction to be executed by the end of September and work to commence by October 1, 2023.

Estimates are attached to this report. Daniel Builders LLC estimated the job at $214,500.00. Diversified Services estimated the job at $185,000.00. Staff proposes that we accept the low bid provided by Diversified Services with an anticipated budget of $200,000.00 to account for unknown circumstances and expenses.

ATTACHMENTS

1. 809- IDA RES-Auth interior const 406 jefferson st-Diversified
2. 406 Jefferson Street- floor plan
3. 406 Jefferson Street Interior Selections
4. Diversified 406 Jefferson Estimate
5. Daniels 406 Jefferson Estimate

PRESENTED: September 12, 2023

ADOPTED: September 12, 2023

RESOLUTION NO. 2023-________

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CITY OF DANVILLE TO ENTER INTO A CONSTRUCTION SERVICES AGREEMENT WITH DIVERSIFIED SERVICES FOR INTERIOR CONSTRUCTION AT 406 JEFFERSON STREET AND APPROVING AND AUTHORIZING THE EXPENDITURE NOT TO EXCEED $200,000 TO FUND SUCH CONSTRUCTION.

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, staff is requesting that the City of Danville (City) be approved and authorized to engage Diversified Services to provide construction services to complete the interior construction of 406 Jefferson Street to make the property marketable for potential new business prospects; and

WHEREAS, staff is further requesting the IDA to appropriate $200,000 to assist with the construction.

NOW THEREFORE, BE IT RESOLVED by the IDA that they hereby approve and authorize the City to enter into a construction services agreement with Diversified Services for 406 Jefferson Street; and

BE IT FURTHER RESOLVED that the IDA authorizes the expenditure of an amount not to exceed $200,000 to fund the construction activities in the agreement; 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 FINALLY RESOLVED by the IDA the it does hereby authorize its Chairman, or in his absence any Officer, to execute any and all required documents and perform any other duties needed to complete the above-mentioned transaction.

Approved:

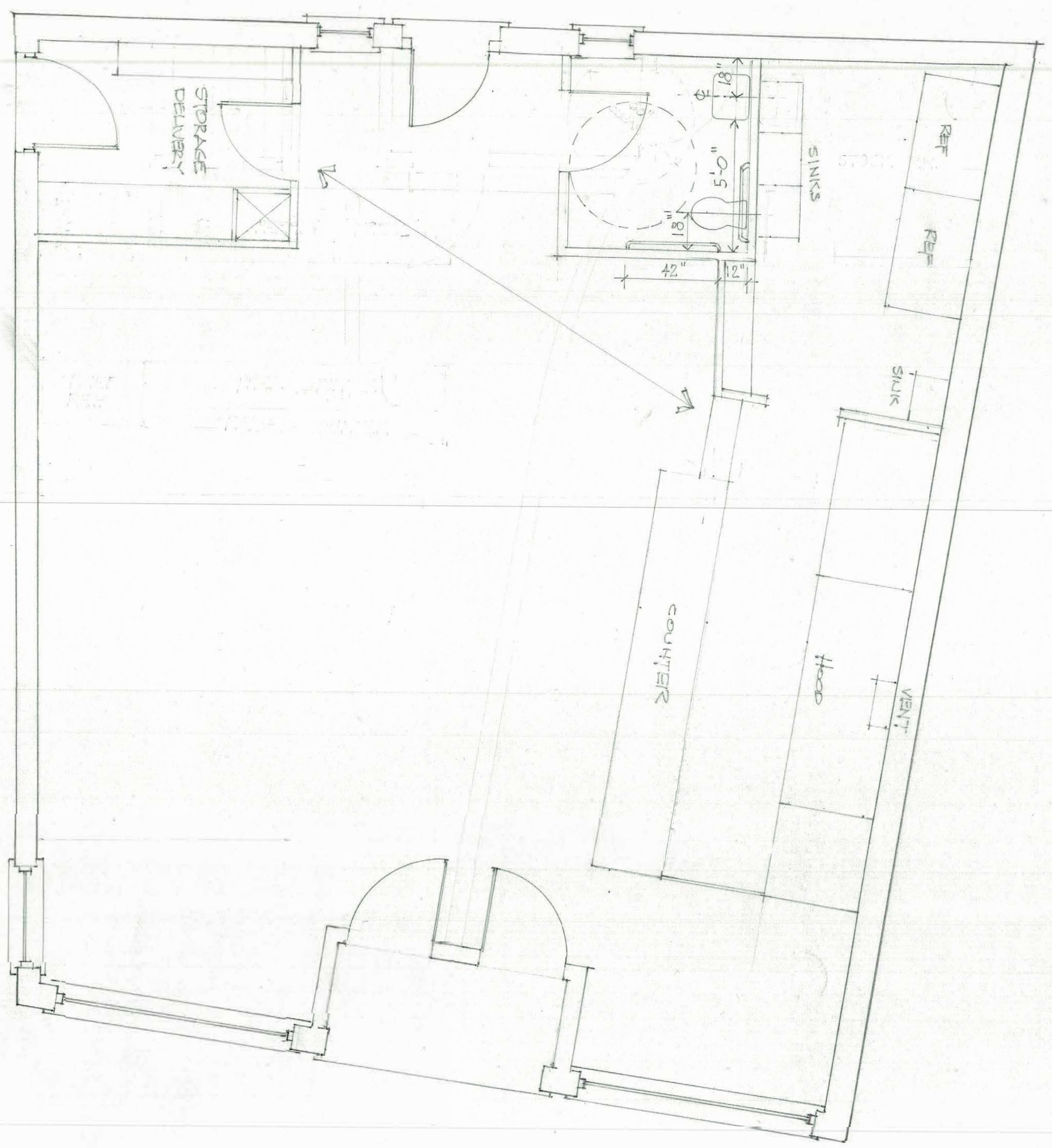
____
Chairman

Attest:

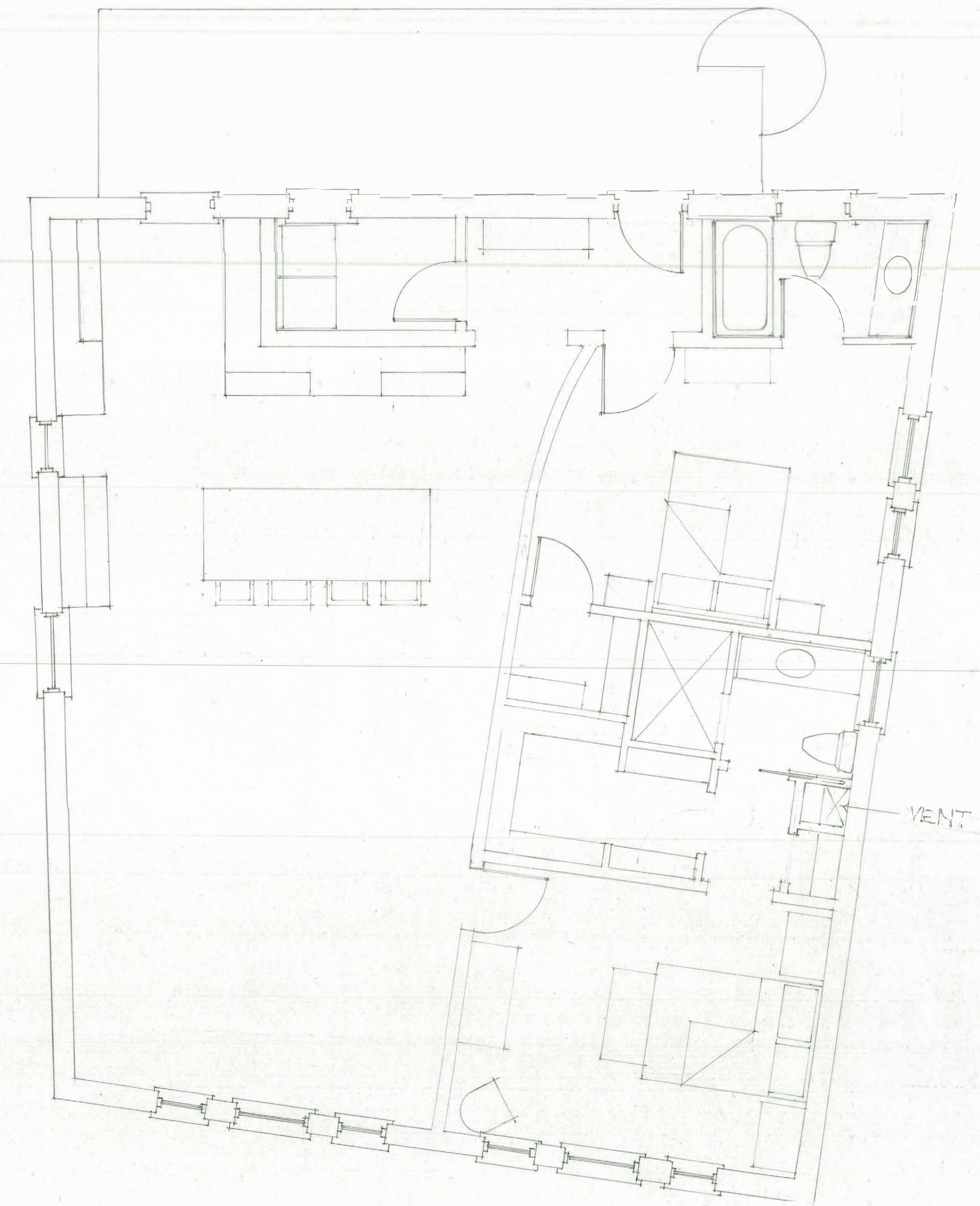
____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney



EXISTING FIRST FLOOR



RICHARD MORRIS ARCHITECTURE

RESIDENTIAL
COMMERCIAL
HISTORIC
PRESERVATION

10 NINTH ST.
LYNCHBURG, VA 24504
434-209-0618

www.rma-designs.com

406 JEFFERSON ST., DANVILLE, VA.

SEAL

Preliminary
Not for
Construction

TITLE

DATE: 3-31-21
SCALE: 1/4" = 1'-0"

REVISIONS

NO.	DATE

JOB #

DRAWING

Bid Package

406 Jefferson Street
Danville, Virginia 24541

Specifications for Interior Renovation

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

Table of Contents

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

SECTION 0 PROJECT OVERVIEW

406 Jefferson Street will consist of renovating the interior of the first floor only into a commercial space to be used as a restaurant. Future phases include finishing the second floor to be used as one living unit, addition of second floor porch and stairway, and rear patio area. The attached plans are preliminary and to be used for bidding only. A walk through of the space may be needed prior to bidding.

SECTION 1 INTERIOR SELECTIONS

On the proceeding pages are selections for the known interior fixtures. Substitutions may be applied, but must be approved by either the architect or supervising authority over the project.

0200 General Notes/Miscellaneous

The client will be providing his/her own restaurant equipment. A separate appliance package will provide a list of items and their fuel requirements that include both gas and electricity. A separate package contains details on the fire suppression/exhaust hood, which is vented through a chase (see plan). A three-part, free-standing stainless-steel sink will be in the rear section of the back kitchen. Two wall mounted hand washing sinks will be in the main kitchen and back kitchen areas. A separate exterior walk-in cooler will be located along the back wall of the rear of the building. Location and type of cooler to be determined. An electrical plan has not been created at this time. Contractors, please provide costs within your estimate for electrical, plumbing and gas hook-ups for these items as well as a future generator for the restaurant only.

Heating and cooling will be provided using exposed spiral ductwork with the air handlers being placed on the roof. As stated above the second floor of the building will be utilized as living space and a chase has been created for the hood exhaust and hvac system. This system will have to be sized appropriately for the space.

Any new partition walls including the bar, will be constructed using conventional lumber and sheathed in sheetrock.

Note: Please follow appropriate building codes relating to the 2-hour separation between uses. The current condition of utilities is unknown.

