

Town Council: Brandon Brockmeier, Ray Burger, Cynthia Holdren, Joy Marino, Sarah Nock and Maphis Oswald
Mayor: Fletcher Fosque | **Town Manager:** Matt Spuck

Town of Onancock

Economic Development Authority Meeting

January 16, at 6:00 p.m.

Agenda

1. Call to order and roll call.
2. Approval of meeting minutes:
 - a. December 19, 2023, Minutes.
3. Public Hearings:
 - a. None scheduled.
4. Public Presentation:
 - a. None scheduled.
5. Authority discussion:
 - a. Loan document.
 - b. Transaction workflow.
6. Authority action:
 - a. Motion to sign the loan document.
7. Public Comment
8. Town Manager's Report:
 - a. Existing projects update
 - i. No OEDA projects
 - b. New opportunities
 - i. None pursued.
9. Board member comments
10. Adjourn

Town of Onancock
Economic Development Authority Meeting
December 19, 2023 6:00pm

Call to Order and Roll Call

Katie Schwab, Chairperson, called the meeting to order at the Town Hall at 6:06pm. EDA members recorded present were Jake Dillon, Bill Chandler, Rosemary Paparo, Joy Marino and Stephen Johnsen. Matt Spuck, Town Manager, attended remotely.

Approval of Meeting Minutes:

Bill Chandler made a motion to approve October 17, 2023 revised minutes. Jake Dillon seconded. Minutes were unanimously approved.

Discussion of Bylaws:

Eric Gregory, Town Attorney, sent by email the proposed EDA bylaws.

Proposed:

- EDA attorney appointment
- Treasury appointment

Deliberated:

- Meeting schedule of monthly meeting or bimonthly.
- Statement of Economic Interest form.
- Secretary responsibilities.

Bill Chandler made a motion to adopt the bylaws. Joy Marino seconded.

Decided:

- Statement of Economic Interest form will be referred to Town Attorney for legal interpretation.
- Agenda will be prepared by Secretary in consultation with the Chair.
- Secretary will not be responsible for financial records.
- Meetings will be held 3rd Tuesday at 6:00.
- Decision made to meet bimonthly with posting of notice if needed more frequently.

Motion was made by Stephen Johnsen to approve bylaws with the above amendments. Bill Chandler seconded. Unanimous approval by roll call.

Jacob Dillon – yes

Joy Marino – yes

Bill Chandler – yes

Stephen Johnsen - yes

Rosemary Paparo – yes

Katie Schwab - yes

Public Comment:

Janet Fosque asked for clarification of secretarial duties. The secretary will prepare and disseminate minutes of regular and special meetings. Future Board appointments will be needed for financial records, agreements and separate accommodations will be available for electronic and record storage.

Town Manager's Report:

Redline sent off to the State. Sent to Developer's Attorney. Waiting on response. Contract is between State and Developer.

Discussion on existing IRF loans agreed to move to closed session.

Board Member's Comments:

Discussion of autonomy of EDA and independent legal representation. Bank account will be opened for IRF funds.

Eric Gregory, Town Attorney, will submit a budget for Town and EDA if one attorney is chosen.

Principal and Interest payments will be \$2900 each month. Principal payments have to be reloaned to another business.

Insurance will be examined closely.

Develop a budget needed for attorney and working fund for EDA.

Rosemary Paparo made a motion for EDA to request from the Town a loan of \$25,000 for working capital and establishment of legal representation. Motion was amended to asking for \$5,000.

Seconded by Joy Marino

Passed unanimously by roll call:

Jacob Dillon – yes

Joy Marino - yes

Bill Chandler – yes

Stephen Johnsen - yes

Rosemary Paparo – yes

Katie Schwab – yes

Motion for Closed Session: Rosemary Paparo made the motion. Steve Johnsen seconded.

VA Code 2.2-3711 Real Property: Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders of officers, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

A roll call vote to certify that no matter was discussed other than that mentioned in the motion to enter closed session.

Dillon – yes

Chandler – yes

Paparo – yes

Marino – yes

Johnsen – yes

Schwab – yes

Meeting was adjourned at 7:44 pm

Katie Schwab, Chair

Joy Marino, Secretary

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY

LOAN AGREEMENT AND PROMISSORY NOTE

THIS LOAN AGREEMENT AND PROMISSORY NOTE, is made this ____ day of _____, 20__ by and among **PSP Lilliston, LLC** (hereinafter, known as "BORROWER") and the **ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY**, an authority organized under the laws of the Commonwealth of Virginia acting under the powers and authority provided in § 15.2-4905(12) of the *Code of Virginia* (hereinafter, known as "LENDER"), administering this Agreement on behalf of the Town of Onancock. BORROWER and LENDER shall collectively be known herein as "the Parties". In determining the rights and duties of THE PARTIES under this Loan Agreement, the entire document must be read as a whole.

