



City of Danville, Virginia
Industrial Development Authority of Danville

P.O. Box 3300
Danville, Virginia 24543

September 8, 2016

NOTICE OF MEETING

TO: T. Neal Morris Dr. Shirley Primiano
C.G. Hairston Landon R. Wyatt
Richard L. Turner Russell D. Reynolds
Dr. Max Glass

A meeting of the Industrial Development Authority of Danville, Virginia has been called by the Chairman for Tuesday, September 13, 2016, at ** **10:30 a.m.**** in the *****City Council Conference Room, 4th Floor, Municipal Building, Room 425,***** Danville, Virginia.

This is an important meeting and your attendance is respectfully urged. If you cannot attend, please call the City Attorney's Office at 434-799-5122, as soon as possible.

/s/ Kimberly Gibson Ford
Kimberly Gibson Ford

Ken Larking, City Manager
Earl Reynolds, Deputy City Manager
W. Clarke Whitfield, Jr., City Attorney
Telly D. Tucker, Economic Development
Linwood Wright, Economic Development
Corrie Teague, Economic Development
Kim Custer, Economic Development
Earl Reynolds, Director of Community Development
Michael Adkins, Director of Finance

**MEETING OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
TUESDAY, SEPTEMBER 13, 2016**

AGENDA

CALL TO ORDER

ROLL CALL

INDUSTRIAL DEVELOPMENT AUTHORITY:

1. APPROVAL OF MINUTES FROM REGULARLY CALLED MEETING ON AUGUST 9, 2016.
2. MONTHLY FINANCIAL REPORT BY MICHAEL ADKINS.

ITEMS FOR DISCUSSION

3. STAFF UPDATES FROM ECONOMIC DEVELOPMENT ON VARIOUS PROJECTS.
4. RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA, AUTHORIZING THE AMENDMENT OF CERTAIN TERMS OF ITS TAXABLE REVENUE BOND, SERIES 2013, APPROVING THE FORMS OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH DOCUMENTS.
5. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA (IDA) GRANTING AN EASEMENT TO THE CITY OF DANVILLE, UTILITIES DEPARTMENT TO RELOCATE A NATURAL GAS LINE TO THE SOUTHERN PROPERTY LINE OF PARCEL 20138.
6. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA RATIFYING THE EXECUTION OF THE ATTACHED COMMITMENT LETTER FROM AMERICAN NATIONAL BANK AND TRUST COMPANY FOR A LOAN IN THE AMONUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000).
7. A RESOLUTION APPROVING AND AUTHORIZING THE BORROWING OF UP TO \$500,000 FROM AMERICAN NATIONAL BANK AND TRUST COMPANY TO MAKE IMPROVEMENTS TO THE FORMER AVRC BUILDING LOCATED AT 500 STINSON DRIVE.
8. CLOSED MEETING
9. CONSIDER AND TAKE ACTION UPON ANY AND ALL BUSINESS THAT MAY BE LAWFULLY ENACTED AT A REGULAR MEETING OR DISCUSSED IN A CLOSED MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA.

ADJOURN

**INDUSTRIAL DEVELOPMENT AUTHORITY OF VIRGINIA
MINUTES OF MEETING
AUGUST 9, 2016**

PURSUANT TO A WRITTEN NOTICE DATED AUGUST 4, 2016, A COPY OF WHICH IS ATTACHED HERETO, A MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, WAS HELD IN THE FOURTH FLOOR CONFERENCE ROOM OF THE MUNICIPAL BUILDING ON TUESDAY, JULY 12, 2016, AT 10:00 A.M.

THE FOLLOWING MEMBERS WERE:

PRESENT: MR. T. NEAL MORRIS, CHAIRMAN
MR. C.G. HAIRSTON, VICE CHAIRMAN
MR. RICHARD L. TURNER, TREASURER
DR. MAX R. GLASS
MR. LANDON R. WYATT

ABSENT: DR. SHIRLEY D. PRIMIANO, SECRETARY
MR. RUSSELL D. REYNOLDS

ALSO PRESENT: W. CLARKE WHITFIELD, JR. CITY ATTORNEY
KIMBERLY FORD, LEGAL ASSISTANT
EARL REYNOLDS, DEPUTY CITY MANAGER
LINWOOD WRIGHT, ECONOMIC DEVELOPMENT
CORRIE TEAGUE, ECONOMIC DEVELOPMENT
MICHAEL ADKINS, FINANCE DIRECTOR

T. NEAL MORRIS, CHAIRMAN, CALLED THE MEETING TO ORDER AT 10:00 A.M.

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA

MINUTES

COPIES OF THE MINUTES OF THE JULY 12, 2016, MEETING WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AUGUST 9, 2016 AGENDA PACKET. A MOTION WAS MADE BY MR. WYATT TO APPROVE THE MINUTES. THE MOTION WAS

SECONDED BY MR. HAIRSTON AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. WYATT	- AYE
MR. HAIRSTON	- AYE
MR. TURNER	- AYE
DR. GLASS	- AYE

UPDATE ON FINANCES

MICHAEL ADKINS, THE DIRECTOR OF FINANCE, UPDATED THE MEMBERS ON THE FINANCIAL ACCOUNTS OF THE IDA.

COPIES OF THE CURRENT FINANCIAL STATEMENTS WERE DISTRIBUTED TO THE MEMBERS. A MOTION WAS MADE BY MR. TURNER TO APPROVE THE FINANCIAL REPORT. THE MOTION WAS SECONDED BY DR. GLASS AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. WYATT	- AYE
MR. HAIRSTON	- AYE
MR. TURNER	- AYE
DR. GLASS	- AYE

ECONOMIC DEVELOPMENT UPDATES

CORRIE TEAGUE GAVE THE IDA A QUICK UPDATE REGARDING JERRY RIGNEY'S NEW FIRE AND MAINTENANCE INSPECTIONS PROGRAM. THEY HAVE ALREADY STARTED GOING THROUGH CITY OWNED AND IDA OWNED BUILDINGS. ECONOMIC DEVELOPMENT HAS RECEIVED SOME NOTIFICATIONS ABOUT 410 AND 310 MAIN STREET. PUBLIC WORKS IS ASSISTING ECONOMIC DEVELOPMENT WITH 310 MAIN STREET. IN ADDITION, 624 NORTH MAIN STREET AND LOU'S ANTIQUES HAVE ISSUES, ECONOMIC DEVELOPMENT IS LOOKING INTO AND CORRECTING. THE NOTICES FOR LOU'S ANTIQUES WERE MOSTLY TENANT ISSUES SUCH AS LARGE NUMBER OF ELECTRICAL CORDS, HIS FURNITURE AND/OR MERCHANDISE BLOCKING FIRE EXITS, AND THINGS OF THIS NATURE. ECONOMIC DEVELOPMENT IS WORKING WITH ROBERT TO CORRECT HIS ISSUES AND IF THERE ARE ANY MAJOR ISSUES THEY WILL COME BACK TO THE IDA WITH A PRICE AND LET YOU KNOW BEFORE THEY MOVE FORWARD.

KEN LARKING SPOKE ABOUT CITY COUNCIL'S CONCERN WITH THE ATTRACTIVENESS OF THE SCHOOLFIELD SITE. HE EXPLAINED STAFF HAS BEEN WORKING ON SOME OPTIONS OF WHAT THEY CAN DO TO TRY TO CLEAN IT UP AND

ONE OF THE BIG ISSUES OF CONCERN ARE THE PILES OF BRICK AND CONCRETE ON THE SITE.