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

0201 Plumbing Selections

Supplier: **Ferguson Enterprises**
2010 Graves Mill Road
Forest, VA 24551
Contact: Pam Coles
(434) 385-6600
www.build.com

Bathroom:

Toilet: American Standard Madera 1.1GPF One-Piece Elongated ADA Height Toilet with Flushometer Included - Less Seat
Model:3461511.02

Seat: American Standard Heavy-Duty Commercial Elongated Open Front Toilet Seat
Model:5901100.02

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

Sink: American Standard Decorum 20" Wall Mounted Bathroom Sink with EverClean Surface and Rear Overflow
Model:9024001EC.020

Faucet: American Standard Single Hole Bathroom Faucet with Selectronic® DC Powered Proximity Operation - Less Valve
Model:6055105.002

Storage room:

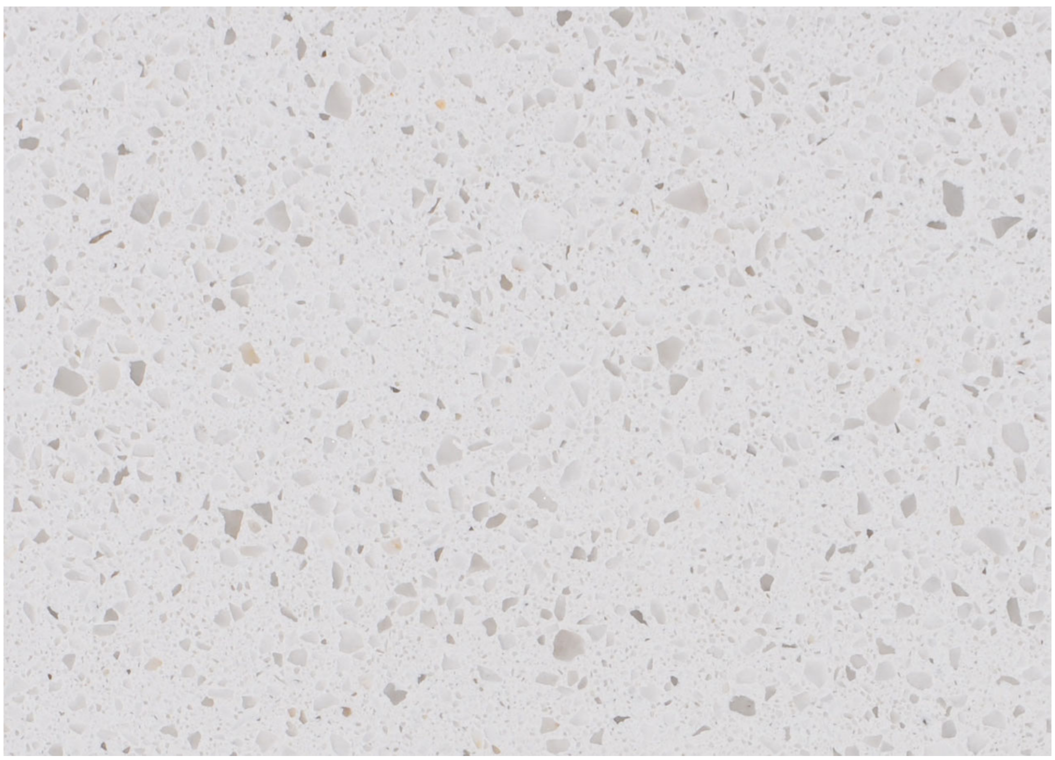
Mop basin: PROFLO 24" X 24" Floor Mounted Mop Service Sink with Integral Drain
Model:PFMB2424

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

0202 Countertop Selections

Supplier: **Schneider Stone**
3027-C US Hwy. 64 West
Asheboro, NC 27205
Contact: Jessica
336-629-9505
www.schneiderstone.com

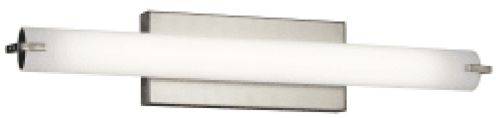
Bar countertop
-Arctic White 3CM quartz



0203 Lighting Selections

Supplier: **Ferguson Enterprises**
2010 Graves Mill Road
Forest, VA 24551
Contact: Pam Coles
(434) 385-6600
www.build.com

Bathroom
-Kichler 1 Light LED ADA Energy Star Bath Bar Model:11149NILED



-Panasonic WhisperFit DC 110 CFM 1.3 Sone Ceiling Mounted Bath Exhaust Fan with Energy Star Rating Model:FV-0511VFL1

Storage and rear kitchen
-Nuvo Lighting 48" Wide Commercial LED Panels with Adjustable Color Temp - 4200-4400 Lumens, 40 Watts, and 100-277 Volts Model:65/573

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

Main dining area and kitchen/bar
-Elco 6" New Construction 2-Hour Fire Rated IC Airtight Housing
Model:EL76FICA-7

-Elco 5" or 6" LED Open Recessed Trim Model:EL61530W

RICHARD MORRIS ARCHITECTURE | 10 Ninth Street; Lynchburg, VA 24504| 434.209.0618
virginia.architect@gmail.com | www.rma-designs.com

0204 Floor tiles

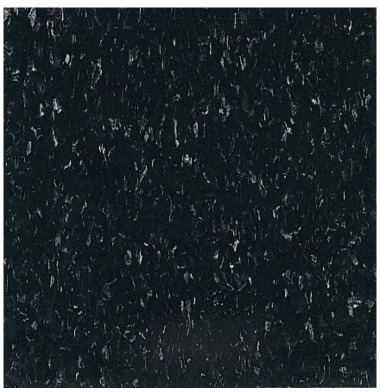
Tile Supplier: Danville Paint & Supply
532 Monroe Street
Danville, VA 24541
Contact: Dolores
(434) 792-8521

Installation:

1. **Comply with the manufacturer specifications for installation of floor tiles.**
2. **Pattern will be straight lay, alternating between colors**

Manufacturer: Armstrong

Floor: Classic Black 51910 and Classic White 51911




Grout: NA

0205 Mirror and Grab bars

Supplier: **Ferguson Enterprises**
Contact: Pam Coles
(434) 385-6600
www.build.com

Bathroom

ASI 18" x 36" Framed MirrorModel:10-0620-1836

Moen 36" x 1-1/4" Grab Bar from the Home Care Collection Model:8736

0206 Door and Window

Supplier: **TBD**

Rear Patio Door:

Manufacturer: PlyGem Mira Series Aluminum clad- wood

Style: Full glass, single French door

Exterior color: To match front window and door colors as closely as possible

Hardware: TBD

Take out window:

Manufacturer: QuikServ

Description: CM-1 Bi-Fold Transaction Window 24″W x 38-1/2″H

Diversified

Services 1715 Walnut Creek Rd

Construction Danville VA,24540

Class A Contractor #2705154662 434-548-8819

406 Jefferson, Estimate

Date: 3-29-2023

Project #: 406 JEFFERSON restaurant

Work to be Completed at 406 Jefferson St:

406 Jefferson Street will consist of renovating the interior of the first floor only into a commercial space to be used as a restaurant.

- Work has been detailed as much as possible in pervious emails and attachments to renovate structure to accommodate a possible tenet and their needs
- All work is contingent on plan review and approval by city inspections
- Engineering of walls and structural components will be needed and handled by Richard Morris Architecture
- Work to be done is listed below in pervious emails and bid package
- Scope of work is ambiguous and will require onsite evaluation and adjustment
- All work will be done to code and historical standards when applicable
- Every effort will be made to conserve cost when installing new services with the impression of future plans to renovate the additional spaces and apartments
- Work would be approximately completed by the end December 2023
- Diversified would be responsible for discarding of waste materials and keeping a clean environment throughout the demolition and construction process

Total ---$185,000

*contingent on engineering report and structural recommendations and requirements

Estimate amount: $185,000

Signature Steven Decker Date 8/31/2023

Thank you for allowing Diversified Services Construction to assist with your construction needs.

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

August 31, 2023

Renee Burton
City of Danville
PO Box 3300
Danville, Virginia 24543

Re: Renovations of 406 Jefferson Street – 1st Floor

Daniel Builders LLC is pleased to offer the following scope of services which consists of renovations of an existing building. Scope of services is based on drawings prepared by Richard Morris Architecture dated 3/21/21 entitled 406 Jefferson Street – Preliminary Not for Construction. We propose to furnish materials, labor, equipment, and supervision as follows:

<u>Division 1 – General Requirements</u>

Job Site Supervision
Temporary utilities to be provided by owner
Contractors General Liability and Worker's Compensation Insurance naming owner as additional insured since this is renovation of an existing building, we do not include Builder's Risk Insurance
Jobsite Cleanup
Final Cleaning

<u>Division 2 – Sitework/Demolition</u>

Demo existing thicken concrete slab at side door entrance
Demo sidewalk as needed to tie into existing utilities
Demo approximately ½ of existing floor joist for 2nd floor
Sawcut/demo existing concrete floor to accommodate new plumbing

<u>Division 3 – Concrete</u>

Pour/patch concrete sidewalk where was removed to tie into existing utilities
Pour/patch concrete floor where was removed for plumbing
Concrete patching will include vapor barrier (inside of building), drill and dowel at 24"oc, 4" stone base, and 4" concrete patch

<u>Division 6 – Wood/ Rough Carpentry/Finish Carpentry</u>

Install 3 5/8" metal studs framed walls per drawing provided
Install 3 5/8" metal studs wrapping (3) existing columns
Install metal framing around existing beam
Install 1 1/2" metal furring on plan south, plan east, & plan north walls
Install 3 5/8" metal studs framed low walls for countertops

Install (1) 31” x 15’-6”long & (1) 12” x 3’-0” long Arctic White 3CM quartz bar countertops.
Install (1) step 40” wide at side entry door
Install (1) set of steps with wood railing, no landing, at rear entry door.
Reframe/rework existing 2nd floor framing. Install 2x10 joist where existing was demoed, approximately ½ the building
Install 2x10 floor joist bracing at new floor joist
Install wood blocking for all closet shelving in storage area and kitchen (per plan) and Toilet accessories
Install wood blocking around rear door entry and window in storage room
Install 25 linear feet of bead board paneling and chair rail at 48”AFF along the plan west wall.

Division 7 – Thermal & Moisture Protection

Install sound insulation in each interior wall around restroom
Allowance of $3,000 is included to flash HVAC curbs and plumbing vent. No roofing or flashing included for any kitchen hood work.

Division 8 – Doors Windows Hardware

Install (1) QuikServ, CM-1 Bi-fold manual transaction window 24”W x 38 ½”H with ¼” clear tempered glass
Install (1) 3’-0” x 6’-8” rear exterior door which will be PlyGem Mira Series Aluminum Clad-wood, full glass, single French door.
Exterior door to receive hinges, lockset and a closer. Panic devices is not included
Install (2) 3’-0” x 6’-8” hollow metal frames
Install (2) 3’-0” x 6’-8” commercial unfinished wood doors
Interior doors to receive hinges and locksets only. Panic devices and closers not included.
Existing front and side entry doors to remain as existing and no changes, alterations, or any new hardware is included
Window shown on the drawing located in the restroom is not included. This hole to be covered with drywall

Division 9 – Finishes

Install 5/8” drywall on all walls which will be finished ready to receive paint
Install 5/8” drywall on all ceilings & beams which will be finished ready to receive paint. Ceilings shall be 2 layers of 5/8” drywall to achieve the required 2-hour fire rating.
Prime and paint walls, ceilings, hollow metal frames, & doors. No exterior painting included.
Prep floor and install VCT flooring (Armstrong Classic Black 51910 & Classic White 51911) and 4” vinyl base

Division 10 – Specialties

Install (3) grab bars & (1) mirror
Owner to provide and install any additional toilet accessories that may be required.
Install (1) restroom sign

Division 15 – Mechanical

HVAC

- Equipment
  - (2) 5 ton gas heat / Electric cooling units
  - (2) Economizers for 0 – 100% outside air
  - (2) 5 ton flat roof curbs
- Controls
  - (2) Honeywell model T6 programmable thermostats
  - (2) Duct mounted smoke detectors
  - (2) Audible / Visual Alarms
  - Drain pan overflow switches
- Air devices
  - (12) Spiral duct supply air diffusers
  - (2) Return air grills
  - (4) Duct mounted fire dampers and access doors
- Scope of work
  - Heating / Cooling Equipment
    - Install heating and cooling equipment on roof top.
    - New equipment will be set on factory roof curbs designed for a flat roof.
    - Level roof curbs when installed.
  - Air duct systems
    - All concealed ducts will be sheet metal with R6 duct wrap.
    - All exposed ducts in conditioned space will be single wall spiral ducts.
    - Exposed ducts will be supported with duct cable and cam locks.
    - Air diffusers will be cut into side spiral ducts.
    - All concealed duct joints will be sealed prior to insulating.
  - Controls
    - All controls will be surfaced mounted on interior columns.
    - Exposed wiring will be in conduit or wire mold for protection and aesthetics.
  - Condensate
    - Install cleanable condensate traps with condensate piping to discharge onto roof deck.
- Gas line system
  - Install gas piping for (2) roof top heating units, (1) water heater, and (4) pieces of kitchen equipment. Piping be brought to gas meter / service provided by owner.
  - Appliance connectors not included.
- Clarification
  - HVAC air system is designed for a maximum of 800 CMF outside air.

