



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

*Pittsylvania County Administration Building; Administrative Conference Room;
1 Center Street, Chatham, Virginia 24531*

IDA BOARD MEETING PACKET

REGULAR MEETING
TUESDAY, NOVEMBER 13, 2018
6:00 P.M.

Eddie L. Hite, Jr., Chairman
Charlie Mahan, Vice-Chairman
Stanley Simpson, Secretary/Treas.
Ron McMahan
Randy Anderson
Ronnie Haymore
Joey Faucette



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

MEETING

TUESDAY, NOVEMBER 13, 2018; 6:00 P.M.; COUNTY ADMINISTRATION BUILDING; COUNTY ADMINISTRATOR CONFERENCE ROOM; 1 CENTER STREET, CHATHAM, VIRGINIA 24531

AGENDA

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA – *page 1*
- IV. APPROVAL OF MEETING MINUTES – *pages 2-5*
- V. REVIEW OF FINANCIAL STATEMENTS (*October and November 2018*) – *pages 6-8*
 - A. BB&T Regular Checking
 - B. ANB Axxor Debt Reserve
 - C. ANB Loan (*Axxor*)
 - D. ANB Loan (*Intertape*)
- VI. NEW BUSINESS
 - A. Lease Revenue Bond Update (*Kim VanDerHyde*) – *pages 9-13*
 - B. Discussion of Panecea Biomatx, Inc., Upfit Charges (*Kim VanDerHyde*) – *pages 14-16*
 - C. Ratify Axxor NA, LLC Subordination Non-Disturbance and Attornment Agreement and Estoppel Certificate (*Hunt*) – *pages 17-26*
- VII. ECONOMIC DEVELOPMENT UPDATE (*Rowe*)
- VIII. MATTERS FROM THE BOARD
- XI. ADJOURN

IV.
Approval of IDA
Meeting Minutes
(September 11, 2018)



**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**

**TUESDAY, SEPTEMBER 11, 2018; 6:00 P.M.; COUNTY ADMINISTRATION BUILDING;
ADMINISTRATIVE CONFERENCE ROOM; 1 CENTER STREET; CHATHAM, VIRGINIA,
24531**

MEETING MINUTES

IDA Members Present:

Eddie L. Hite, Jr. (Chairman)
Stanley Simpson (Sec./Treas.)
Charlie Mahan
Ronnie Haymore
Randy Anderson
Ron McMahan

Staff Present:

Brenda O. Robertson (IDA Clerk/Legal Secretary)
Matthew D. Rowe (Economic Development Director)
J. Vaden Hunt, Esq. (IDA Attorney/County Attorney)

I. Call to Order:

Mr. Hite called Meeting to Order at 6:00 P.M.

II. Roll Call:

Roll call by Ms. Robertson. Dr. Faucette absent.

III. Approval of Agenda:

Motion by Mr. Haymore, seconded by Mr. Anderson, to approve Agenda. Motion carried unanimously by members present.

IV. Approval of Meeting Minutes (IDA August 14, 2018, Regular Meeting):

Motion by Mr. Anderson, seconded by Mr. Mahan, to approve August 14, 2018, Regular Meeting Minutes. Motion carried unanimously by members present.

V. Review of Financial Statements (September 2018):

A. Regular Checking

IDA Regular Checking Account balance as of September 7, 2018, was \$249,124.03.

B. Axxor Debt Reserve

Axxor Debt Reserve Account ANB balance as of September 7, 2018, was \$444,983.00.

C. ANB Loan (Axxor)

ANB Loan Account (Axxor) balance as of September 7, was \$1,449,365.14.

D. ANB Loan (*Intertape*)

ANB Loan Account (*Intertape*) balance as of September 7, 2018, was \$3,405,049.92.

VI. New Business:

A. Discussion of IDA Meeting Location:

The IDA Board members present, and Mr. Rowe, discussed the confidentiality and sensitivity of unannounced industries desiring to locate in Pittsylvania County, and it would be in the best interest not to have the meetings on video recordings. The minutes of the IDA meeting will be posted on the County's website for transparency. Motion by Mr. Haymore, seconded by Mr. Anderson, to have future meetings in the Administrative conference room. Roll Call Vote: Mr. Hite-Yes, Mr. Mahan-Yes, Mr. Simpson-Yes, Mr. McMahan-Yes, Mr. Anderson-Yes, and Mr. Haymore-Yes. Motion carried unanimously by members present.