A MOTION WAS MADE BY MR. TURNER THAT THE BRICK CHIPS AND CONCRETE CHIPS LOCATED ON THE SCHOOLFIELD SITE FIRST BE GIVEN TO PUBLIC WORKS TO FILL IN THE RESERVOIR LOCATED ON SITE NEAREST WEST MAIN STREET, THEN ANYONE WHO HAS PAID FOR SAME CAN COME BACK AND GET AS MUCH AS THEY WANT OF WHAT IS LEFT FOR FREE, AND FINALLY THE GENERAL PUBLIC CAN COME AND GET WHAT'S LEFT OVER FOR FREE. THE MOTION WAS SECONDED BY MR HAIRSTON AND CARRIED WITH ALL MEMBERS PRESENT VOTING WITH A VERBAL AYE.

A MOTION WAS MADE BY MR. TURNER TO ALLOW FOR AN EXPENSE NOT TO EXCEED \$15,000 FOR PUBLIC WORKS TO COLLAPSE THE BOTTOM AND FILL IN THE RESERVOIR CLOSEST TO WEST MAIN STREET ON THE SCHOOLFIELD SITE FOR PUBLIC SAFETY PURPOSES. THE MOTION WAS SECONDED BY DR. GLASS AND CARRIED WITH ALL MEMBERS PRESENT VOTING WITH A VERBAL AYE.

MR. MORRIS INFORMED THE BOARD THAT THERE HAD BEEN SOME INTEREST IN PURCHASING TWO LIGHTS OR GLOBES ON THE SCHOOLFIELD PROPERTY; HE THINKS IT WOULD BE GOOD SINCE THERE IS MULTIPLE INTEREST IN THEM, TO BE FAIR TO EVERYONE, TO HAVE A SILENT AUCTION.

MR. HAIRSTON OFFERED A MOTION THAT THE IDA HOLD A SILENT AUCTION AND TO ACCEPT SEALED BIDS FOR THE GLOBES ON THE SCHOOLFIELD PROPERTY. THE MOTION WAS SECONDED BY MR. WYATT AND CARRIED WITH ALL MEMBERS PRESENT VOTING WITH A VERBAL AYE.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA (IDA) APPROVING AND AUTHORIZING A CHANGE IN THE MEETING TIME OF THE IDA. (FOR MINUTES PURPOSES THIS CHANGES THE MEETING FROM 10:00AM TO 10:30AM)

RESOLUTION 2016-08-01 MOTION MADE BY MR. TURNER; 2ND BY MR. HAIRSTON

VOTE CARRIED AS:

MR. MORRIS	- AYE
MR. WYATT	- AYT
MR. HAIRSTON	- AYE
MR. TURNER	- AYE
DR. GLASS	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA RATIFYING PRIOR ACTION. (FOR MINUTES PURPOSES THIS IS REFERRING TO 537 & 539 NORTH MAIN STREET)

RESOLUTION 2016-08-02 MOTION MADE BY MR. TURNER; 2ND BY MR. HAIRSTON

VOTE CARRIED AS: MR. MORRIS - AYE
MR. WYATT - AYE
MR. HAIRSTON - AYE
MR. TURNER - AYE
DR. GLASS - AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA (IDA) APPROVING AND AUTHORIZING THE PURCHASE OF REAL PROPERTY LOCATED AT 537 & 539 NORTH MAIN STREET (PARCEL ID#03651 AND PARCEL ID#03636) .

RESOLUTION 2016-08-03 MOTION MADE BY MR. TURNER; 2ND BY MR. HAIRSTON

VOTE CARRIED AS: MR. MORRIS - AYE
MR. WYATT - AYE
MR. HAIRSTON - AYE
MR. TURNER - AYE
DR. GLASS - AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA (IDA) APPROVING AND AUTHORIZING THE EXPENDITURE OF FUNDS FOR BUILDING IMPROVEMENTS AT 500 STINSON DRIVE FOR OVERFINCH NORTH AMERICAN IN AN AMOUNT NOT TO EXCEED \$500,000.

RESOLUTION 2016-08-03 MOTION MADE BY MR. HAIRSTON; 2ND BY DR. GLASS

VOTE CARRIED AS: MR. MORRIS - AYE
MR. WYATT - AYE
MR. HAIRSTON - AYE
MR. TURNER - AYE
DR. GLASS - AYE

MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENE IN EXECUTIVE CLOSED MEETING FOR THE PURPOSE OF 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; AND 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 MADE BY MR. TURNER; 2ND MR. HAIRSTON

VOTE CARRIED AS: MR. MORRIS - AYE
MR. WYATT - AYE
MR. HAIRSTON - AYE
MR. TURNER - AYE
DR. GLASS - AYE

MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENE IN EXECUTIVE CLOSED MEETING FOR THE PURPOSE OF 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; AND 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; AND CONSULTATION WITH LEGAL COUNSEL CONCERNING ACTUAL LITIGATION AND BRIEFINGS BY STAFF MEMBERS REGARDING SPECIFIC LEGAL MATTERS REQUIRING LEGAL ADVICE AS PERMITTED BY SUBSECTION (A) (7) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.

MOTION MADE BY MR. TURNER; 2ND MR. HAIRSTON

VOTE CARRIED AS: MR. MORRIS - AYE
MR. WYATT - AYE
MR. HAIRSTON - AYE
MR. TURNER - AYE
DR. GLASS - AYE

A MOTION FOR THE IDA TO ENTER INTO AN OPTION AGREEMENT WITH WILL LEGGETT TO DO DUE DILIGENCE ON MULTIPLE PIECES OF PROPERTY TO DETERMINE IF THE IDA WISHES TO PURCHASE THEM ETC.

MOTION MADE BY MR. TURNER; 2ND MR. WYATT

VOTE CARRIED AS: MR. MORRIS - AYE
MR. WYATT - AYE
MR. HAIRSTON - AYE
MR. TURNER - AYE
DR. GLASS - AYE

A MOTION WAS MADE TO AUTHORIZE THE USE OF THE IDA OWNED PARKING LOT "ONLY" BESIDE THE DOWNTOWNER LOT BY THE RIVER DISTRICT ASSOCIATION FOR THE RIVER DISTRICT FESTIVAL THAT IS SCHEDULED TO FOR OCTOBER 13, 2016.

MOTION MADE BY MR. TURNER; 2ND MR. HAIRSTON

VOTE CARRIED AS:	MR. MORRIS	- AYE
	MR. WYATT	- AYE
	MR. HAIRSTON	- AYE
	MR. TURNER	- AYE
	DR. GLASS	- AYE

THERE BEING NO FURTHER BUSINESS, THE REGULAR IDA MEETING ADJOURNED AT 11:02 A.M.

DR. SHIRLEY PRIMIANO
SECRETARY

T. NEAL MORRIS
CHAIRMAN

Executive Summary

The IDA issued \$7,160,000 in Taxable Revenue Bonds, September 27, 2013 and used the proceeds to finance the acquisition of the Schoolfield Site, located at 1076 West Main Street in the City, and the acquisition, construction, improvement or other renovation of various projects located in the River District. The final principal installment of the 2013 Bonds (\$6,205,334) is due and payable on October 1, 2016

The IDA and the City desire to modify the interest rate on the 2013 Bonds and reamortize the principal as well as extend the final maturity date for up to six months to allow the City's administration and the City Council to consider options for the long-term refinancing of that indebtedness

The attached resolution as well as the "First Amendment to Bond Purchase and Loan Agreement and Allonge to Taxable Revenue Bond", and the First Amendment to Financing Agreement between the IDA and the City are presented for the Authority's consideration in order to reamortize the principal as well as extend the final maturity date for up to six months of the above described bonds.