Plumbing

Install new water and sewer from city tap. Owner to provide all utility taps and cost associated with those taps.
Install of complete handicap restroom, using comfort height water closet with sensor flush and 20” wall hung lavatory with sensor faucet
Install (1) 24”x24” mop sink with mop faucet
Install (1) tankless water heater
Rough-in water lines and drain lines to owner supplied kitchen fixtures. (1) 3 compartment sink, (2) hand washing sinks

Division 16 – Electrical

- Lighting:
  Furnish and install the following:
  1. Dining
     a. 30 – 6" can lights
     b. 2 – exit/emergency lights
     c. 1 – 2head emergency
     d. 1 – 3gang switch
  2. Storage
     a. 1 – 48" LED fixture
     b. 2 – 3way switch
     c. 1 – exit/emergency
  3. Restroom
     a. 1 – fan/light combo
     b. 1 – 48" vanity light
     c. 1 – occupancy sensor
  4. Storage
     a. 2 – 48" LED fixtures
     b. 1 – 2head emergency
     c. 1 – switch
  5. Kitchen
     a. 2 – 48" LED fixtures
- Outlets
  1. Dining – 6 receptacle outlets
  2. Storage – 1 – receptacle outlet
     1 – receptacle with dedicated circuit for refrigerator
     1 – receptacle with dedicated circuit for freezer
- Kitchen
  1. Hood
     a. 1 – 120v circuit for controls and lights.
     b. 1 – 20a 240v circuit for supply fan.
     c. 1 – 20a 240v circuit for exhaust
  2. Rear counter
     a. 3 – receptacles with dedicated circuits
  3. Front counter
     a. 3 – receptacles
     b. 1 – ¾" conduit for data outlet (cutting and patching floor not included)
  4. Walk – in Cooler
     a. 1 – 20a 240v circuit for condenser
     b. 1 – 120v circuit for lights
- Exterior
  1. 1 – wall pack at storage door
  2. 1 – wall pack at rear door

3. 1 – wall mount fixture with battery back-up

- Service
    1. 1 – 200a 1ph 120/240v meter
    2. 1 – 2" riser conduit with 3 – 3/0 cond.
    3. 1 – 24kw 120/240 generator 20 ft from building
    4. 1 – 200a service entrance transfer switch
    5. 1 – 200a 1ph 120/240v 42 circuit loadcenter with surface cover and breakers as required.
    6. 2 – ground rods and wire for grounding system
- HVAC Equipment
    1. 2 – 50a 240v circuits to 2 – 4ton RTU's with gas heat
    2. 2 – 60a 240v disconnects at the units.
    3. 1 – service receptacle.
- Plumbing
    1. 1 – 120v receptacle for gas water heater igniter if required.

Base Bid: $214,500.00 (Two Hundred Fourteen Thousand Five Hundred Dollars and XX/00)

<u>Clarifications and Exclusions:</u>

1. Virginia sales tax is included
2. We will dispose of all debris
3. Any work not specifically stated above is not included
4. No performance and payment bonds included
5. Any existing plaster that will remain exposed shall remain in it existing condition, no plaster repair included.
6. No signage or logo applications
7. No alarm systems included
8. No fire alarm systems included
9. No new masonry, masonry rework, or masonry repairs
10. No fire sprinkler included
11. No fire extinguishers included
12. No phone/data included
13. All kitchen equipment to be supplied by others.
14. Payment shall be expected within 15 days upon receipt of billing
15. Permitting for our scope of work is included
16. Work to be performed during normal business hours
17. All material pricing is based on the current market. Some items are volatile at this time and increases may occur by the time material is ordered. Any material increase will be passed onto the owner.

Thank you for the opportunity to quote your work. We appreciate the opportunity to establish a relationship with your company.
If there are any questions, please contact me with your concerns.

Sincerely,

John Daniel

John Daniel

Daniel Builders, LLC

"Together, we can build the future"

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Renee Burton, Division Director of Planning

RE: Transfer two (2) parcels located at the commercial corner known as Five Forks (Parcel Ids 22970 and 22969) from Five Forks LLC to IDA.

Parcels 22970 and 22969 are located west of parcels currently owned by the IDA in the commercial corner known as Five Forks. The Development Plan for the area identifies the two (2) parcels to be developed as public parking for the commercial entities that will occupy structures fronting Jefferson Street. The properties are currently owned by Five Forks LLC.

Staff requests that the IDA accept ownership of Parcels 22970 and 22969 in anticipation of commercial development in this area and the need for a parking lot to support those businesses.

ATTACHMENTS

1. 812-IDA RES Transfer Parcels 22970 and 22969-IDA from 5 Forks Prop
2. Five Forks Parking Lot Aerial
3. Preliminary Site Concept

PRESENTED: ______September 12, 2023__

ADOPTED: ________September 12, 2023__

RESOLUTION NO. 2023-________

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AUTHORIZING THE CHAIRMAN OR VICE-CHAIRMAN IN HIS ABSENCE TO ACCEPT A DEED CONVEYING PROPERTY IDENTIFIED AS PARCEL ID 22969 LOCATED ON JEFFERSON AVENUE AND PARCEL ID 22970 LOCATED ON PINE STREET FROM FIVE FORKS LLC.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia (IDA) that it hereby approves the acceptance of Parcel ID 22969 located on Jefferson Avenue and 22970 located on Pine Street from Five Forks, LLC, by Deed of Conveyance, as agreed to and approved by the IDA Chairman and City Attorney; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby direct the Chairman, or in his absence any Officer, to execute the Deed, showing acceptance, and any and all other documents necessary to complete the transfer described in this resolution.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

Five Forks Parking Lot

August 31, 2023

1:1,128

0 40 80 160 ft

0 12.5 25 50 m

Street Names

House Numbers

Parcel Numbers

Buildings

LEGEND

— - - — - - —	PROPERTY LINE
	ADJOINING PROPERTY LINE
♿	PROPOSED HANDICAP SPACE PARKING
	PROPOSED HANDICAP STRIPING
	PROPOSED HANDICAP SIGN
	PROPOSED SIDEWALK
10	PARKING QUANTITY
— — — —	SETBACK LINE

SITE INFORMATION:

CURRENT OWNER:
5 FORKS PROPERTIES, LLC.
PIN #'S: 22966, 22967, 22968, 22969, 22970, 22971, & 22972
INSTRUMENT #'S: 170004791 IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF DANVILLE, VIRGINIA.

DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY
PIN #'S: 24032, 24730, & 25567
INSTRUMENT #'S: 110002210 IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF DANVILLE, VIRGINIA.

DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY
PIN #'S: 22138 & 22003
INSTRUMENT #'S: 160000312 & 140001429 IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF DANVILLE, VIRGINIA.

PLANS DEVELOPED FOR:

PROPERTY ADDRESS: CORNER OF JEFFERSON AVENUE, JEFFERSON STREET, AND PINE STREET

PARCEL IDENTIFICATION NUMBER (PIN): 22003, 22138, 22966, 22967, 22968, 22969, 22970, 22971, 22972, 24032, 24730, & 25567

INSTRUMENT #'S: 110002210, 140001429, 160000312, & 170004791

PARCEL ACREAGE:

EXISTING ZONING DISTRICT: CB-C CENTRAL (DOWNTOWN) BUSINESS COMMERCIAL
OT-R OLD TOWN RESIDENTIAL

PROPOSED ZONING DISTRICT:

EXISTING USE:
EXISTING BUILDINGS: PIN #'S: 22003, 22138

VACANT LOT: PIN #'S: 22967, 22968, 22969, 22970, 22971, 22972

VACANT BUILDINGS: PIN #'S: 22966, 24032, 24730, & 25567

PROPOSED USE: RESIDENTIAL LIVING & FARMERS MARKET WITH ADJACENT PARKING

PARKING:
(PER CITY OF DANVILLE CODE CHAPTER 41, ARTICLE 8, E, #17 DWELLING: SINGLE FAMILY)
6 TOTAL APARTMENTS (2 SPACES PER APARTMENT) = 12 SPACES REQUIRED

(PER CITY OF DANVILLE CODE CHAPTER 41, ARTICLE 8, E, #40 RETAIL SALES ESTABLISHMENT)
1,500 SF FARMERS MARKET (1 SPACE PER 200 SF NET FLOOR AREA FOR THE FIRST 1000 SF) = (7.5) 8 SPACES REQUIRED

(PER CITY OF DANVILLE CODE CHAPTER 41, ARTICLE 8, E, #54)
ADA-HANDICAP: FIVE (5) TO FIFTY(50) SPACES = 1 ADA-HANDICAP SPACE REQUIRED

PARKING TABULATION

SPACE TYPE	REQUIRED	EXISTING	PROPOSED	TOTAL
STANDARD (9'X20') (PER CITY OF DANVILLE CODE PARKING REQUIREMENTS CHAPTER 41, ARTICLE 8, E) ONE (1) SPACE FOR EACH 300 SQUARE FEET OF GROUND FLOOR AREA, PER CODE SECTION 30-91-9 SCHEDULE A)	20	0	33	33
ADA	1	0	1	1
LOADING	1	0	1	1
			TOTAL PARKING	35

PARKING LANDSCAPE:
(PER CITY OF DANVILLE CODE CHAPTER 41, ARTICLE 9, C, #2 (a))
10% OF TOTAL SITE AREA: 30,814 SF/10% = 3,081 SF TREE CANOPY REQUIRED

TOTAL LANDSCAPE TABULATION (PER CITY OF DANVILLE CODE, CHAPTER 41, ARTICLE 9)

SYMBOL	TYPE	BOTANICAL NAME	COMMON NAME	SIZE	CANOPY SF	QUANTITY	QUANTITY & CANOPY TOTAL SF
	SHADE TREE SMALL DECIDUOUS	QUERCUS RUBRA	NORTHERN RED OAK	2.5" CAL.	424	40	40 X 424 = 16,960 SF
	MEDIUM SHRUB EVERGREEN	ILEX GLABRA 'SHAMROCK'	DWARF BURFORD HOLLY	30" TO 36"	57	26	26 X 57 = 1,482 SF

ACCUPOINT
SURVEYING & DESIGN
SURVEYORS ♦ ENGINEERS ♦ SOIL EVALUATORS
6200 FORT AVENUE, LYNCHBURG, VA 24502
PH: 434-610-4334 WWW.ACCUPOINTSURVEYING.COM

SITE CONCEPT PLAN
FOR
DANVILLE REDEVELOPMENT & HOUSING AUTHORITY
CITY OF DANVILLE, VIRGINIA

PRELIMINARY

REVISION/DATE

SCALE:	1" = 20'
ASD JOB #:	2020-465
FILE #:	2020-465 CONCEPT
PARCEL ID:	22966-72; 24730; 24732; 25567
DATE:	APRIL 19, 2021

C-3
SITE LAYOUT PLAN

SHEET 3 OF 3

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Renee Burton, Division Director of Planning

RE: Request to enter into contract with Dewberry to design a stormwater management system at Five Forks.

Staff request authorization to engage Dewberry to design a stormwater management system at Parcel IDs 22970, 22969, 22966, 22968, 25567, 22967, 24032, 22971 and 24730, collectively known as Five Forks.

A large area of settlement has developed around the storm water management system at vacant Parcel ID #24032 owned by the IDA. It is proposed that a new structure associated with 400 Jefferson Street will be built on this parcel. To begin this build, the storm water management system must be removed from the area and fill added to provide a solid base for construction.

To ensure that the system could be removed from Parcel ID #24032, a hydrology study was conducted by Stantec. Stantec determined that the system could be removed from Parcel ID #24032 if the remaining system at Five Forks was enlarged from 24" pipe to 36" pipe. Improvements in the right of way to increase pipe and inlet size were also recommended.

A request for an estimated cost of the design work for the new system on private and public property was sent to Dewberry by the Public Works Department. Per the proposal, Dewberry will complete construction drawings, construction administration services and as-built drawings when the project is complete. Dewberry will design the new system utilizing the hydrology study completed by Stantec.