B. Ratify Execution of Intertape Landlord Agreement:

Motion by Haymore, seconded by Mr. McMahan, to approve and ratify *Intertape* Landlord Agreement executed by Chairman. Roll Call Vote: Mr. Hite-Yes, Mr. Mahan-Yes, Mr. Simpson-Yes, McMahan-Yes, Mr. Anderson-Yes, and Mr. Haymore-Yes. Motion carried unanimously by members present.

VII. Closed Session:

Motion by Mr. Mahan, seconded by Mr. McMahan, to enter Closed Session at 6:15 P.M.

- A. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community

Legal Authority: Virginia Code § 2.2-3711(A)(5)

Subject Matter: Project Med

Purpose: Discussion of Potential Performance Agreement and General Economic Development Update

VIII. Return to Open Session and Closed Session Certification:

Motion by Mr. Anderson, seconded by Mr. McMahan, to return to Open Session. Hite entered Open Session at 6:17 P.M.

The following Roll Call Vote of the IDA was recorded: Mr. Hite-Yes, Mr. Mahan-Yes, Mr. Simpson-Yes, McMahan-Yes, Mr. Anderson-Yes, and Mr. Haymore-Yes. Mr. Anderson's motion was unanimously approved by the IDA Board members present.

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
CLOSED MEETING CERTIFICATION**

BE IT RESOLVED that at the Meeting of the Pittsylvania County Industrial Development Authority on Tuesday, September 11, 2018 the IDA Board members hereby certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. If any member believes that there was a departure from the requirements of the Code, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the IDA's minutes.

	<u>Vote</u>
Eddie L. Hite, Jr., Chairman	Yes
Charlie Mahan, Vice-Chairman	Yes
Stanley Simpson, Secretary/Treas.	Yes
Randy Anderson	Yes
Ron McMahon	Yes
Ronnie Haymore	Yes
Joey Faucette	Absent

IX. Matters from IDA Board Members:

None.

X. Adjourn:

With there being no further business, motion by Mr. Mahan, second by Mr. Anderson to adjourn meeting. Motion carried unanimously by members present. Hite adjourned meeting at 6:25 P.M.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Sec./Treas.

Eddie L. Hite, Jr., Chairman

V. (A-D)
Review of Financial
Statements
(October and November 2018)

V.

Review of Financial Statements

ACCOUNT	BALANCE
<i>October 2018</i>	
A. IDA Regular Checking Account	\$247,584.18
B. Axxor Debt Reserve Account	\$441,057.00
C. Axxor ANB Loan	\$1,443,355.34
D. Intertape ANB Loan	\$3,385,914.77

V.

Review of Financial Statements

ACCOUNT	BALANCE
<i>November 2018</i>	
A. IDA Regular Checking Account	\$397,172.10
B. Axxor Debt Reserve Account	\$461,095.05
C. Axxor ANB Loan	\$1,437,521.41
D. Intertape ANB Loan	\$3,367,094.01

VI. (A and B) New Business

A. Lease Revenue Bond Update

*B. Panacea Biomatx, Inc. Upfit Charges
(Kim VanDerHyde)*

Master Lease Financing Program
Equipment Descriptions

1.) Landfill Equipment Needs:	
a. 30-yard articulating off road truck	\$ 400,000
b. Track loader to fill off road truck	200,000
c. Bulldozer for Landfill cover	<u>280,000</u>
	\$ 880,000
2.) 135-ton centrifugal water-cooled chiller for the Courthouse	\$ 250,000
3.) Library Needs:	
a. Purchase of Building for use as the Mt. Hermon Library Branch	\$ 475,000
b. Improvement to convert building to a library	<u>150,000</u>
	\$ 625,000
4.) Economic Development Needs:	
a. Purchase and up-fit a 12,000-sq. ft. industrial facility located in Ringgold VA	\$1,050,000
b. Local match for a grant to provide a pad ready site (approx. 80 Acres) for a company locating in the Berry Hill Industrial Park. The estimated total cost of this project is \$5,615,625. The county's share will be \$1.1 million, the City of Danville's share will be \$1.1 million and the remainder will come from the Tobacco Indemnification and Revitalization Commission.	<u>\$1,100,000</u>
TOTAL COUNTY NEEDS	\$3,905,000