COVERING CERTIFICATE FOR RESOLUTION

The undersigned Secretary of the Industrial Development Authority of the City of Danville, Virginia (the "Authority"), certifies that:

1. Attached hereto is a true, correct and complete copy of a resolution entitled "RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA, AUTHORIZING THE AMENDMENT OF CERTAIN TERMS OF ITS TAXABLE REVENUE BOND, SERIES 2013, APPROVING THE FORMS OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH DOCUMENTS" (the "Resolution"). The Resolution was adopted at a regular meeting of the Authority held on September 13, 2016, by a majority of all members of the Authority.

2. The Authority meeting at which the Resolution was adopted was held at the time and place established by the Authority for such meeting.

3. The minutes of such meeting reflect the attendance of the members and their votes on the Resolution as follows:

Member	Attendance (Present/Absent)	Vote (Aye/Nay/Abstain)
Max R. Glass		
C.G. Hairston		
T. Neal Morris		
Shirley D. Primiano		
Russell Reynolds		
Richard L. Turner		
Landon R. Wyatt, Jr.		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature this ____ day of September, 2016.

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

PRESENTED: September 13, 2016

ADOPTED: September 13, 2016

RESOLUTION NO. 2016-____.____

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA, AUTHORIZING THE AMENDMENT OF CERTAIN TERMS OF ITS TAXABLE REVENUE BOND, SERIES 2013, APPROVING THE FORMS OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH DOCUMENTS

WHEREAS, the Industrial Development Authority of the City of Danville, Virginia (the "Authority"), pursuant to the Industrial Development and Revenue Bond Act (the "Act") under which it was created, is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans, to finance or refinance authority facilities for use by, among others, a city, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations;

WHEREAS, the Council (the "City Council") of the City of Danville, Virginia (the "City"), previously requested that the Authority issue its \$7,160,000 Taxable Revenue Bond, Series 2013 (the "2013 Bond"), and use the proceeds thereof to

finance the acquisition of the Schoolfield Site, located at 1076 West Main Street in the City, and the acquisition, construction, improvement or renovation of various projects located in the River District (collectively, the "Project");

WHEREAS, the Authority issued and sold the 2013 Bond to Wells Fargo Bank, National Association (the "Purchaser"), on September 27, 2013, pursuant to the terms of a Bond Purchase and Loan Agreement dated as of September 1, 2013 (the "Purchase Agreement"), between the Authority and the Purchaser;

WHEREAS, the Authority and the City entered into a Financing Agreement dated as of September 1, 2013 (the "Financing Agreement"), pursuant to which the Authority agreed to undertake the Project and the City agreed to make payments, subject to appropriation, to the Authority in amounts sufficient to pay the principal of and interest on the 2013 Bond and certain other related costs;

WHEREAS, the 2013 Bond is secured in part by the payments to be appropriated from time to time by the City Council and paid to the Authority in accordance with the terms of the Financing Agreement;

WHEREAS, the final principal installment of the 2013 Bond (\$6,205,334) is due and payable on October 1, 2016;

WHEREAS, the City desires to modify the interest rate on the 2013 Bond, reamortize the principal thereof and

extend the final maturity thereof for up to six months to allow the City's administration and the City Council to consider options for the long-term refinancing of such indebtedness; and

WHEREAS, the Purchaser has indicated its willingness to modify the interest rate on the 2013 Bond, reamortize the principal thereof and extend the final maturity thereof, pursuant to the terms of (a) a First Amendment to Bond Purchase and Loan Agreement and Allonge to Taxable Revenue Bond between the Authority and the Purchaser (the "First Amendment to Purchase Agreement" and, together with the Purchase Agreement, the "Amended Purchase Agreement"), and (b) a First Amendment to Financing Agreement between the Authority and the City (the "First Amendment to Financing Agreement" and, together with the First Amendment to Purchase Agreement, the "Amendments"), the forms of which have been circulated prior to this meeting;

NOW THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF CITY OF DANVILLE, VIRGINIA:

1. The Authority hereby authorizes the Chair or Vice Chair of the Authority, either of whom may act, to undertake the amendment of the 2013 Bond and the Purchase Agreement, as such officer determines to be in the best interests of the Authority, provided that (a) the modified interest rate on the 2013 Bond shall not exceed an annual rate of 4.00%, and (b) the remaining principal of the 2013 Bond shall mature no later than April 1, 2017.

2. The forms of the Amendments circulated prior to this meeting are hereby approved. The Chair and Vice Chair of the

Authority, either of whom may act, are hereby authorized and directed to execute and deliver the Amendments in substantially such forms to reflect the amended terms of the 2013 Bond, together with such other completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chair or Vice Chair, whose approval shall be evidenced conclusively by the execution and delivery thereof. The Secretary is hereby authorized to affix the seal of the Authority on the First Amendment to Purchase Agreement.

3. The Authority hereby reaffirms its covenants set forth in the Purchase Agreement and the Financing Agreement.

4. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the modification of the terms of the 2013 Bond are hereby approved and ratified. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the modification of the terms of the 2013 Bond.

5. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

6. This Resolution shall take effect immediately.

Adopted September 13, 2016.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

**FIRST AMENDMENT TO BOND PURCHASE AND LOAN AGREEMENT
AND ALLONGE TO TAXABLE REVENUE BOND**

This First Amendment to Bond Purchase and Loan Agreement and Allonge to Taxable Revenue Bond (this “**Amendment**”) is made effective [September] [October] ____, 2016, between the Industrial Development Authority of the City of Danville, Virginia (the “**Authority**”), and Wells Fargo Bank, National Association, a national banking association (the “**Bank**”).

BACKGROUND INFORMATION:

A. On September 27, 2013, the Authority issued its Taxable Revenue Bond, Series 2013, in the original principal amount of \$7,160,000 (the “**2013 Bond**”) pursuant to a Bond Purchase and Loan Agreement dated as of September 1, 2013 (the “**2013 Agreement**”) between the Authority and the Bank. The Bank acquired the 2013 Bond under the 2013 Agreement, which evidences a loan (the “**Loan**”) from the Bank to the Authority for the purposes set forth in such instrument. The terms defined in the 2013 Agreement shall be used in this Amendment, and have the same meaning as defined in the 2013 Agreement, unless a term is otherwise defined in this Amendment. To the extent that there are any inconsistencies between the provisions of this Amendment and the provisions of the 2013 Agreement, or any of the other Loan Documents, the applicable provisions of this Amendment shall control and supercede the inconsistent provisions of the 2013 Agreement or any of the other Loan Documents.

B. The Authority and Bank desire to extend the maturity of the 2013 Bond from October 1, 2016 until April 1, 2017 and in connection with such extension to make certain amendments to the 2013 Agreement and the 2013 Bond. Accordingly, Bank and Authority have agreed to enter into this Amendment.

STATEMENT OF AGREEMENT:

The parties to this Amendment acknowledge the accuracy of the foregoing Background Information and for adequate consideration received, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

Section 1. Acknowledgement. Except as otherwise specifically set forth in this Amendment, the Loans and all other obligations of Authority under the Loan Documents shall remain as currently set forth in the 2013 Agreement and the other Loan Documents, and nothing in this Amendment shall alter, modify, limit, or impair any of the rights, powers, or remedies that Bank may have under the 2013 Agreement or any of the other Loan Documents.

Section 2. Obligation to Repay Loan. The Authority acknowledges that as of the effective date of this Amendment the outstanding principal balance of the Loan and under the 2013 Bond is \$5,728,000, which reflects a payment of \$477,334 on or before October 1, 2016. The Authority hereby reaffirms its obligation to repay the Loan in full.

Section 3. Compliance with Loan Documents. The Authority shall comply with all of the terms and provisions of the 2013 Agreement and the other Loan Documents, as modified by this Amendment.