Staff requests permission to contract with Dewberry for professional services to complete construction drawings, administration services and as-built drawings per their submitted proposal.

The cost of professional services is accounted for and will not require additional funding.

ATTACHMENTS

1. 828-IDA RES Request Auth to contract w-Dewberry new storm water

2. Dewberry estimate
3. Stantec Report

PRESENTED: September 12, 2023

ADOPTED: September 12, 2023

RESOLUTION NO. 2023-________

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AUTHORIZING THE CITY OF DANVILLE TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF DANVILLE AND DEWBERRY ON PROPERTY OWNED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA.

WHEREAS, staff is requesting to engage Dewberry to provide professional services to the City of Danville on property owned by the Industrial Development Authority of Danville, Virginia, (IDA) specifically Parcel IDs 22970, 22969, 22966, 22968, 25567, 22967, 24032, 22971 and 24730, collectively known as Five Forks,

NOW THEREFORE, BE IT RESOLVED by the IDA that they hereby approve and authorize the City of Danville to enter into a professional services agreement with Dewberry Services, substantially in a form based on Dewberry's Proposal for Professional Engineering Services for Five Forks Storm Sewer Relocation; and

BE IT FURTHER RESOLVED that 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.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

Dewberry

Dewberry Engineers Inc.
551 Piney Forest Road
Danville, VA 24540
434.797.4497
434.797.4341 fax
www.dewberry.com

September 1, 2023

Mr. Brian Dunevant, PE
City of Danville
Public Works Department, Engineering Division
427 Patton Street
Danville, VA 24541

Re: Proposal for Professional Services
Engineering Services for Five Forks Storm Sewer Relocation

Dear Mr. Dunevant,

Dewberry Engineers Inc. (Dewberry) appreciates the opportunity to provide professional services for your project. We look forward to working with you throughout the project. This work is being proposed under the West Piedmont Planning District Commission (WPPDC) On-Call Consulting Services agreement for the City of Danville (City / Client).

UNDERSTANDING OF THE PROJECT

The City of Danville (Client) would like to replace approximately 150 linear feet of storm sewer at the corner of Pine Street and Jefferson Street to allow for the construction of a new building. Dewberry will prepare construction documents and provide bidding and construction administration services specifically for the replacement of the storm sewer.

SCOPE OF SERVICES & FEES

Dewberry proposes to provide the following Scope of Services:

1. **Permit and Construction Documents:** Dewberry will prepare the following plans for permit approval and construction. The City will provide a signed and sealed topographic survey of the project area prior to commencing design.

   - Cover Sheet
   - General Notes and Legend
   - Existing Conditions/Demolition Plan
   - Storm Sewer Site Plan and Profile
   - Erosion and Sediment Control Plan
   - Site Details

   Dewberry will prepare bid documents and technical specifications for the proposed work.

   Dewberry will submit the plans, bid documents and technical specifications to the City for review and respond to up to one (1) round of comments from the City.

   Note: It is assumed that the limits of disturbance (LOD) will be less the one (1) acre and stormwater management will not be required. If the LOD is equal to or greater than one (1) acre, we will require an amendment to our fees.

FEE – $10,200 Lump Sum

2. **Bidding Assistance / Construction Administration (CA):** Dewberry will provide the following CA services for this project.
   - Distribute up to six (6) copies of the civil plans to interested contractors, answer contractor questions, issue addenda, etc.
   - Conduct pre-bid meeting and prepare meeting minutes
   - Assist Client in evaluating bids, awarding contract, and negotiating the contract.
   - Provide six (6) sets of plans and specifications for construction.
   - Conduct a pre-construction meeting and prepare meeting minutes.
   - Review shop drawings and requests for information.
   - Complete monthly site visits (up to three (3)) during construction to observe construction progress.
   - Attend monthly construction progress meetings (up to 3) and review pay requests.
   - Following construction, we will provide the City as-builts plans. The plans will be prepared from the contractor's marked up plans. A field survey of improvements is not included in this proposal.
   -

   FEE – $9,800 Lump Sum

SPECIAL CONDITIONS AND QUALIFICATIONS

1. Dewberry will process any plan, plat, report, or other submittals subject to this proposal/contract in a professional and timely manner; however, Dewberry makes no representations or warranties with respect to the length of time required for the review and approval of any plan, plat, study, waiver and other submittals by the reviewing authorities and entities, public or private. Any schedules required by the Client and prepared by Dewberry are prepared strictly with the understanding that such schedules are based on prior experience and are prepared for planning purposes as information only for the convenience of the Client are subject to change.

2. The above services do not include stormwater management design and permitting, irrigation system design, site lighting design, design of site retaining walls, subsurface utility designation, water modeling, hydrant testing, fire protection calculations, wetland delineation/confirmation/permitting, state road widening, footings or foundation design, and/or utility design. Additionally, the above services do not include a traffic study, turn lane warrant analysis, turn lane design, and other roadway improvements are not included in this scope of work. These services may be provided by Dewberry under a separate contract or contract amendment.

3. This proposal is based upon our current understanding of local, state, and federal requirements and regulations and our understanding of the project as described herein. Any modifications to these requirements and regulations, or other requirements not provided for herein that require additional services will be performed by Dewberry on a negotiated fee basis.

4. This proposal assumes a construction schedule of two (2) months. If the construction schedule extends beyond two (2) months, we reserve the right to amend our fees.

5. The Client will pay all permit fees and execute any required permit applications.

This proposal is subject to terms and conditions of our current open-end agreement with WPPDC and the City. Receipt of Purchase Order from the City of Danville will serve as authorization to proceed. We appreciate the opportunity to present this proposal and look forward to working with the City on this project.

Please do not hesitate to call if you have any questions or wish to discuss the proposal or project further.

Sincerely,

Shawn R. Harden, PE	Brian K. Bradner, PE
Senior Associate	Vice President | Business Unit Manager

R:\Proposal Letters\Engineering\2023\Five Forks Stormdrain replacement\2023.08.30 - Five Forks Storm replacement.doc

FIVE FORKS STORMWATER STUDY

This report contains a brief summary of the modeling efforts directed at resolving the Five Forks Storm Sewer abandonment project.

June 23, 2023

Prepared for:
City of Danville

Prepared by:
Stephen Kloecker, E.I.T.
James Douglass, P.G., P.E.

Project Number: 238001938

Revision	Description	Author	Date	Quality Check	Date	Independent Review	Date

The conclusions in the Report titled Five Forks Stormwater Study are Stantec's professional opinion, as of the time of the Report, and concerning the scope described in the Report. The opinions in the document are based on conditions and information existing at the time the scope of work was conducted and do not take into account any subsequent changes. The Report relates solely to the specific project for which Stantec was retained and the stated purpose for which the Report was prepared. The Report is not to be used or relied on for any variation or extension of the project, or for any other project or purpose, and any unauthorized use or reliance is at the recipient's own risk.

Stantec has assumed all information received from City of Danville (the "Client") and third parties in the preparation of the Report to be correct. While Stantec has exercised a customary level of judgment or due diligence in the use of such information, Stantec assumes no responsibility for the consequences of any error or omission contained therein.

This Report is intended solely for use by the Client in accordance with Stantec's contract with the Client. While the Report may be provided by the Client to applicable authorities having jurisdiction and to other third parties in connection with the project, Stantec disclaims any legal duty based upon warranty, reliance or any other theory to any third party, and will not be liable to such third party for any damages or losses of any kind that may result.

Prepared by: Stephen Kloecker

Signature

Stephen Kloecker, E.I.T.

Printed Name

Reviewed by:

Signature

James Douglass, P.G., P.E.

Printed Name

Approved by:

Signature

Joe Morici

Printed Name

Table of Contents

LIST OF FIGURES

Summary

The City of Danville's storm sewer system at the Five Forks currently contains a flow divider structure, and two parallel runs of storm sewer pipe as shown in Figures 1 and 2. As Stantec understands, the southern run of storm sewer pipe diameters narrow down from 36" to 24" at structure 16082, then from 24" up to 48" at structure 30436. Stantec understands that the City of Danville wishes to abandon the northern two pipes and structures of this system (GIS pipe FacilityID's 32656 and 32658) to redevelop adjacent properties. Stantec conducted stormwater modeling to analyze the hydraulic impacts of removing pipes 32656 and 32658, and structure 30435. Stantec concludes that removal of the two northern pipes in the split system would result in surcharging (flooding) of several upstream stormwater structures if no other action was taken. The stormwater modeling suggests that replacing the existing 24" inside diameter (ID) pipes with at a minimum 36" ID pipes would mitigate this issue under normal weather events.

During the stormwater modeling data collection phase, Stantec also noted that several curb inlets in this area are potentially undersized and/or damaged, and that these inlets, not the undersized pipes, are likely the main culprit for localized street flooding issues at Five Forks. It should be noted that if the City of Danville desires abandoning pipes 32656 and 32658 as previously planned, the 24" ID pipes should still be replaced with at a minimum 36" ID pipes – however, this will most likely not mitigate the flooding issues that are due to the undersized curb inlets. Stantec thus also recommends that the damaged and undersized inlets at the very least be repaired, if not replaced altogether. Details of the modeling process, assumptions, and results are discussed on the next page.

1 Model Creation

The Five Forks storm system was modeling using PC-SWMM, Arc-GIS, and AutoCAD Civil3D. Pipe and structure data was obtained from the City of Danville's GIS database, which was recently updated with field survey data provided by the Client. The modeled layout is illustrated on Figure 2.

Hydrology calculations were made using PC-SWMM, utilizing the SCS methodology. Land cover data was obtained via aerial imagery, and soil data from the Web Soil Survey. Runoff calculations were made for the 24-hour, 10-year storm event.

During model setup, Stantec noted that there were a few locations with missing data. For locations where data was not available, assumptions were made to fill in the data gaps. Figure 10 shows the missing data, and assumptions that were made in its place. The short run of pipes that cross under Main Street were not modeled; they do not directly connect via storm piping to the area of concern. The flow through these pipes was accounted for in the hydrology calculations for the drop inlet several hundred feet downstream from where those pipes outfall to grade.

2 Model Scenarios

Three scenarios were examined during the modeling process. The first scenario modeled the system as it currently operates. A plan view and water surface profile plot are shown in Figure 3 and Figure 4. The second scenario modeled the removal of pipes 32656, 32658, and structure 30435 with no other change. A plan view and water surface profile plot are shown in Figure 5 and Figure 6. The last scenario modeled the change of 24" ID pipes to 36" ID pipes. A resultant water surface profile plot is shown in Figure 7.

3 Additional Analysis

The results from the hydrologic analyses suggest that several of the curb inlets are potentially undersized relative to their respective drainage areas. In particular, Inlet 16079 has a disproportionally large drainage area relative to its opening size. Additionally, the inlet appears to be partially blocked, further reducing its ability to capture flow from the upland drainage area. Additional hydrologic and hydraulic calculations would be necessary to design right-sized inlets for the undersized inlet locations. Drainage area delineations are shown on Figure 8.

4 Recommendations

The following conclusions and recommendations are made based on the information presented herein:

- The northern pipe segment can be abandoned so long as the southern pipe segment is upgraded to accommodate additional flow. Stantec recommends replacing pipes 32662, 32661, and 32659 with at a minimum 36" ID reinforced concrete pipe. This will account for the loss in capacity that will occur upon abandonment of the two parallel pipes to the north. The aforementioned repair recommendations are shown on Figure 9.

- Several curb inlets appear to be undersized relative to their respective drainage areas; this condition likely contributes to periodic flooding within the inlets' vicinities. The recommended pipe upgrade is not likely to mitigate flooding due to undersized curb inlets.

- Additional hydrologic and hydraulic calculations would be necessary to design right-sized inlets for undersized inlet locations.

- As a minimum, Inlet 16079 should be repaired to restore the curb opening to the full size which it was originally installed. The inlet currently appears to only have an opening of a few inches; this is inadequate in terms of flow capture. However, this inlet also appears to be undersized, so the indicated repair would only provide some relief from related flooding.