Master Lease Financing Program
Actual Expenditures and Categorical Changes

Library Costs:

a.) Actual cost to purchase Mt Hermon Library Branch	\$469,725.05
b.) Improvement to convert building to a library	<u>78,941.31</u>
TOTAL ACTUAL LIBRARY COSTS	\$548,666.36
AMOUNT ALLOTTED	<u>\$625,000.00</u>
AMOUNT ALLOCATED TO LANDFILL EQUIP	\$ 76,333.64

135-ton centrifugal water-cooled chiller for the Courthouse	<u>\$162,642.00</u>
TOTAL ACTUAL CHILLER COSTS	\$162,642.00
AMOUNT ALLOTTED	<u>\$250,000.00</u>
AMOUNT ALLOCATED TO LANDFILL EQUIP	\$ 87,358.00

Landfill Equipment Costs (to date):

a.) Used Caterpillar D6N bulldozer	\$217,500.00
b.) 1999 Caterpillar Pan Scraper 627F	\$285,000.00
c.) Grappler Truck-2020 Freightliner M2-106 (Currently on Order)	\$129,987.00
d.) Roll Off Truck 2020 Freightliner 114SD (Currently on Order)	\$146,838.00
e.) Extended Warranties on Grappler Truck and Roll Off Truck (Encumbered)	<u>\$ 10,110.00</u>
TOTAL ACTUAL LANDFILL EQUIP COSTS	\$789,435.00
AMOUNT ALLOTTED	\$880,000.00
AMOUNT RE-ALLOCATED FROM CLOSING	\$ 1,663.19
AMOUNT RE-ALLOCATED FROM ABOVE	<u>\$163,691.64</u>
AMOUNT REMAINING FOR FUTURE NEEDS	\$255,919.83

Economic Development Costs:

a.) Purchase and up-fit a 12,000-sq. ft. industrial facility located in Ringgold VA	\$906,463.00
b.) Upfit Costs	<u>\$284,455.00</u>
TOTAL ACTUAL COSTS	\$1,190,918.00
AMOUNT ALLOTTED	\$1,050,000.00
AMOUNT RE-ALLOCATED FROM CLOSING	\$ 173.41
AMOUNT OF COUNTY CONTRIBUTION	\$ 6,289.59
AMOUNT OF PANACEA'S CONTRIBUTION	<u>\$ 134,455.00</u>
BALANCE REMAINING	\$ 0.00

INDUSTRIAL DEV AUTH OF PITTSYLVANIA COUNTY 02/95
 PO BOX 428
 CHATHAM, VA 24531

DATE 10-23-2018

	DOLLARS	CENTS
CURRENCY		
COIN		
LIST EACH CHECK		
1	143	710.41
2	6	289.59
3		
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8		
9		
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11		
12		
13		
14		
15		
16		

156,000.00



BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.com

USE ROUTING NUMBER FROM YOUR CHECKS FOR AUTOMATIC PAYMENTS. CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT.

150,000.00

20181023 63048 030
 #XXXXXXXXXXXXXXXXXXXX030
 \$ 150,000.00
 10/23/18
 DUPLICATE DEPOSIT

PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

TOTAL ITEMS 2

Handwritten signature

CHECKS AND OTHER ITEMS ARE RECEIVED ON THE CONDITION THAT THE DEPOSITOR UNDERSTANDS AND AGREES TO THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT.