Section 4. No Waiver of Rights. Except as expressly set forth herein, nothing contained in this Amendment shall be deemed a waiver of any of the rights and remedies of Bank, at law or in equity, or under the 2013 Agreement or the other Loan Document, or under any other agreement evidencing, securing, governing, or pertaining to any obligations evidenced by such Loan Documents.

Section 5. Authority Representations and Warranties. The Authority represents and warrants to Bank that: (a) Authority has the power and authority to execute and deliver this Amendment; (b) the officer executing this Amendment on behalf of Authority has been duly authorized to execute and deliver the same and to bind Authority with respect to the provisions of this Amendment; (c) the execution by Authority of this Amendment and the performance and observance by Authority of the provisions hereof do not violate or conflict with the Act or any law applicable to Authority and will not result in the breach of any provision of or constitute a default under any agreement, instrument, or document binding upon or enforceable against Authority; (d) this Amendment, the 2013 Agreement, and the other Loan Documents constitute valid, legal, binding, and enforceable obligations of Authority in every respect, subject to applicable bankruptcy, insolvency, reorganization, and other similar laws affecting creditors' rights generally, to general equitable principles, and to applicable doctrines of commercial reasonableness; and (e) all of the Authority's representations and warranties contained in the 2013 Agreement are true and correct as of the date hereof.

Section 6. Amendments to 2013 Agreement. The 2013 Agreement is hereby amended as follows:

(a) Section 302 of the 2013 Agreement is amended and restated as follows:

Section 302. Details of 2013 Bond. Except as specifically provided in this Agreement otherwise, the 2013 Bond shall be in the original principal amount of \$7,160,000; shall bear interest at the fixed rate of 2.67% through and including September 30, 2016; and from and after October 1, 2016, the 2013 Bond shall bear interest at the fixed rate of ___%. Interest shall be payable semi-annually, in arrears, on April 1 and October 1, beginning April 1, 2014. Interest shall be calculated on the basis of twelve 30 day months and a 360 day year. The principal amount of the 2013 Bond shall be payable on October 1, 2014 and October 1, 2015 in equal installments of \$477,333, and on October 1, 2016 in an installment of \$477,334, with the final installment of \$5,728,000 due and payable on April 1, 2017, when, if not sooner paid, all amounts due hereunder and under the 2013 Bond shall be due and payable in full. In addition, the 2013 Bond shall contain the terms stated in the form of the 2013 Bond attached to this Agreement as Exhibit A.

Section 7. Amendments to 2013 Bond. The second and third paragraphs of the 2013 Bond are hereby amended and restated as follows:

The principal amount of this Bond shall be payable on October 1, 2014 and October 1, 2015 in equal installments of \$477,333, on October 1, 2016 in an installment of \$477,334, with the final installment of \$5,728,000 due and payable on April 1, 2017, when, if not sooner paid, all amounts due hereunder and under the Agreement shall be due and payable in full.

This Bond shall bear interest at the annual rate of 2.67% through and including September 30, 2016, and thereafter the 2013 Bond shall bear interest at the fixed rate of ____%. Interest will be calculated on the basis of twelve 30 day months and a 360 day year. Interest shall be payable semi-annually, in arrears, on April 1 and October 1, beginning April 1, 2014. Principal of and interest on this Bond are payable in lawful money of the United States of America.

Section 8. Allonge. This Amendment shall be firmly affixed to and become an allonge to the 2013 Bond.

Section 9. Fees and Expenses. The Authority hereby agrees to pay to or reimburse to Bank all of its reasonable out-of-pocket expenses, including reasonable attorney's fees and expenses, and filing expenses actually incurred by Bank in connection with this Amendment.

Section 10. Effect of Modification. Except as expressly modified by this Amendment, all of the terms and conditions of the 2013 Agreement and all of the other Loan Documents shall remain in full force and effect and are hereby reaffirmed, ratified and confirmed. This Amendment and the allonge shall not be construed as and are not intended as a novation of the 2013 Bond.

Section 11. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first written above:

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA**

By: _____

Name: _____

Title: _____

[SEAL]

ATTEST:

Secretary

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____

Name: Patrick K. Dixon

Title: Senior Vice President

FIRST AMENDMENT TO FINANCING AGREEMENT

between

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA**

and

CITY OF DANVILLE, VIRGINIA

Dated as of [September 30, 2016]

**NOTE: THIS FIRST AMENDMENT TO FINANCING AGREEMENT HAS BEEN
ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR
OF, WELLS FARGO BANK, NATIONAL ASSOCIATION.**

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ARTICLE III

MISCELLANEOUS

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Exhibit A – Amended Schedule of Payments

THIS **FIRST AMENDMENT TO FINANCING AGREEMENT** dated as of [September 30, 2016], by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA** a political subdivision of the Commonwealth of Virginia (the “Authority”), and the **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “City”), provides:

WITNESSETH:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”);

WHEREAS, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations;

WHEREAS, in furtherance of the purposes of the Act and at the request of the City, the Authority issued and sold its \$7,160,000 Taxable Revenue Bond, Series 2013 (the “2013 Bond”), pursuant to the terms of a Bond Purchase and Loan Agreement dated as of September 1, 2013 (the “Loan Agreement”), between the Authority and Wells Fargo Bank, National Association (the “Bank”), and used the proceeds thereof to finance costs incurred in connection with the 2013 Project (as defined in the hereinafter defined Financing Agreement) and costs of issuing the 2013 Bond;

WHEREAS, the 2013 Bond is secured by a pledge of the net revenues and receipts received by the Authority from the operation, leasing or sale of components of the 2013 Project as well as appropriations made from time to time by the City Council to the Authority under the terms of a Financing Agreement dated as of September 1, 2013 (the “Financing Agreement”), between the Authority and the City, for purposes of supporting the 2013 Project;

WHEREAS, the final principal installment of the 2013 Bond (\$6,205,334) is due and payable on October 1, 2016;

WHEREAS, the City desires, and the Bank has agreed, to modify the interest rate on the 2013 Bond, reamortize the principal thereof and extend the final maturity thereof to allow the City’s administration and the Council of the City to consider options for the long-term refinancing of such indebtedness;

WHEREAS, the Authority, the City and the Bank have agreed to execute, as applicable, amendments to the Loan Agreement, the 2013 Bond and the Financing Agreement;

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this First Amendment to Financing Agreement have happened, exist and have been performed in regular

and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this First Amendment to Financing Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Unless otherwise defined in this First Amendment to Financing Agreement (including the recitals), all capitalized terms used herein shall have the meanings assigned to such terms in the Loan Agreement and the Financing Agreement, as applicable.

Section 1.2 Rules of Construction. The following rules shall apply to the construction of this First Amendment to Financing Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this First Amendment to Financing Agreement.

(c) The headings herein and Table of Contents to this First Amendment to Financing Agreement herein are solely for convenience of reference and shall not constitute a part of this First Amendment to Financing Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II

AMENDMENT TO FINANCING AGREEMENT

Section 2.1 Amended Schedule of Payments. The Schedule of Payments attached as Exhibit A to the Financing Agreement is hereby replaced in its entirety with the Amended Schedule of Payments attached hereto as Exhibit A to reflect (a) the modification of the interest rate on the 2013 Bond from an annual rate of 2.67% to an annual rate of [_____]%, (b) the reamortization of the principal of the 2013 Bond, with the remaining principal payable in installments of \$477,334 and \$5,728,000 on October 1, 2016, and April 1, 2017, respectively, and (c) the extension of the final maturity of the 2013 Bond from October 1, 2016, to April 1, 2017.

ARTICLE III

MISCELLANEOUS

Section 3.1 Effect on Financing Agreement. Except as hereby amended, the Financing Agreement is hereby ratified and confirmed and shall remain in full force and effect.