FIGURES

Figure 1 - Five Forks Storm Sewer Layout

Figure 2 - Model Layout

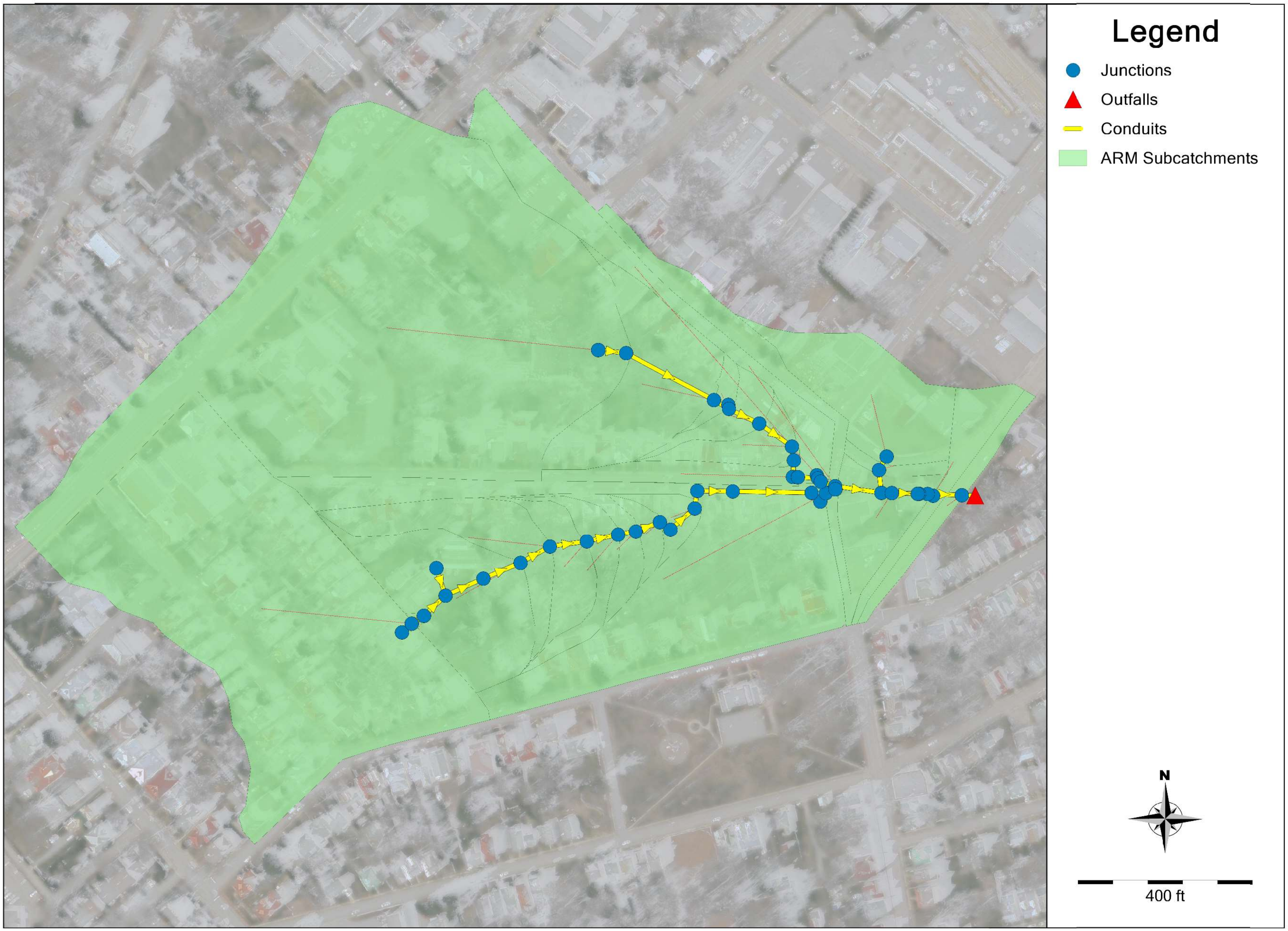


Figure 3 - Scenario #1 Plan View

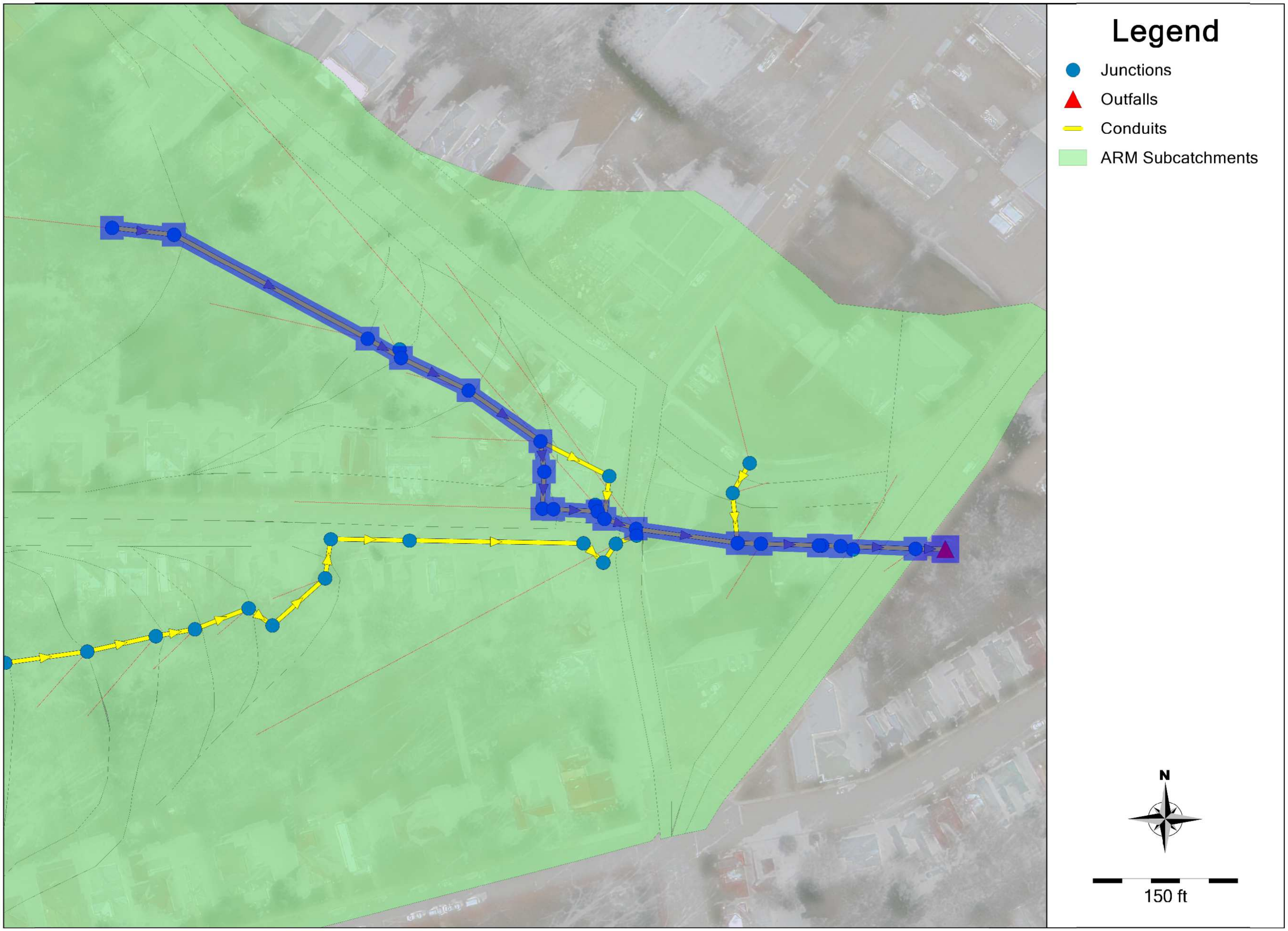


Figure 4 - Scenario #1 Water Surface Profile

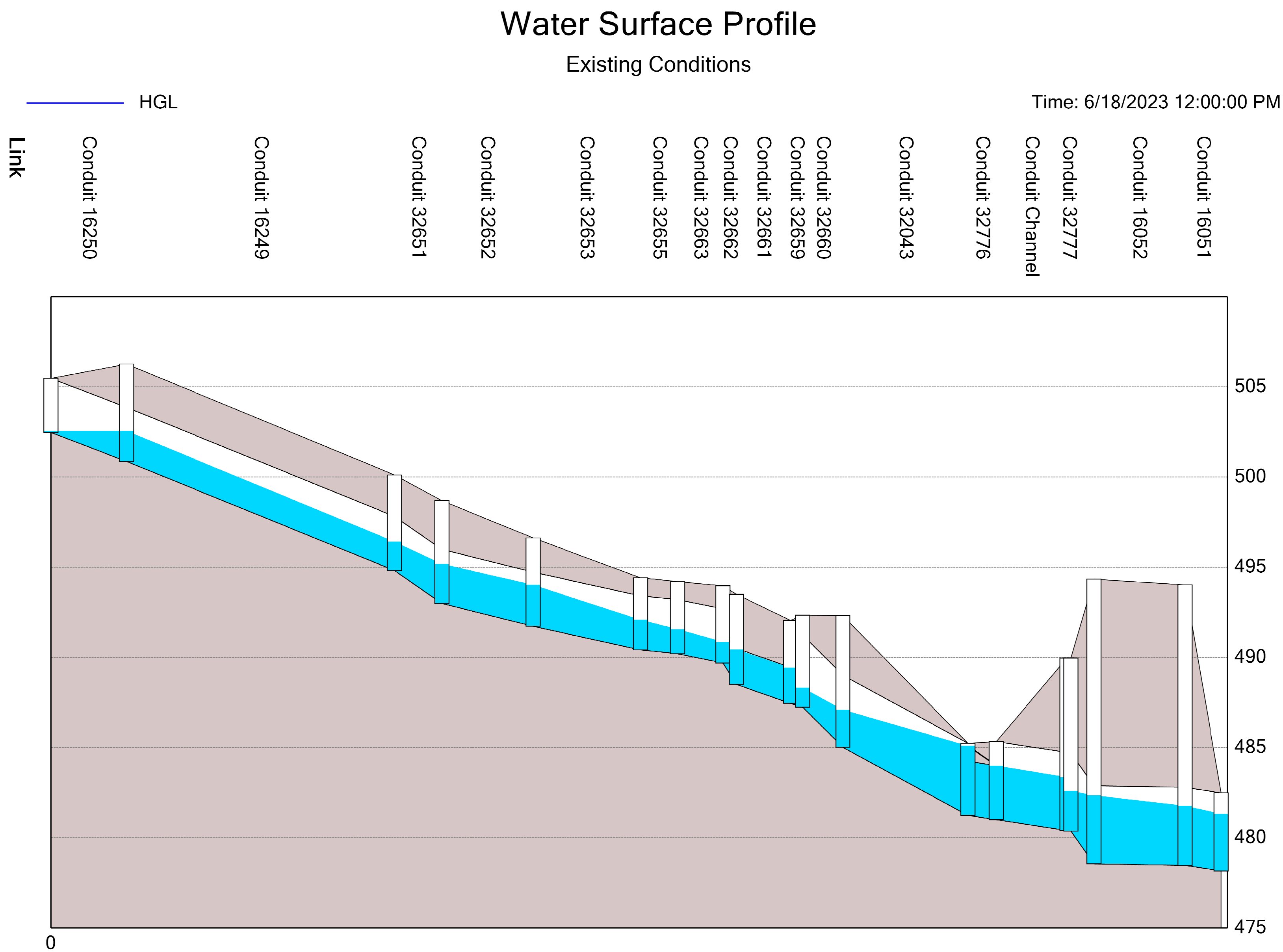