68-426/514

Panaceutics Nutrition LLC

P.O. Box 110263
Research Triangle Park, NC 27709

BB&T
BRANCH BANKING AND TRUST COMPANY
NORTH CAROLINA
66-112/531

EZShield™ Check Fraud
Protection for Business

11/01/2018

PAY TO THE
ORDER OF

Pittsylvania County Industrial Development Authority

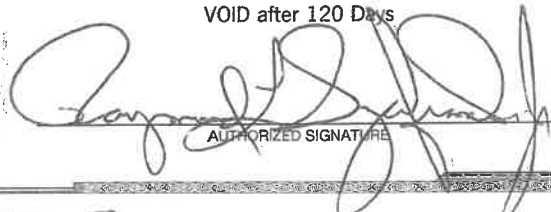
\$
**134,455.00

DOLLARS

One hundred thirty-four thousand four hundred fifty-five and 00/100*****

Pittsylvania County Industrial Development Authority
PO Box 426
Chatam, VA 24531

VOID after 120 Days



AUTHORIZED SIGNATURE

MEMO



Security features. Details on back.



Panaceutics Nutrition LLC

11/01/2018

Pittsylvania County Industrial Development Authority

Date	Type	Reference	Original Amount	Balance Due	Payment
11/01/2018	Bill	20181101	134,455.00	134,455.00	134,455.00
			Check Amount		134,455.00

BB&T Checking

134,455.00

Blair Construction, Inc.

Route 29 South
Gretna, Virginia 24557
Phone: (434) 656-6243
Fax: (434) 656-3290

BLAIR
CONSTRUCTION
www.blairbuildsbetter.com
Mailing:
P.O. Box 612
Gretna, Virginia 24557

May 01, 2018

Mr. Michael Druga
President & CEO
SinnovaTek
2609 Discovery Drive Suite 115
Raleigh, NC 27616

Re: Panacea Danville

Dear Mr. Druga,

Blair Construction, Inc. is pleased to provide a quote of \$284,455 to renovate the existing Dan River Plants facility to create a new lab space for Panacea per the attached drawing and following guideline specifications.

General Requirements

- Job site supervision
- Building permit acquisition
- Provide plans for permit and code review
- Jobsite cleanup
- Final cleaning

Demolition

- Remove existing doors and frames as shows per plan
- Cut openings for new doors or enlarge existing door openings as shown

Concrete

- Saw cut and remove approximately 175 linear feet of concrete flooring from main sanitary sewer line crossing Hot Fill Room [21] and Packaging [20] to new floor drains plan north and south of this main line and branches to sink in gowning area and rough in at center of QA Room [13] on wall bordering Test Kitchen [11]
- Dowel into existing flooring and pour back concrete slab at trench to match flush with existing floor

Doors and Windows

- (1) 4'x4' pass through window
- (7) 3'x7' Interior FRP doors, hollow metal frames, and hardware
- (2) 6'x8' Interior FRP doors, hollow metal frames, and hardware
- (3) 6'x8' Interior hollow metal doors, frames, and hardware
- (2) Trilogy card reader battery operated locksets as noted on drawings for doors entering Gowning [10] and Approved Storage Area [28]
- (1) Door to be an exit only and operable only from within Gowning, as shown
- (1) Door to be an exit only and operable only from within Test Kitchen, as shown

Finishes

- New walls to be 3-5/8" metal stud, fully insulated with sound batt, and sheeted with 5/8" gypsum wall board both sides to bottom of existing ACT ceiling and finished at level four
- Walls to be painted with epoxy paint in rooms noted per finish schedule
- New walls, if room is not noted per finish schedule, are to be painted to match existing
- Approved Storage Area flooring to be Armstrong Medintech sheet vinyl with 4" integral base
- All other rooms noted per finish schedule to have epoxy floor system turned up onto wall to create 4" epoxy cove base (no product specified)

Specialties

- Install approximately 20 linear feet of 6' tall chain link fence with one 8' wide pair of access gates

Plumbing

- Install (21) stainless steel floor drains as requested by owner
- Install one wall mounted lavatory in gowning area
- Install rough in for future sink in QA Room 13

HVAC

- Relocate branch lines and registers to match new room layout extending branch lines as needed
- Provide and install a roof mounted fan capable of handling 300 CFM exhaust air and connect duct from roof to ceiling mounted grille
- Relocate existing walk-in cooler as indicated per drawings
- All ductwork fabricated and installed according to SMACNA standards
- Supply and return ductwork located above ceiling shall be insulated with fiberglass insulation
- *NOTE: Temperatures are not guaranteed due to the reuse of existing mechanical equipment that was not designed and is not supplemented to handle the additional heat load of the new owner installed equipment.*