Section 3.2 Severability. If any provision of this First Amendment to Financing Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 3.3 Successors and Assigns. This First Amendment to Financing Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 3.4 Counterparts. This First Amendment to Financing Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this First Amendment to Financing Agreement to be duly executed and effective as of [September 30, 2016], by their duly authorized representatives.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA**

By: _____
Chairman

CITY OF DANVILLE, VIRGINIA

By: _____
City Manager

Seen and agreed to:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____

Title: _____

RECEIPT

Receipt of the foregoing original counterpart of the First Amendment to Financing Agreement dated as of [September 30, 2016], between the Industrial Development Authority of Danville, Virginia, and the City of Danville, Virginia, is hereby acknowledged.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____
Patrick K. Dixon, Senior Vice President

EXHIBIT A

AMENDED SCHEDULE OF PAYMENTS

[UPDATE]

Date	Principal	Interest	Total
04/01/2014	\$ -	\$ 97,710.13	\$ 97,710.13
10/01/2014	477,333	95,586.00	572,919.00
04/01/2015	-	89,213.60	89,213.60
10/01/2015	477,333	89,213.60	566,546.60
04/01/2016	-	82,841.21	82,841.21
10/01/2016	477,334	[.]	[.]
04/01/2017	5,728,000	[.]	[.]
TOTAL	\$7,160,000	\$[.]	\$[.]

Executive Summary

The City's Division of Water and Gas is requesting an easement for an existing natural gas line that runs through IDA parcel 20138. This line serves the businesses that face Loyal Street. This parcel and the buildings along Loyal were once owned by one entity. Now that they are owned by separate entities the Utilities Department will need to get an easement from the current property owner. In the meantime, the IDA has approved funding to create a parking lot on this parcel that will serve the businesses along Loyal Street.

However, due to the topographic changes of this parcel, this natural gas line will need to be moved in closer to its southern property line in order to create much needed parking in this lot. The Utilities Department is requiring the IDA to pay approximately \$5,000 to move this line. Staff is asking the IDA for their permission to grant the Utilities Department an easement for this gas line if they move the line to an appropriate location that will not interfere with the development of the parking lot

PRESENTED: September 13, 2016

ADOPTED: September 13, 2016

RESOLUTION NO. 2016-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA (IDA) GRANTING AN EASEMENT TO THE CITY OF DANVILLE, UTILITIES DEPARTMENT TO RELOCATE A NATURAL GAS LINE TO THE SOUTHERN PROPERTY LINE OF PARCEL 20138.

WHEREAS, IDA has approved funding to create a parking lot on parcel 20138 that will serve the businesses along Loyal Street; and

WHEREAS, the City of Danville Department of Utilities has an existing natural gas line which serves the businesses on Loyal Street running through parcel 20138; and

WHEREAS, based on the proposed site improvements, the gas service line will need to be relocated to the south side of the property as shown on the attached map; and

WHEREAS, the Utilities Department needs a ten foot wide by 140 feet long easement on the south side of the property as shown on the attached map; and

WHEREAS, the Utilities Department, per its department policies, is requiring the IDA to pay \$5,000 to relocate this line.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby grants an easement for the City of Danville, Utility Department to move the natural gas line located on parcel

number 20138 closer to the southern property line as shown on the attached map; and

BE IT FURTHER RESOLVED that, per the Utilities Department policies, the IDA agrees to pay, to the Utilities Department an amount exceed \$5,000 in order to relocate the gas line in order to develop parcel 20138 into a parking lot.

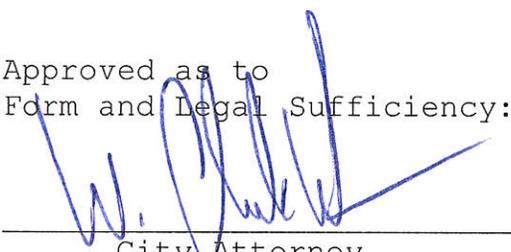
APPROVED:

Chairman

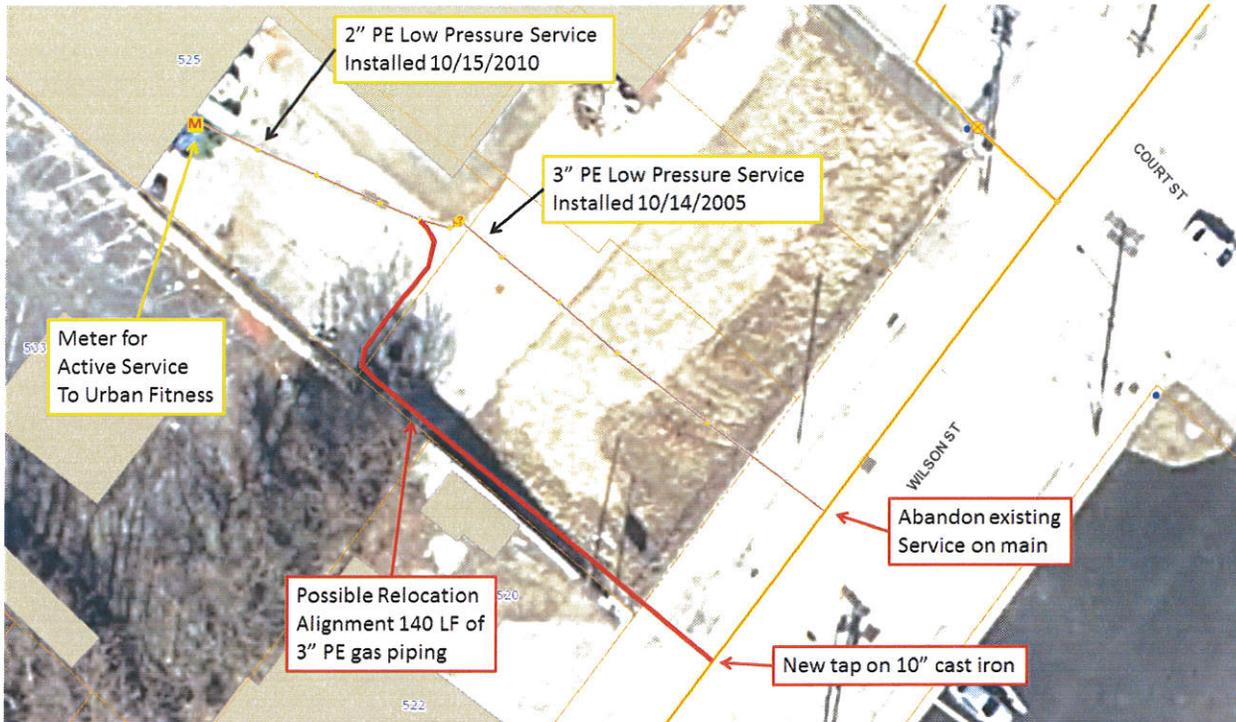
ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:



City Attorney



COST ESTIMATE

City of Danville Department of Utilities
 1040 Monument St., Danville, VA 24541
 (434) 799-5284 / (434) 799-6583 FAX

LOCATION Court St parking lot project

ESTIMATE NO. _____

WORK ORDER NO. _____

MAP REF. _____

DATE: 5/2/16

PCI NO. _____

NOTES: _____

EXPIRES: _____

DESCRIPTION OF WORK TO BE DONE:

BY: SJ PAGE 1 OF 2

Reroute 2"/3" gas service for parking lot construction

FOR: _____

LABOR:

	@	ESTIMATE	CHARGE
<u>28</u> hrs. CONSTRUCTION	<u>\$96.00</u>	\$ 2,688.00	_____
_____ hrs. WELDING	_____	\$ -	_____
_____ CONTRACTOR	_____	\$ -	_____
		SUBT \$ 2,688.00	_____

VEHICLE:

<u>28</u> hrs. CONSTRUCTION	<u>\$10.00</u>	\$ 280.00	_____
_____ hrs. SERVICE	_____	\$ -	_____
_____ hrs. WELDING	<u>\$10.00</u>	\$ -	_____
		SUBT \$ 280.00	_____

EQUIPMENT:

<u>28</u> hrs. CONSTRUCTION	<u>\$18.00</u>	\$ 504.00	_____
_____ hrs. SERVICE	_____	\$ -	_____
_____ hrs. WELDING	<u>\$18.00</u>	\$ -	_____
		SUBT \$ 504.00	_____

RESTORATION

<u>60</u> SQ. FT ASPHALT	<u>\$10.00</u>	\$ 600.00	_____
_____ SQ. FT CONCRETE	_____	\$ -	_____
		SUBT \$ 600.00	_____

MATERIAL: (SEE PG.2)

SUBT \$863.82 _____

TOTAL \$ 4,935.82 _____

SERVICE DEPOSIT AMOUNT = \$4,950.00

Deposit and service application must be made at the Customer Service Division, located at 311 Memorial Drive, Danville VA, 24541 (799-5155). **Contact Engineering (799-5268) at least 5 business days prior to applying.**

Upon completion of the work, the actual charge will be calculated using the direct cost of the labor, material, vehicle and equipment utilized, plus standard material overhead costs. If the completed cost is greater than the original deposit, the City will require an additional payment for the amount of the difference. Likewise, if the difference is less than the original deposit, the City will refund that amount.

COST ESTIMATE

City of Danville Department of Utilities
 1040 Monument St., Danville, VA 24541
 (434) 799-5284 / (434) 799-6583 FAX

MATERIAL:			
QUANTITY	SIZE & DESCRIPTION	UNIT	COST
1	warning tape	\$14.20	\$14.20
140	tracer wire	\$0.09	\$12.60
140	2" pe pipe IPS	\$1.05	\$147.00
1	10"x2" IP saddle	\$207.60	\$207.60
2	2" EF coupling	\$13.42	\$26.84
1	3" retainer gland	\$27.19	\$27.19
1	3" MJ cap	\$12.50	\$12.50
1	2" pe valve	\$81.25	\$81.25
1	valve box assembly	\$74.43	\$74.43
1	miscellaneous (stone, sand, bolts, etc.)	\$100.00	\$100.00
1	tee service galv 2"	\$6.10	\$6.10
1	plug 2	\$5.13	\$5.13
1	2" ST to PE transition	\$36.31	\$36.31
Quantity	Description	Stock #	
1	warning tape	35566	
140	tracer wire	39991	
140	2" pe pipe IPS	37215	
1	10"x2" IP saddle	32946	
2	2" EF coupling	37108	
1	3" retainer gland	22449	
1	3" MJ cap	20920	
1	2" pe valve	37820	
1	tee service galv 2"	36430	
1	plug 2	33840	
1	2" ST to PE transition	37614	
			-
			-
			-
			-
TOTAL FOR MATERIAL			\$751.15
+15% OVERHEAD			\$112.67
TOTAL (SEE OVER)			\$863.82

Contact Information:
 Bobby Adkins
 Project Manager
 Blair Construction Inc.
 P.O. Box 612
 Gretna, VA 24557

Executive Summary

Overfinch North America, which is locating to 500 Stinson Drive in the Cyber Park, has requested up fits and improvements to the building. In order to finance the required improvements the IDA is borrowing \$500,000 from American National Bank.

The first document is a resolution ratifying the Chairman's signature on the commitment letter from American National Bank to the IDA stating all of the terms and conditions of the loan.

The second resolution is a resolution to actually approve and authorize the borrowing of funds in the amount of \$500,000 from American National Bank

PRESENTED: September 13, 2016

ADOPTED: September 13, 2016

RESOLUTION NO. 2016-____.____

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA RATIFYING PRIOR ACTION.

WHEREAS, the Authority desires to show full and complete compliance with any and all statutory requirements and full technical adherence to any and all legal, moral and ethical standards for the performance of its duties.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that:

All actions of the Chairman of the Authority for and on behalf of the Authority prior to the date hereof are in all respects ratified, approved and confirmed and specifically his signature on the attached Loan Commitment Letter from American National Bank and Trust Company for a loan in the amount of Five Hundred Thousand Dollars (\$500,000) is hereby ratified, approved, and confirmed.

AND BE IT FURTHER RESOLVED that the Chairman or any other officer of the Industrial Development Authority of Danville, Virginia, is hereby authorized to sign any required documents and perform any other duties needed to complete the above-mentioned transaction.

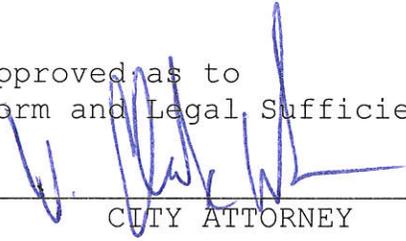
APPROVED:

CHAIRMAN

ATTEST:

SECRETARY

Approved as to
Form and Legal Sufficiency:



CITY ATTORNEY

CERTIFICATE

I, the undersigned Secretary of the Industrial Development Authority of the City of Danville, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of the Resolution duly adopted by a majority of the Directors of the Industrial Development Authority of Danville, Virginia present and voting at a meeting duly called and held on August 9, 2016, all in accordance with law, and that such Resolution has not been repealed, revoked or rescinded but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the Authority this
____ day of August, 2015.

By _____
SECRETARY
INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF DANVILLE, VIRGINIA



P.O. Box 191 • 628 Main Street
Danville, Virginia 24543-0191

August 19, 2016

Mr. T. Neal Morris, Chairman
Industrial Development Authority of Danville, VA
427 Patton Street – Suite 421
Danville, VA 24541

Re: Term Loan Commitment

Dear Chairman Morris:

American National Bank and Trust Company (hereafter the "Bank"), is pleased to offer the Industrial Development Authority of Danville, VA (the "Borrower") a term loan in an amount not to exceed \$500,000.00, (hereafter, the "loan") subject to the following terms and conditions:

BORROWER: The Industrial Development Authority of Danville, VA

PURPOSE:

Provide financing for lease hold improvements on the property located at 500 Stinson Drive., Danville, VA 24540 known as the AVRC building.

AMOUNT OF LOAN:

\$500,000.00 maximum.

INTEREST RATE:

Interest shall accrue at a fixed rate of four and one half percent (4.50%). Interest shall accrue on the basis of a 360 day year as applied to actual days.

COMMITMENT FEE:

\$2,500.00

REPAYMENT TERMS:

Principal and interest payments shall be due monthly based on a one hundred twenty (120) month amortization. Maturity date shall be sixty (60) months from the date of the note.

PREPAYMENT PENALTY:

None

GUARANTORS:

The City of Danville, VA shall provide a Moral Obligation Agreement, in form and substance acceptable to the Bank, in support of the repayment of the Loan.

COLLATERAL:

A Credit Line Deed of Trust and an assignment of all rents and leases on 500 Stinson Drive, Danville VA 24540. A first priority lien on all furniture, fixtures, and equipment now owned and here after acquired by borrower and located at 500 Stinson Drive, Danville, VA, all replacements and substitutions thereof, and proceeds thereof.

COVENANTS:

The borrower will maintain its primary banking relationship with American National Bank during the term of this loan.

CLOSING COSTS AND EXPENSES:

The Borrower shall pay all costs and expenses incurred by the Bank in connection with the Bank's review, due diligence and closing of the Loan, including any appraisal and attorneys' fees incurred by the Bank in connection with the negotiation and preparation of the loan documentation and the City of Danville Moral Obligation.