Figure 5 - Scenarios #2-3 Plan View

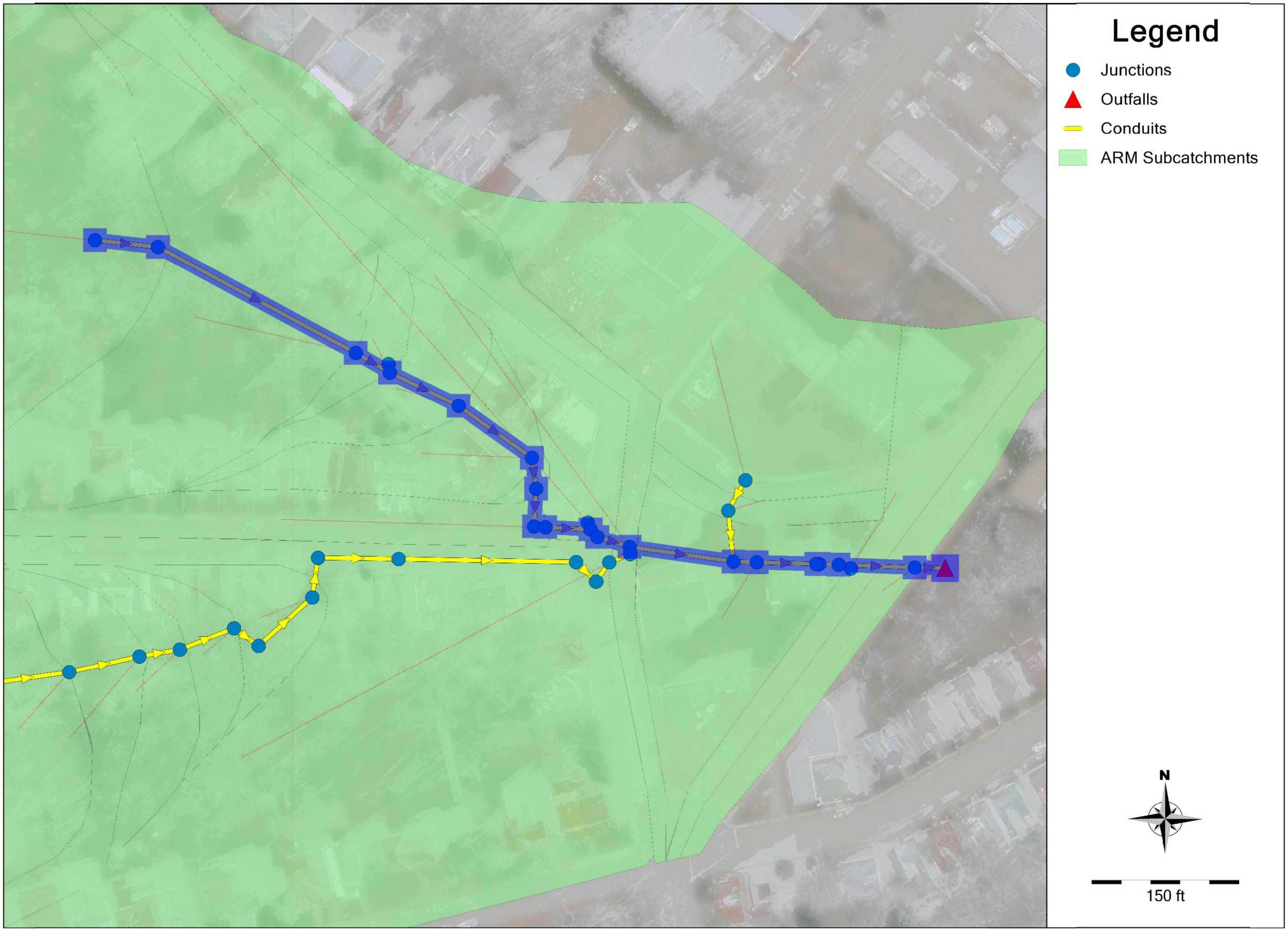


Figure 6 - Scenario #2 Water Surface Profile

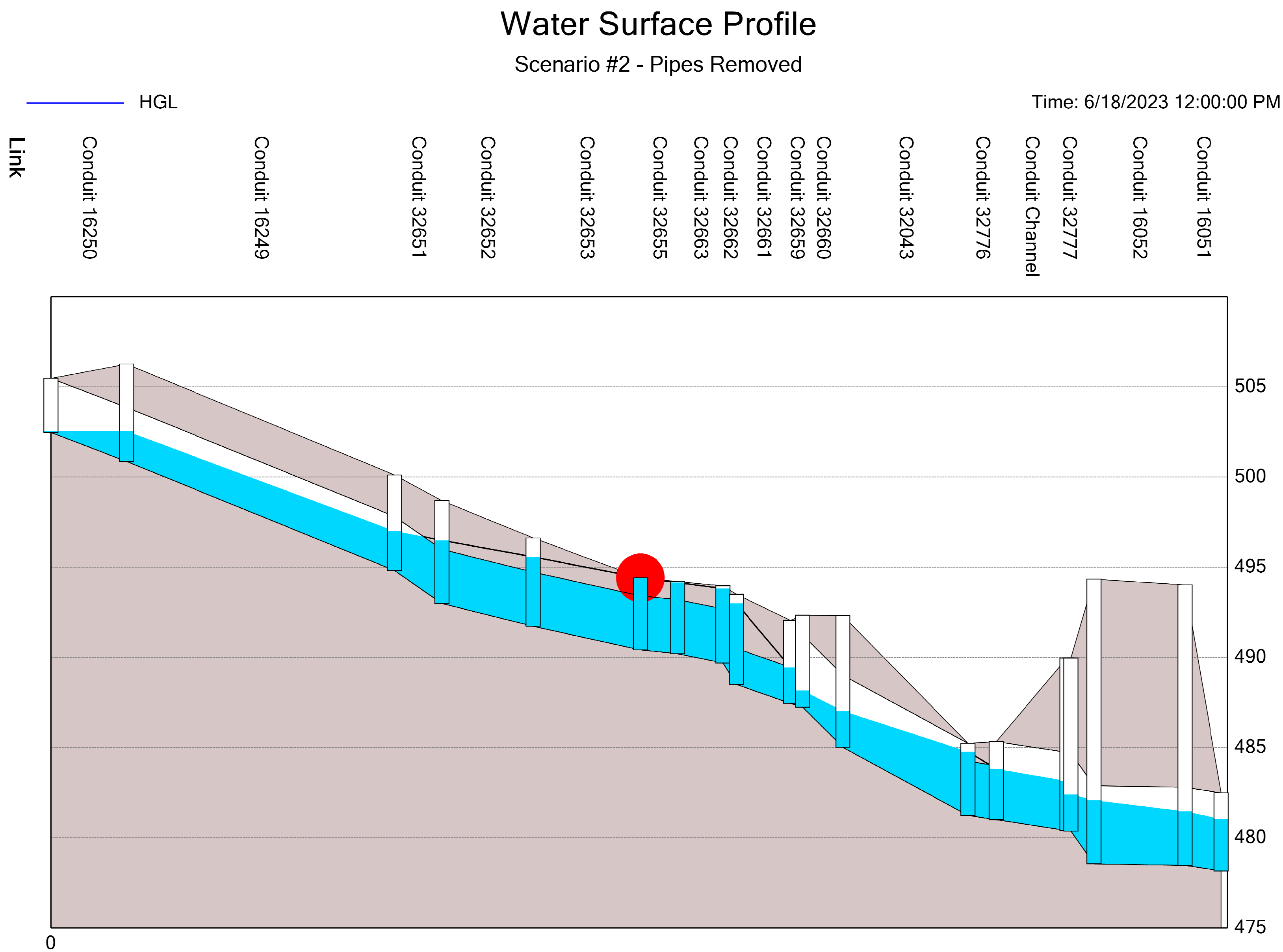


Figure 7 - Scenario #3 Water Surface Profile

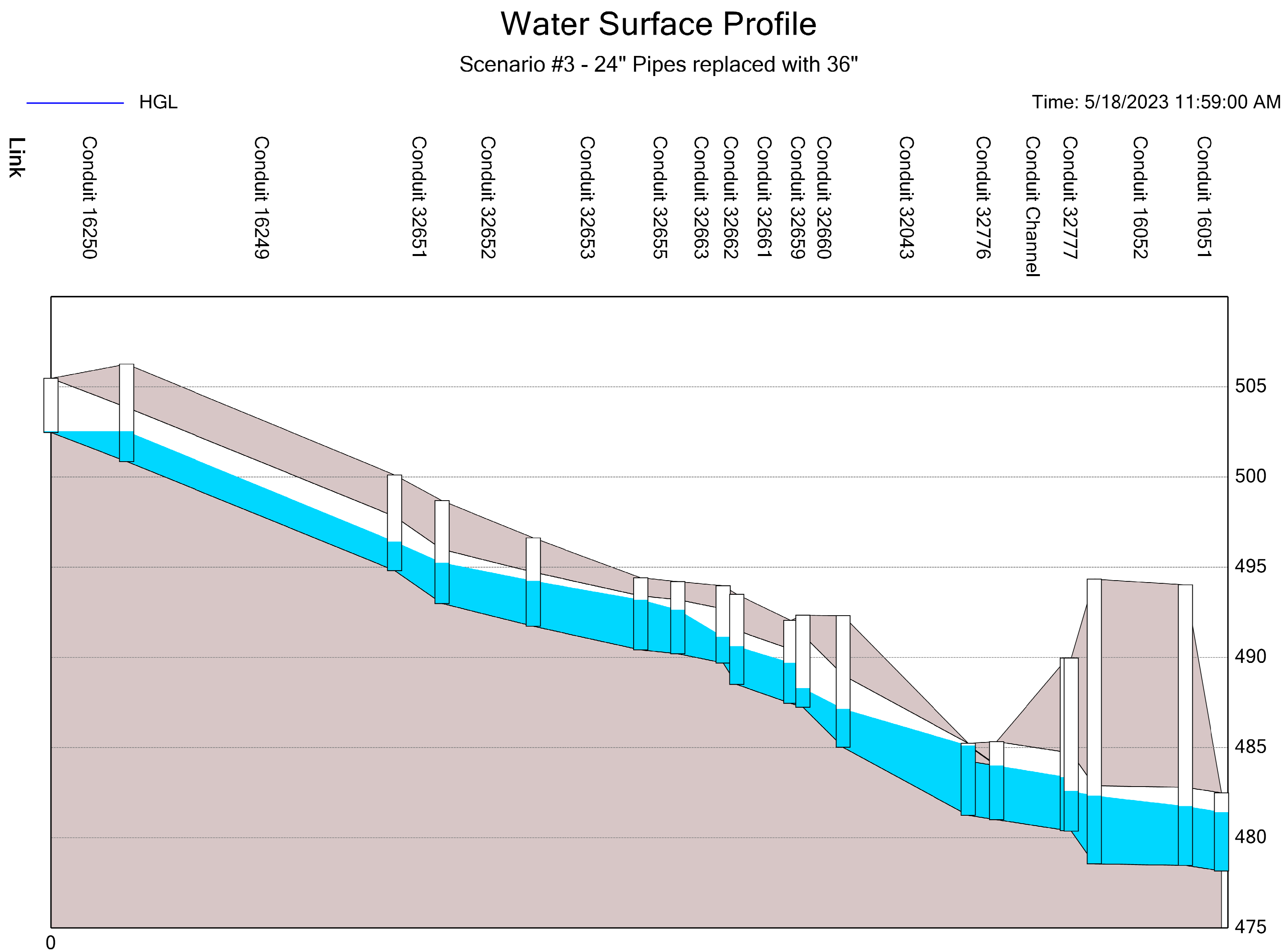
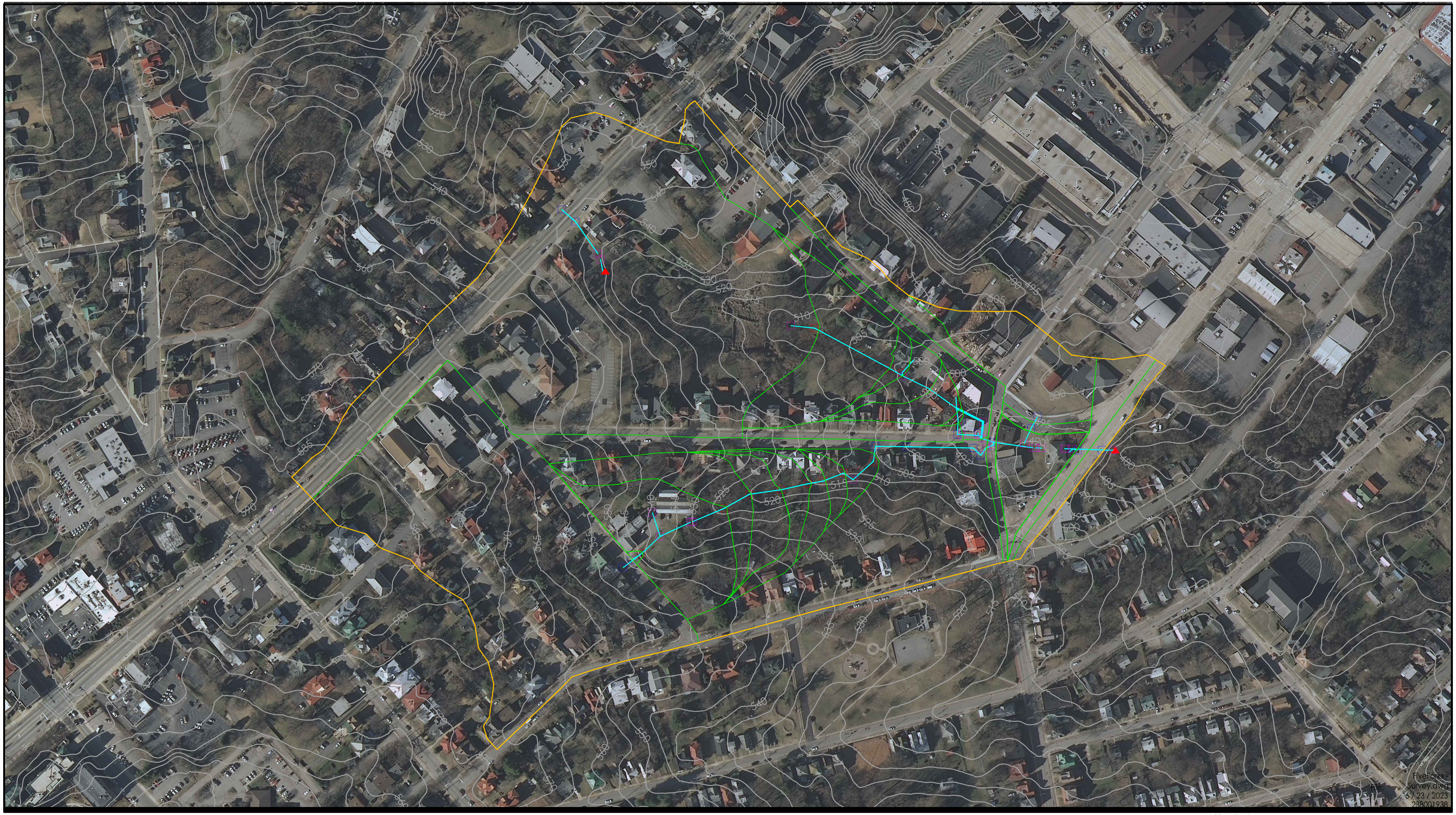