Electrical

- Install 400A, 480V panel to serve the new equipment requirements
- Install 225KVA, 480-120/208V transformer
- Install 600A circuit breaker in the existing 1,200A panelboard to serve the new 400A panel
- Install breakers to (4) 60A, 480V pieces of equipment and (3) 20A, 480V pieces of equipment
- Rework light fixtures and switching as required to accommodate the new layout
- Install 20A duplex receptacles in new walls and a future counter
- *NOTE: The existing electric service is 1,200A, 120/208V, 3 phase and should be adequate for the specified equipment connections above, but will need to be verified. Any future expansion loads will require the service being upgraded.*

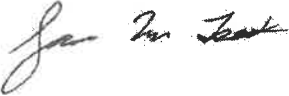
Exclusions:

- Any work not listed above is excluded
- Bonding is not included
- Power to owner provided equipment
- Communications wiring by owner

- Clean room HVAC filtration system is not existing or included in this proposal

Blair appreciates that opportunity to work with you on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Trent". The signature is written in a cursive, flowing style.

Michael Trent
Project Manager
Blair Construction Inc.

VI. (C)

New Business

C. Ratify Axxor NA, LLC, Subordination Non-Disturbance and Attornment Agreement and Estoppel Certificate (Hunt)

WHEN RECORDED MAIL TO:

**AMERICAN NATIONAL BANK AND TRUST COMPANY, Main Office, 628 Main Street, PO Box 191,
Danville, VA 24541**

Tax Map Reference No(s): **2348-40-5437**

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NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE COLLATERAL BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT AND ESTOPPEL CERTIFICATE

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT dated October 25, 2018 ("Agreement"), is made and executed among Industrial Development Authority of Pittsylvania County, Virginia, whose address is PO Box 426, Chatham, VA 24531-0426 ("Landlord"); Axxor N.A., LLC, whose address is _____ ("Tenant"); and AMERICAN NATIONAL BANK AND TRUST COMPANY, Main Office, 628 Main Street, PO Box 191, Danville, VA 24541 ("Lender").

SUBORDINATED LEASE. Tenant and Landlord have executed a lease dated September 4, 2017 of the property described herein (the "Lease").

REAL PROPERTY DESCRIPTION. The Lease covers 2275 Cane Creek Parkway, Ringgold VA 24586 of the following described real property (the "Real Property") located in Pittsylvania County, Commonwealth of Virginia:

See Schedule "A", which is attached to this Agreement and made a part of this Agreement as if fully set forth herein.

The Real Property or its address is commonly known as 2275 Cane Creek Pkwy, Ringgold, VA 24586. The Real Property Tax Map Reference No(s) is/are 2348-40-5437.

SUPERIOR INDEBTEDNESS. Lender has extended or has agreed to extend the following described financial accommodations to Axxor N.A., LLC, secured by the Real Property (the "Superior Indebtedness"):

Commercial Loan Dated October 25, 2018.

LENDER'S LIEN. The Superior Indebtedness is or will be secured by the Real Property and evidenced by a deed of trust, dated October 25, 2018, from Landlord to Lender (the "Lender's Lien"). As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Lease and all of Tenant's rights in the Real Property ("Lease Rights").

REQUESTED FINANCIAL ACCOMMODATIONS. Landlord and Tenant each want Lender to provide financial accommodations to Axxor N.A., LLC in the form of the Superior Indebtedness. Landlord and Tenant each represent and acknowledge to Lender that Landlord and Tenant will benefit as a result of

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT

Loan No: 5001234516

(Continued)

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these financial accommodations from Lender to Axxor N.A., LLC, and Landlord and Tenant acknowledge receipt of valuable consideration for entering into this Agreement.

IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY AND RECEIPT OF WHICH ARE HEREBY ACKNOWLEDGED, LENDER, LANDLORD, AND TENANT HEREBY AGREE AS FOLLOWS:

ESTOPPEL CERTIFICATE. Tenant hereby certifies to and agrees with Lender that as of the date of this Agreement, Lender is relying on all of the following certifications and agreements of Tenant as consideration for Lender executing this Agreement:

- (A) The Lease is in full force and effect and is the valid and binding obligation of Tenant, enforceable in accordance with its terms.
- (B) All requirements for the commencement and validity of the Lease have been satisfied.
- (C) Neither Tenant nor Landlord is in default under the Lease and no event has occurred and no condition exists, which with the giving of notice, the passage of time, or both, would constitute a default by Tenant or Landlord under the Lease.
- (D) There are no defenses, counterclaims or setoffs against rents or charges due or which may become due under the Lease and no claim by Tenant of any nature exists against Landlord under the Lease. All obligations of Landlord have been fully performed.
- (E) None of the rent, which Tenant is required to pay under the Lease, has been prepaid, or will in the future be prepaid, more than one month in advance.
- (F) The Lease shall not after the date of this Agreement be modified, terminated, or amended, without the prior written consent of Lender for any termination and each such amendment or modification. Any attempted modification, termination, or amendment without the prior written consent of Lender shall be void.
- (G) Tenant has not assigned, mortgaged, sublet, encumbered or otherwise transferred any or all of its interest under the Lease and, during the term of the Loan, agrees to not assign, mortgage, sublet, encumber, or otherwise transfer any or all of its interest under the Lease without the prior written consent of Lender.

SUBORDINATION. Notwithstanding anything in the Lease to the contrary, the parties acknowledge and agree that the Lease and Lease Rights are and shall be subject and subordinate in right, interest and lien, and for all purposes, to Lender's Lien, and to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any subsequent lien of the Lender with which Lender's Lien may be spread or consolidated, to the full extent of the principal sum and all other amounts secured thereby and interest thereon. Tenant will not cause the Lease to be subordinated to any interests other than those held by or made for the benefit of Lender, and its successors and assigns, without the prior written consent of Lender.

NON-DISTURBANCE. So long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default of the Loan under the Note and/or under Lender's Lien unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Loan No: 5001234516

(Continued)

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adversely affect Tenant's rights under the Lease or this Agreement in such action. If the Lease has not been terminated, then, when Lender succeeds to the interest of Landlord, the Lender shall not terminate or disturb Tenant's possession of Tenant's premises under the Lease, except in accordance with the terms of the Lease and this Agreement.

ATTORNMENT. If Lender shall succeed to the interest of the Landlord under the Lease, and the Lease shall not have expired or been terminated in accordance with the terms of the Lease or this Agreement, Tenant shall, from and after such event, attorn to Lender, all rights and obligations under the Lease to continue as though the interest of Landlord had not terminated. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Lender, any instrument or certificate which, in the sole judgment of Lender, may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment.

NO LIABILITY FOR LENDER. Lender in the event of attornment shall have the same remedies in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of annual base rent or additional rent or in the performance of any of the terms, covenants, and conditions of the Lease on Tenant's part to be performed that are available to Landlord under the Lease. Tenant shall have the same remedies against Lender for the breach of an agreement contained in the Lease that Tenant might have had against Landlord if Lender had not succeeded to the interest of Landlord; provided, however, that Lender shall not be:

- (A) Liable for any act or omission of or any claims against any prior landlord, including Landlord; or
- (B) Subject to any offsets or defenses which Tenant might have against any prior landlord, including Landlord; or
- (C) Bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord, including Landlord; or
- (D) Bound by any amendment or modification of the Lease, or waiver of any of its terms, made without its consent; or
- (E) Liable for any sum that any prior landlord, including Landlord, owed to Tenant, including without limitation any security deposit, unless the amount owed was actually delivered to Lender; or
- (F) Bound by any surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant; or
- (G) Liable for any construction obligation of any prior landlord, including Landlord; or
- (H) Liable for any breach of representation or warranty of any prior landlord, including Landlord.

NEW LEASE. If Lender shall succeed to the interest of the Landlord under the Lease, upon the written request of Lender to Tenant, Tenant shall execute and deliver to Lender a lease of the Real Property upon the same terms and conditions as the Lease between Landlord and Tenant, which lease shall cover any unexpired term of the Lease existing prior to such transfer.

ACKNOWLEDGMENT AND AGREEMENT BY LANDLORD. Landlord, as landlord under the Lease, acknowledges and agrees for itself and its heirs, successors and assigns to each of the following:

- (A) This Agreement does not in any way release Landlord from its obligations to comply with the

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT

Loan No: 5001234516

(Continued)

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terms, provisions, conditions, covenants, agreements and clauses of the Note, Lender's Lien or any other documents executed in connection with the Loan.