TITLE INSURANCE AND APPRAISAL:

The Loan is subject to Bank obtaining title insurance containing no title exceptions except those satisfactory to the Bank, insuring the Bank's Credit Line Deed of Trust against the Property and the Bank determining that the market value of the Property equals \$1,090,000.00. Market value is based on an existing appraisal in form and substance satisfactory to the Bank which satisfies all of the applicable regulations adopted by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency; and (b) an internal review by the Bank of the data, assumptions and conclusions found in the appraisal.

ENVIRONMENTAL AUDIT:

The loan is further subject to the Bank receiving an acceptable environmental report on the property. Depending on the type of property, this may be as simple as completion of a property history questionnaire and a search of public information databases. Please complete and return the attached Owners' Site Questionnaire. In order to minimize your costs, the Bank will analyze your completed Questionnaire and other available information of record to determine if further environmental due diligence is needed. There will be a \$100.00 charge to you for the records search report on each property. If at the sole discretion of the Bank, further environmental investigation or inspection is required, you will be so advised. Upon your authorization and at your expense, an acceptable report will be obtained from a qualified consultant acceptable to the Bank with respect to an investigation and audit of the Property, the scope of which will be defined by the Bank, demonstrating that the property is environmentally acceptable to the Bank.

HAZARD INSURANCE:

With respect to the real estate collateral herein, evidence satisfactory to the Bank of fire and casualty insurance in an amount not less than the full amount of the Loan (and flood insurance, if applicable) naming the Bank as a loss-payee thereunder with regard to such real estate.

With respect to the personal property or other collateral described herein referred to above, the Bank shall have received (i) casualty insurance policies on tangible personal property naming the Bank as a loss payee thereunder, and (ii) evidence satisfactory to the Bank as to the validity, enforceability and priority of the Bank's security interest therein, subject only to any prior liens as may be acceptable to the Bank in its sole discretion.

CONDITIONS TO FIRST ADVANCE:

Prior to the making by the Bank of the first advance to the Borrower, the following conditions precedent shall have occurred:

- The Bank shall have received, duly executed, all promissory notes, loan agreements, security agreements, financing statements, assignments, agreements, corporate resolutions, insurances and other documents and instruments necessary or advisable in connection with the loan, all of which shall be in form and substance satisfactory to the Bank and its counsel.

REPORTING REQUIREMENTS:

The Borrower will provide the Bank if requested:

- Annually, within one hundred twenty (120) days following the end of the Borrower's fiscal year, provide Audited Financial Statements for the preceding year, including all schedules.

REPRESENTATIONS AND WARRANTIES:

Borrower represents and warrants to the Bank that the loan documentation will contain those standard representations and warranties customarily found in credit agreements of this nature, and others appropriate to this transaction, including but not limited to the following:

- All information that has been furnished to the Bank prior to this commitment being issued is true and accurate and the Borrower has not failed to disclose any information of a material nature regarding its business or financial condition.
- All financial statements, certificates and other information furnished, or to be furnished, to the Bank are, or shall be, true and accurate; and neither the Borrower nor any person liable for repayment of this loan has failed to disclose any information that could materially affect its properties, business or financial condition.
- The Borrower is a political subdivision of the City of Danville, VA, validly existing and in good standing under the laws of the Commonwealth of Virginia, and is authorized to transact business in all necessary jurisdictions.
- This commitment, when accepted, and all documents and instruments to be executed and delivered to the Bank in connection with this commitment and the funding thereof, shall be duly authorized, valid, enforceable, and binding on the parties thereto, and shall not conflict with or constitute a breach of any other agreements or corporate documents of the Borrower.

- The conduct of Borrower's business operations do not and will not violate any federal laws, rules or ordinances for environmental protection, regulations of the Environmental Protection Agency and any applicable local or state law, rule, regulation or rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.
- There is no litigation or proceeding pending or threatened against the Borrower or any other party liable to the Bank for the repayment of this loan, which may, in any way, adversely affect the financial condition, operation or prospects of the Borrower or such person.

MATERIAL ADVERSE CHANGE:

This commitment may be terminated, in the sole discretion of the Bank, upon the occurrence of a material adverse change in the financial condition of the Borrower or any other person liable to the Bank for the repayment of this loan.

SURVIVAL:

The terms and provisions of this commitment shall survive the closing of the loan made hereunder, the delivery of all documents necessary to carry out the provision of this commitment, and the funding and making of loans and disbursements hereunder.

NON-ASSIGNABLE:

This commitment and the right of Borrower to receive loans hereunder may not be assigned by Borrower.

RELIANCE:

This commitment constitutes an offer by the Bank to the Borrower to make a loan on the terms and conditions set forth herein and should not be relied upon by any third party for any purpose.

AMENDMENT AND WAIVER:

No alteration, modification, amendment or waiver of any terms and conditions of this commitment, or of any of the documents required by or delivered to the Bank under this commitment, shall be effective or enforceable against the Bank unless set forth in a writing signed by the Bank.

GOVERNING LAW:

This commitment and the Loan shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Jurisdiction for any disputes relative to this agreement or any related instrument agreements or documents shall be resolved in the Circuit Court for the City of Danville, Virginia.

INTEGRATION:

The terms set forth above represent the entire understanding between the Borrower and the Bank 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 of this commitment.

If you find the terms and conditions of this commitment to be acceptable, please execute the enclosed copy of this letter and return it to the undersigned. If not accepted, this commitment shall expire on September 30, 2016.

We appreciate the opportunity to provide you with the financial services of American National Bank and Trust Company and look forward to a continuing mutually beneficial relationship.

Sincerely,



Ted R. Laws
Vice President

The foregoing terms and conditions are hereby understood, accepted and agreed to this 22nd day of AUGUST, 2016.

Borrowers:

Industrial Development Authority of Danville, VA

By:



T. Neal Morris, Chairman

PRESENTED: September 13, 2016

ADOPTED: September 13, 2016

RESOLUTION NO. 2016-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE BORROWING OF UP TO \$500,000 FROM AMERICAN NATIONAL BANK AND TRUST COMPANY TO MAKE IMPROVEMENTS TO THE FORMER AVRC BUILDING LOCATED AT 500 STINSON DRIVE.

WHEREAS, Overfinch North American, an enhancer of luxury sport utility vehicles, is locating at 500 Stinson Drive in the Cyber Park in the City of Danville, Virginia; and

WHEREAS, Overfinch North American, has requested certain improvements to the property located at 500 Stinson Drive in the Cyber Park in the City of Danville, Virginia; and

WHEREAS, the Industrial Development Authority intends to finance said improvement through a loan from American National Bank in the amount of \$500,000.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia, that it does hereby approve and authorize the borrowing of up to \$500,000 from American National Bank to make needed improvements in order to locate Overfinch North American to the former AVRC Building located at 500 Stinson Drive; 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 transactions.

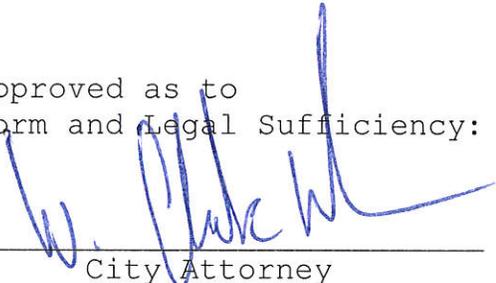
APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:



City Attorney



AMERICAN NATIONAL
Your Relationship Bank

P.O. Box 191 • 628 Main Street
Danville, Virginia 24543-0191

August 19, 2016

Mr. T. Neal Morris, Chairman
Industrial Development Authority of Danville, VA
427 Patton Street – Suite 421
Danville, VA 24541

Re: Term Loan Commitment

Dear Chairman Morris:

American National Bank and Trust Company (hereafter the "Bank"), is pleased to offer the Industrial Development Authority of Danville, VA (the "Borrower") a term loan in an amount not to exceed \$500,000.00, (hereafter, the "loan") subject to the following terms and conditions:

BORROWER: The Industrial Development Authority of Danville, VA

PURPOSE:

Provide financing for lease hold improvements on the property located at 500 Stinson Drive., Danville, VA 24540 known as the AVRC building.