Figure 8 - System Overview



Stantec

10988 Richardson Road
Ashland, Virginia 23005
www.stantec.com

Legend

- OVERALL WATERSHED BOUNDARY
- SUBWATERSHED BOUNDARY
- 530 INDEX CONTOURS
- STORM SEWER PIPE
- DROP/GRATE INLET
- MANHOLE/JUNCTION
- CURB INLET
- SYSTEM OUTFALL

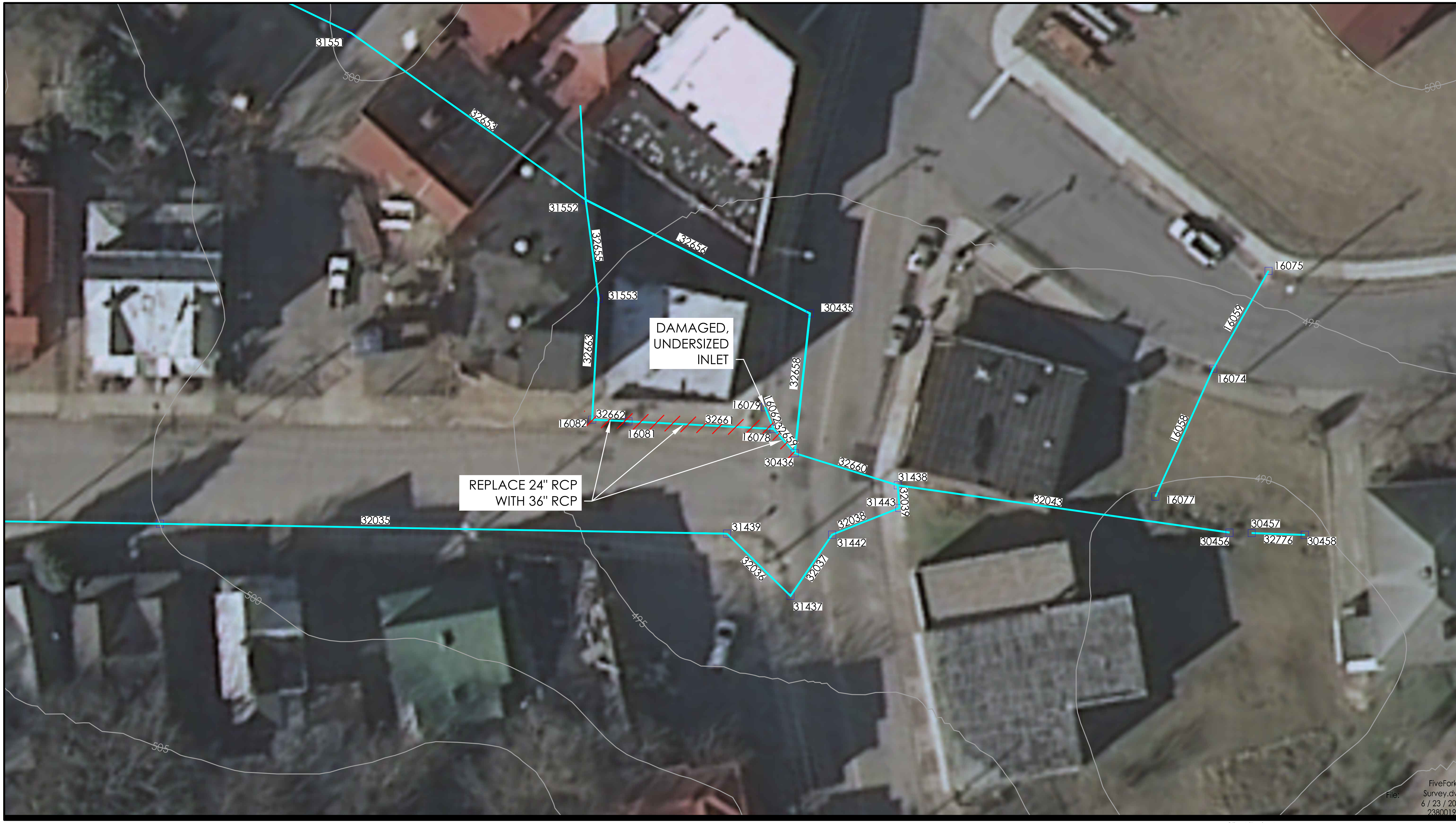
Notes

Client/Project
CITY OF DANVILLE
FIVE FORKS STORMWATER STUDY

Figure No.
8

Title
SYSTEM OVERVIEW

Figure 9 - System Recommendations



Legend

— 530 — INDEX CONTOURS

STORM SEWER PIPE

STORM SEWER TO BE REPLACED

STORM SEWER STRUCTURE

Notes

Stantec

10988 Richardson Road
Ashland, Virginia 23005
www.stantec.com

Client/Project
CITY OF DANVILLE
FIVE FORKS STORMWATER STUDY

Figure No.
9

Title
SYSTEM RECOMMENDATIONS

Figure 10

Five Forks Data Changes & Assumptions				
Pipe	**Inlet**	**Action**	**Invert Calc**	**Pipe Slope Calc**
	StormJunction_16277	Deleted StormJunction_16277 and corresponding pipe		
16246		Deleted pipe 16246 (pipe of unknown origin, no inlet found).		
32654		Deleted pipe 32654 (pipe of unknown origin).		
16055		Deleted pipe 16055 (pipe of unknown origin).		
16250	StormJunction_16261	Assumed pipe slope of 2.5%. Assigned inlet invert 502.47	502.47	
32656	-	Assigned 2x2 box culvert dimensions, per Danville GIS	-	
32658	-	Assigned 2x2 box culvert dimensions, per Danville GIS	-	
32660	-	Assigned 4x4 box culvert dimensions, per Danville GIS		
32659	-	Assumed pipe diameter of 24", as other two pipes prior.		
32661	StormJunction_30436	Pulled rim elevation 492.34' from CAD, assumed pipe slope of 2%, calculated invert of 487.24' using upstream invert & pipe slope.	487.25	
32658	StormJunction_30435	Calculated pipe slope of 2.5%, calculated invert of 487.24' using upstream invert & pipe slope.	488.38	2.55%
16255	YardInlet_16268	Calculated pipe slope of 7.4%, calculated invert of 535.79' using upstream invert & pipe slope.	535.7982	7.4%
16255	-	Assigned 1' diameter, per upstream pipe.		
16254	-	Assigned 1' diameter, per upstream pipe.		
	StormJunction_30463	Assumed pipe slope of 2.5%. Assigned inlet invert 532.50. Pulled rim elevation of 539.3 from CAD	532.50	
	StormJunction_16275	Merged structures StormJunction_16265 and StormJunction_16275.Calculated slope of 5.9% and invert of 525.20'.	525.20	5.9%
	GrateInlet_16273	Calculated slope of 5.9%, calculated invert of 515.28' with pipe slope and upstream invert. Pulled rim elevation of 520.379' from CAD.	515.28	5.9%
16261		Assigned 1' diameter, per upstream pipe.		
16262		Assigned 1' diameter, per upstream pipe.		
	StormJunction_30385	Changed StormJunction_30385 into outfall, calculated invert of 478.16 based on 1% slope.	0.12%	478.16
32776	StormJunction_30456	Merged StormJunction_30456 with StormJunction_30457 and StormUnverified_16077. Calculated invert of 481.24' based on assumed downstream pipe slopes of 1%. Assigned pipe diameter of 3 (called out as 2x3 rock culvert)	481.2405	
32777	StormJunction_30455	Assigned pipe diameter of 4.33 (called out as 3x4 rock culvert). Assumed 1% slope & calculated upstream invert of 480.40'. Updated rim elevation to 489.966' to match downstream structure.	480.40	
Channel*	StormJunction_30458	Added link between StormJunction_30458 and StormJunction_30455. Assumed 1% slope, calculated invert of 481.0'. Assigned pipe diameter of 4.33 (called out as 3x4 rock culvert).	481.001	

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM: Renee Burton, Division Director of Planning

RE: Request to authorize the installation of a storm water management system at Five Forks.

Staff request authorization to engage Diversified Services to install a stormwater management system per Dewberry's design at Parcel IDs 22970, 22969, 22966, 22968, 25567, 22967, 24032, 22971 and 24730, collectively known as Five Forks.

A large area of settlement has developed around the storm water management system at vacant Parcel ID #24032 owned by the IDA. It is proposed that a new structure associated with 400 Jefferson Street will be built on this parcel. To begin this build, the storm water management system must be removed from the area and fill added to provide a solid base for construction.

To ensure that the system could be removed from Parcel ID #24032, a hydrology study was conducted by Stantec. Stantec determined that the system could be removed from Parcel ID #24032 if the remaining system at Five Forks was enlarged from 24" pipe to 36" pipe. Improvements in the right of way to increase pipe and inlet size were also recommended.

Dewberry will provide the professional services to design the new system utilizing the hydrology study completed by Stantec.

Staff requests permission to use Diversified Services to complete the stormwater improvements recommended by Stantec and Dewberry at Five Forks. Diversified Services is currently under contract for work at 400 Jefferson Street. Diversified Services has not provided an estimate for a proposal for services at this time. However, an estimate has been completed by Public Works and it is attached to this report.

The cost of services is accounted for and will not require additional funding.

ATTACHMENTS

1. 829-IDA RES Auth Install Stall Storm Water Magnagment System
2. Storm water estimate

PRESENTED: September 12, 2023

ADOPTED: September 12, 2023

RESOLUTION NO. 2023-________

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CITY OF DANVILLE TO EXECUTE A CONSTRUCTION SERVICES AGREEMENT WITH DIVERSIFIED SERVICES FOR INSTALLATION OF A STORM WATER MANAGEMENT SYSTEM.

WHEREAS, staff is requesting that the Industrial Development Authority of Danville, Virginia (IDA) hereby approve and authorize the City of Danville (City) to engage Diversified Services to provide construction services to the City to install a storm water management system on Parcels 22970, 22969, 22966, 22968, 25567, 22967, 24032, 22971 and 24730, collectively known as Five Forks.