(B) In the event of a default under the Note, or any of the other documents executed in connection with the Loan, Landlord hereby consents to Tenant's attornment to Lender and, upon such event, Tenant shall pay all rent and all other sums due under the Lease to Lender as provided in the Lease.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Landlord also will pay any court costs, in addition to all other sums provided by law.

Authority. Any person who signs this Agreement on behalf of Landlord and Tenant represents and warrants that he or she has authority to execute this Agreement.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Counterparts. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Virginia without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the Commonwealth of Virginia.

Choice of Venue. If there is a lawsuit, Landlord agrees upon Lender's request to submit to the jurisdiction of the applicable courts for the City of Danville, Commonwealth of Virginia.

Notices. Any notice required to be given under this Agreement shall be given in writing, and, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT

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address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing among Lender, Landlord, and Tenant shall constitute a waiver of any of Lender's rights or of any of Landlord's and/or Tenant's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS. THIS AGREEMENT IS DATED OCTOBER 25, 2018.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

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LANDLORD:

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA
COUNTY, VIRGINIA

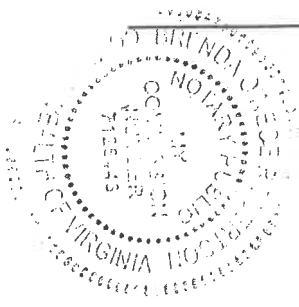
By: Eddie L Hite Jr. (Seal)
Eddie L Hite Jr, Chairman of Industrial Development
Authority of Pittsylvania County, Virginia

ASSOCIATION ACKNOWLEDGMENT

STATE OF Virginia)
) SS
COUNTY OF Pittsylvania)

On this 29th day of October, 20 18, before me, the undersigned Notary Public, personally appeared **Eddie L Hite Jr, Chairman of Industrial Development Authority of Pittsylvania County, Virginia**, and known to me to be an officer or designated agent of the association that executed the Subordination, Non-Disturbance and Attornment Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the association, by authority of its Bylaws or by resolution of its governing body, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Agreement and in fact executed the Agreement on behalf of the association.

By Brenda O. Robertson Residing at Pittsylvania County
Notary Public in and for The Commonwealth of Virginia at Largo my commission expires May 31, 2019
Brenda O'Nece Robertson
NOTARY PUBLIC
Commonwealth of Virginia
My Commission Expires 5/31/2019
My registration number is 7128443



SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

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LENDER:

AMERICAN NATIONAL BANK AND TRUST COMPANY

X _____ (Seal)
Ted R Laws, Senior Vice President

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 20 _____, before me, the undersigned Notary Public, personally appeared **Ted R Laws** and known to me to be the **Senior Vice President**, authorized agent for **AMERICAN NATIONAL BANK AND TRUST COMPANY** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **AMERICAN NATIONAL BANK AND TRUST COMPANY**, duly authorized by **AMERICAN NATIONAL BANK AND TRUST COMPANY** through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of **AMERICAN NATIONAL BANK AND TRUST COMPANY**.

By _____ Residing at _____
Notary Public in and for _____ My commission expires _____
My registration number is _____

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TENANT:

AXXOR N.A., LLC

VEDAN CONSULTING, LLC, Member of Axxor N.A., LLC

By: _____ (Seal)
Robert F Boerrigter, Member/Manager of Vedan
Consulting, LLC

AXXION N.A., CORPORATION, Member of Axxor N.A., LLC

By: _____ (Seal)
Wieger Wiegersma, President of Axxion N.A.,
Corporation

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 20 _____, before me, the undersigned Notary Public, personally appeared **Robert F Boerrigter, Member/Manager of Vedan Consulting, LLC, Member of Axxor N.A., LLC and Wieger Wieggersma, President of Axxion N.A., Corporation, Member of Axxor N.A., LLC**, and known to me to be members or designated agents of the limited liability company that executed the Subordination, Non-Disturbance and Attornment Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the limited liability company.

By _____ Residing at _____
Notary Public in and for _____ My commission expires _____
My registration number is _____