AMOUNT OF LOAN:

\$500,000.00 maximum.

INTEREST RATE:

Interest shall accrue at a fixed rate of four and one half percent (4.50%). Interest shall accrue on the basis of a 360 day year as applied to actual days.

COMMITMENT FEE:

\$2,500.00

REPAYMENT TERMS:

Principal and interest payments shall be due monthly based on a one hundred twenty (120) month amortization. Maturity date shall be sixty (60) months from the date of the note.

PREPAYMENT PENALTY:

None

GUARANTORS:

The City of Danville, VA shall provide a Moral Obligation Agreement, in form and substance acceptable to the Bank, in support of the repayment of the Loan.

COLLATERAL:

A Credit Line Deed of Trust and an assignment of all rents and leases on 500 Stinson Drive, Danville VA 24540. A first priority lien on all furniture, fixtures, and equipment now owned and here after acquired by borrower and located at 500 Stinson Drive, Danville, VA, all replacements and substitutions thereof, and proceeds thereof.

COVENANTS:

The borrower will maintain its primary banking relationship with American National Bank during the term of this loan.

CLOSING COSTS AND EXPENSES:

The Borrower shall pay all costs and expenses incurred by the Bank in connection with the Bank's review, due diligence and closing of the Loan, including any appraisal and attorneys' fees incurred by the Bank in connection with the negotiation and preparation of the loan documentation and the City of Danville Moral Obligation.

TITLE INSURANCE AND APPRAISAL:

The Loan is subject to Bank obtaining title insurance containing no title exceptions except those satisfactory to the Bank, insuring the Bank's Credit Line Deed of Trust against the Property and the Bank determining that the market value of the Property equals \$1,090,000.00. Market value is based on an existing appraisal in form and substance satisfactory to the Bank which satisfies all of the applicable regulations adopted by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency; and (b) an internal review by the Bank of the data, assumptions and conclusions found in the appraisal.

ENVIRONMENTAL AUDIT:

The loan is further subject to the Bank receiving an acceptable environmental report on the property. Depending on the type of property, this may be as simple as completion of a property history questionnaire and a search of public information databases. Please complete and return the attached Owners' Site Questionnaire. In order to minimize your costs, the Bank will analyze your completed Questionnaire and other available information of record to determine if further environmental due diligence is needed. There will be a \$100.00 charge to you for the records search report on each property. If at the sole discretion of the Bank, further environmental investigation or inspection is required, you will be so advised. Upon your authorization and at your expense, an acceptable report will be obtained from a qualified consultant acceptable to the Bank with respect to an investigation and audit of the Property, the scope of which will be defined by the Bank, demonstrating that the property is environmentally acceptable to the Bank.

HAZARD INSURANCE:

With respect to the real estate collateral herein, evidence satisfactory to the Bank of fire and casualty insurance in an amount not less than the full amount of the Loan (and flood insurance, if applicable) naming the Bank as a loss-payee thereunder with regard to such real estate.

With respect to the personal property or other collateral described herein referred to above, the Bank shall have received (i) casualty insurance policies on tangible personal property naming the Bank as a loss payee thereunder, and (ii) evidence satisfactory to the Bank as to the validity, enforceability and priority of the Bank's security interest therein, subject only to any prior liens as may be acceptable to the Bank in its sole discretion.

CONDITIONS TO FIRST ADVANCE:

Prior to the making by the Bank of the first advance to the Borrower, the following conditions precedent shall have occurred:

- The Bank shall have received, duly executed, all promissory notes, loan agreements, security agreements, financing statements, assignments, agreements, corporate resolutions, insurances and other documents and instruments necessary or advisable in connection with the loan, all of which shall be in form and substance satisfactory to the Bank and its counsel.

REPORTING REQUIREMENTS:

The Borrower will provide the Bank if requested:

- Annually, within one hundred twenty (120) days following the end of the Borrower's fiscal year, provide Audited Financial Statements for the preceding year, including all schedules.

REPRESENTATIONS AND WARRANTIES:

Borrower represents and warrants to the Bank that the loan documentation will contain those standard representations and warranties customarily found in credit agreements of this nature, and others appropriate to this transaction, including but not limited to the following:

- All information that has been furnished to the Bank prior to this commitment being issued is true and accurate and the Borrower has not failed to disclose any information of a material nature regarding its business or financial condition.
- All financial statements, certificates and other information furnished, or to be furnished, to the Bank are, or shall be, true and accurate; and neither the Borrower nor any person liable for repayment of this loan has failed to disclose any information that could materially affect its properties, business or financial condition.
- The Borrower is a political subdivision of the City of Danville, VA, validly existing and in good standing under the laws of the Commonwealth of Virginia, and is authorized to transact business in all necessary jurisdictions.
- This commitment, when accepted, and all documents and instruments to be executed and delivered to the Bank in connection with this commitment and the funding thereof, shall be duly authorized, valid, enforceable, and binding on the parties thereto, and shall not conflict with or constitute a breach of any other agreements or corporate documents of the Borrower.

- The conduct of Borrower's business operations do not and will not violate any federal laws, rules or ordinances for environmental protection, regulations of the Environmental Protection Agency and any applicable local or state law, rule, regulation or rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.
- There is no litigation or proceeding pending or threatened against the Borrower or any other party liable to the Bank for the repayment of this loan, which may, in any way, adversely affect the financial condition, operation or prospects of the Borrower or such person.

MATERIAL ADVERSE CHANGE:

This commitment may be terminated, in the sole discretion of the Bank, upon the occurrence of a material adverse change in the financial condition of the Borrower or any other person liable to the Bank for the repayment of this loan.

SURVIVAL:

The terms and provisions of this commitment shall survive the closing of the loan made hereunder, the delivery of all documents necessary to carry out the provision of this commitment, and the funding and making of loans and disbursements hereunder.

NON-ASSIGNABLE:

This commitment and the right of Borrower to receive loans hereunder may not be assigned by Borrower.

RELIANCE:

This commitment constitutes an offer by the Bank to the Borrower to make a loan on the terms and conditions set forth herein and should not be relied upon by any third party for any purpose.

AMENDMENT AND WAIVER:

No alteration, modification, amendment or waiver of any terms and conditions of this commitment, or of any of the documents required by or delivered to the Bank under this commitment, shall be effective or enforceable against the Bank unless set forth in a writing signed by the Bank.

GOVERNING LAW:

This commitment and the Loan shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Jurisdiction for any disputes relative to this agreement or any related instrument agreements or documents shall be resolved in the Circuit Court for the City of Danville, Virginia.

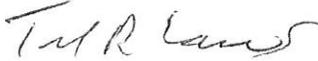
INTEGRATION:

The terms set forth above represent the entire understanding between the Borrower and the Bank 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 of this commitment.

If you find the terms and conditions of this commitment to be acceptable, please execute the enclosed copy of this letter and return it to the undersigned. If not accepted, this commitment shall expire on September 30, 2016.

We appreciate the opportunity to provide you with the financial services of American National Bank and Trust Company and look forward to a continuing mutually beneficial relationship.

Sincerely,



Ted R. Laws
Vice President

The foregoing terms and conditions are hereby understood, accepted and agreed to this 22nd day of AUGUST, 2016.

Borrowers:

Industrial Development Authority of Danville, VA

By: 
T. Neal Morris, Chairman