NOW THEREFORE, BE IT RESOLVED by the IDA that they hereby approve and authorize the City to enter into a construction services agreement, substantially in the form of the estimate attached hereto, between the Diversified Services,; and

BE IT FURTHER RESOLVED, that 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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

	Construction Estimate								
A	D	E	F	G	H	I	J	K	L
ITEM NO.	DESCRIPTION OF WORK	SCHED QTY	UNIT	UNIT PRICE	TOTAL PRICE	SCHED QTY	UNIT	UNIT PRICE	TOTAL PRICE
	406 Jefferson St Storm Pipe Replacement Estimate					Private Property			
01	Mobilization	1.00	LS	$ 50,000.00	$ 50,000.00				
02	CG- 6 Demo & Dispose	90.00	LF	$ 90.00	$ 8,100.00				
03	VDOT CG-6	90.00	LF	$ 125.00	$ 11,250.00				
04	Saw Cut Asphalt	180.00	LF	$ 13.00	$ 2,340.00				
05	Asphalt Demo & Dispose	90.00	SY	$ 50.00	$ 4,500.00				
06	Undercut Unsuitable Material (If Needed)	100.00	CY	$ 30.00	$ 3,000.00				
07	21B Stone Backfill	200.00	TN	$ 80.00	$ 16,000.00				
08	4" Concrete sidewalk Demo	75.00	SY	$ 80.00	$ 6,000.00				
09	4" Concrete Sidewalk Replacement	75.00	SY	$ 75.00	$ 5,625.00				
10	Saw Cut Diamond Pattern in Sidewalk	1770.00	LF	$ 10.00	$ 17,700.00				
11	5" Asphalt Concrete Patch VDOT BM-25.0A	4.00	TN	$ 350.00	$ 1,400.00				
12	1.5" VDOT SM-9.5 A Surface Asphalt	8.00	TN	$ 300.00	$ 2,400.00				
13	Milling 0"-2"	90.00	SY	$ 15.00	$ 1,350.00				
14	36" Class II RCP (4'-6' Depth)	95.00	LF	$ 250.00	$ 23,750.00	70.00	LF	$250.00	$ 17,500.00
15	MH-2 (5' Diameter)	3.00	EA	$ 6,000.00	$ 18,000.00	1.00	EA	$6,000.00	$ 6,000.00
16	MH-2 (6' Diameter)	2.00	EA	$ 6,000.00	$ 12,000.00	1.00		$6,000.00	$ 6,000.00
17	Perm. Seeding	0.00	SF	$ 10.00	$ -	1200.00	SF	$10.00	$ 12,000.00
18	HC Ramp	1.00	EA	$ 1,500.00	$ 1,500.00				
19	Flowable Fill (Abandon Existing Pipe)	0.00	CY	$ 375.00	$ -	93.00	CY	$375.00	$ 34,875.00
20	Maintenance of Traffic	1.00	LS	$ 20,000.00	$ 20,000.00				
21	Demo Culvert @ Parcel #24032	0.00	LS	$ 5,000.00	$ -	1.00	LS	$5,000.00	$ 5,000.00
		TOTAL			$ 204,915.00	TOTAL			$ 81,375.00
				30% Contingency	$ 266,389.50			30% Contingency	$ 105,787.50

Note: Does not include demolition of culvert under parcel 24032

Preliminary Engineering		$ 17,000.00		$ 3,000.00
CEI		$ 55,000.00		$ 10,000.00
	Total	$ 338,389.50	Total	$ 118,787.50

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM:

RE: 424 Memorial Drive Lead Based Paint Removal

ATTACHMENTS

1. 2023-09-12 RES for additional agmt w-best quality paint and drywall for 424 Memorial dr
2. 2023-09-12 White Mill Paint Proposal

PRESENTED: ______September 12, 2023__

ADOPTED: _________September 12, 2023__

RESOLUTION NO. 2023-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AGREEMENT WITH BEST QUALITY PAINT AND DRYWALL, INC. IN AN AMOUNT NOT TO EXCEED $471,000.00 FOR LEAD BASED PAINT REMOVAL AT 424 MEMORIAL DRIVE, DANVILLE, VIRGINIA.

NOW THEREFORE, BE IT RESOLVED that the Industrial Development Authority of Danville, Virginia does hereby approve and authorize the execution of an agreement with Best Quality Paint and Drywall, Inc. for lead based paint removal at 424 Memorial Drive in an amount not to exceed Four Hundred Seventy-one Thousand and 00/100 dollars ($471,000.00) and

BE IT FURTHER RESOLVED that the Industrial Development Authority of Danville, Virginia does hereby authorize its Chairman, or in his absence any officer, to execute any and all documents necessary to complete the above referenced transaction.

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

Proposal

Best Quality Paint & Drywall INC

FROM
Best Quality Paint and Drywall, Inc.
6507 Chewink Ct
Charlotte, NC 28227

DATE
August 11, 2023

TO
Rehab Builders, INC
401 E 4th St., Ste. 201
Winston-Salem, NC 2710

JOB
White Mill Redevelopment
1424 Memorial Drive
Danville, VA 24541

DESCRIPTION:
We propose to furnish all labor, materials, tools, insurance, and supervision necessary with the following scope of work:

INTERIOR PAINT SYSTEM:
Scope of work:
- Scraping loose paint from columns, walls, and ceilings.
- Apply 1 coat of Oil Based Primer.
- Apply 1 coat of Encapsulant Paint.
- Apply 1 coat of ProMar 400 Paint on concrete columns, exterior walls, and ceilings.

Includes:
- Basement & 1st floor - Sections A, B & C.
- 2nd floor - Section C.
- 3rd floor - Section C.
- 4th floor - Section C.

Need to verify scope/price.

Breakdown:

Item	Description	Value
Basement, and 1st floor	Scrape, sand, primer, and 1st coat of paint.	$224,050.00
~~Basement, and 1st floor~~	~~Final coat of paint.~~	~~$60,000.00~~
2nd floor	Scrape, sand, primer, and 1st coat of paint.	$80,285.00
~~2nd floor~~	~~Final coat of paint.~~	~~$15,000.00~~
3rd floor	Scrape, sand, primer, and 1st coat of paint.	$80,285.00
~~3rd floor~~	~~Final coat of paint.~~	~~$15,000.00~~
4th floor	Scrape, sand, primer, and 1st coat of paint.	$85,627.00
~~4th floor~~	~~Final coat of paint.~~	~~$18,000.00~~

$470,247

TOTAL PROPOSAL AMOUNT: **$578,247.00**

Proposal

Best Quality Paint
& Drywall INC

Proposal Notes:

- This is not a contract or a bill. This estimate is provided based on our initial inspection. If prices change for any reason, we will inform you before proceeding with the work.

ACCEPTED BY: ____

Signature Title

ACCEPTED DATE: ________________________

Industrial Development Authority

STAFF REPORT

DATE: September 12, 2023

TO: Industrial Development Authority

FROM:

RE: Refinance Loan Renewals for 500 Cane Creek Parkway

ATTACHMENTS

1. 2023-09-12 IDA Res Execute Commit Letter VSBFA for Loan Refi 500 Cane Creek
2. 2023-09-12 Attachment Approved VSBFA_Commitment_Letter_Draft_Danville_500 Cane Creek Pkwy

PRESENTED: September 12, 2023

ADOPTED: September 12, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE ATTACHED LOAN COMMITMENT LETTER WITH VIRGINIA SMALL BUSINESS FINANCING AUTHORITY IN AN AMOUNT NOT TO EXCEED $1,360,504.00 FOR THE REFINANCE OF TWO LOAN AGAINST REAL PROPERTY LOCATED AT 500 CANE CREEK PARKWAY.

WHEREAS, the existing loans with Virginia Community Capital (VCC) are up for renewal; and

WHEREAS, Virginia Small Business Financing Authority (VSBFA) has sent a Financing Commitment Letter with the listed Terms and Conditions for the refinance of the two loans existing against the property located at 500 Cane Creek Parkway.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia ("IDA") that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the required Loan Commitment Letter for the refinance of an Two loans at 500 Cane Creek Parkway with VCC in an amount not to exceed One Million Three Hundred Sixty Thousand Five Hundred and Four and 00/100 Dollars $1,360,504.00 to refinance the existing two loans on the property located at 500 Cane Creek Parkway, substantially in the form attached hereto and made a part hereof as if set out fully within; and

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

Approved:

____
Chairman

Attest:

____
Secretary

Approved as to
Form and Legal Sufficiency:

____
City Attorney

VSBFA
Virginia Small Business Financing Authority

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

August 17, 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 –Refinance 500 Cane Creek Pkwy 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 of the City of Danville, Virginia ("Borrower") for a loan in an amount not to exceed One Million Three Hundred Sixty Thousand Five Hundred and Four Dollars ($1,360,504) (the "Loan") subject to the terms and conditions herein.

1. **Basic Terms:**

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

   (b) **Loan Amount**: Not to exceed One Million Three Hundred Sixty Thousand Five Hundred and Four and no/00 Dollars ($1,360,504.00).

   (c) **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%.

   (d) **Closing Date:** Closing shall take place no later than October 1, 2023.

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

2. **Project Location:** 500 Cane Creek Parkway, Ringgold, Virginia 24586 (the "Property" or the "Project").

3. **Purpose of Loan:** To refinance maturing loans on the subject property extended by Virginia Community Capital (VCC) and Lender to the Borrower.

4. **Payments:** The Loan shall be amortized on a Twenty (20) year basis. Beginning the same day of the month and on the same day of each succeeding calendar month thereafter, Borrower shall make one hundred and twenty (120) principal and interest payments in the approximate amount of $9,363 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.

5. **Loan Advances:** The proceeds of the Loan will be advanced in a single draw at Closing.

6. **Guarantors:** 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 a First Deed of Trust on property located at 500 Cane Creek Parkway, Cane Creek Centre Industrial Park, Ringgold, Virginia 24586.

   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 6 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 twenty-one (21) permanent, full-time jobs and retain twenty-five (25) permanent, full-time jobs at the Project as a result within five years of the date of loan closing (collectively, "Required Jobs"). The Borrower shall provide evidence of such Required Jobs to Lender as requested.

10. **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 Borrower 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 the City of Danville, Virginia, 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 Borrower 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:** Evidence that the Property is not within an area identified as having special flood hazards or evidence of flood insurance as required by applicable law.

    (e) **Insurance:** 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:** A revised appraisal completed on the subject property by Russell & Associates within 30 days of loan approval with a final value of no less than 90% loan to value.

(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:** A binding commitment for mortgagee title insurance in form satisfactory to Lender (with complete, legible copies of all plats and exception documents) at least twenty (20) days before Loan closing. Promptly after closing, Borrower shall provide Lender a mortgagee title policy in the Loan amount with only those exceptions or exclusions approved by Lender in writing and including all endorsements required by Lender.

(i) **Attorney's Opinion:** The written opinion(s) of counsel for Borrower addressed to Lender confirming the legal status and authority of Borrower, 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 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 exceed $5,000.00. 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 Borrower 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 Borrower without Lender's prior written approval, nor shall any third party rely hereon or be deemed a party benefited hereby.

12.6 **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, 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 October 15, 2023, Lender agrees to terminate such initial financing statement (unless Borrower otherwise agrees 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 **September 25, 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 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 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:
Joe Shearin
357E79001FC0487...

Joe Shearin
Executive Director

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

Industrial Development Authority the City of Danville, VA

By: ________________________________

Name/Title: _________________________

Date: ______________________________

BORROWER'S CLOSING ATTORNEY:

Name: _____________________________

Law Firm: ___________________________

Phone: _____________________________

E-Mail: _____________________________

EXHIBIT A

FEDERAL REQUIREMENTS

1. PAYMENT OF TAXES. Industrial Development Authority of the City 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. 740l 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);

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).

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 the
City of Danville, Virginia

By: ____
Title: ____________________________________
Name: ____________________________________

Date: ______________________

Corrie Teague Bobe
City of Danville, Virginia
August 17, 2023

EXHIBIT B

Virginia Small Business Financing Authority

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Industrial Development Authority of the
City 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 the City of Danville, Virginia

Date: _________________, 2023 By: ____
Signature of Authorized Representative

____
Name and Title of Authorized Representative

Corrie Teague Bobe
City of Danville, Virginia
August 17, 2023

Corrie Teague Bobe
City of Danville, Virginia
August 17, 2023

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