PROMISSORY NOTE

FOR VALUE RECEIVED, BORROWER promises to pay to the order of LENDER, the sum of \$1,000,000.00, or the total reimbursements received from DHCD contract # 23-IRFARPA-09, whichever is less. Together with interest thereon at a rate of two- and one-half percent (2.5 %) per annum on the unpaid balance with interest to be compounded annually (hereinafter, "the Loan Amount").

The principal and interest of the Loan Amount shall be amortized using the terms of the Promissory Note over two hundred forty (240) monthly installments beginning on the first of the month following the date of the final Occupancy Certificate and continuing, every month thereafter on the first day of the month for 240 consecutive months.

ADDITIONAL LOAN TERMS

The BORROWER and LENDER hereby further set forth their rights and obligations to one another under this Loan Agreement and Promissory Note and agree to be legally bound as follows:

1. Method of Loan Payment. The BORROWER shall make all payments called for under this loan agreement by wiring funds, sending a check, or other negotiable instrument made payable to the ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY, held in trust for the TOWN OF ONANCOCK at the address indicated:

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY

15 North Street

Onancock, VA 23417

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY

If LENDER gives written notice to BORROWER that a different address shall be used for making payments under this loan agreement, BORROWER shall use the new address so given by LENDER.

2. Default. The occurrence of any of the following events shall constitute a Default by the BORROWER of the terms of this loan agreement and promissory note:
 - A. BORROWER's failure to pay any amount due as principal or interest on the date required under this loan agreement.
 - B. BORROWER seeks an order of relief under the Federal Bankruptcy laws.
 - C. Insurance on the collateralized asset lapses or is cancelled.
 - D. A federal or other tax lien is filed against the assets of BORROWER.
 - E. A money judgment is entered by any court against BORROWER.

Upon default, the LENDER may make a demand upon BORROWER for repayment at which time BORROWER shall repay to LENDER the entire outstanding balance of Loan Amount (including principal and all accrued interest) at the time of the demand.

Addressee and Address to which LENDER is to give BORROWER written notice of default:

PSP Lilliston, LLC
30111 Racetrack Road
Melfa, VA 23410

If BORROWER gives written notice to LENDER that a different address shall be used, LENDER shall use that address for giving notice of default (or any other notice called for herein) to BORROWER.

1. Cure of Default. Upon default, LENDER shall give BORROWER written notice of default. Mailing of written notice by LENDER to BORROWER via U.S. Postal Service Certified Mail shall constitute prima facie evidence of delivery. BORROWER shall have 15 business days after receipt of written notice of default from LENDER to cure said default. In the case of default due solely to BORROWER's failure to make timely payment as called for in this loan agreement, BORROWER may cure the default by making full payment of any principal and accrued interest (including interest on these amounts) whose payment to LENDER is overdue under the loan agreement and, also, the late payment penalty described below.

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY

2. Penalty for Late Payment. There shall also be imposed upon BORROWER a \$150.00 penalty for any Payment that has not been received by the twenty-first (21st) of the month in which payment was due.

3. Acceleration. If the BORROWER fails to cure any default on or before the expiration of the fifteen (15) day cure period that starts on the date LENDER mails written notice that an event of default has occurred under this loan agreement, the entire unpaid principal, accrued interest, and penalties under this loan agreement shall accelerate and become due and payable immediately.

4. Indemnification of Attorney's Fees and out-of-pocket costs. Should BORROWER breach this agreement, the LENDER shall be indemnified by the breaching party for its reasonable attorney's fees and out-of-pocket costs which in any way relate to, or were precipitated by, the breach of this agreement. The term "out-of-pocket costs", as used herein, shall not include lost profits. A default by BORROWER which is not cured within 15 days after LENDER mails a written notice of default constitutes a material breach of this agreement by BORROWER.

5. Parties that are not individuals. If any Party to this agreement is other than an individual (i.e., a corporation, a Limited Liability Company, a Partnership, or a Trust), said Party, and the individual signing on behalf of said Party, hereby represents and warrants that all steps and actions have been taken under the entity's governing instruments to authorize the entry into this Loan Agreement. Breach of any representation contained in this paragraph is considered a material breach of the Loan Agreement.

6. Integration. This Agreement, including the attachments mentioned in the body as incorporated by reference, sets forth the entire agreement between the Parties concerning the subject matter hereof. All prior agreements, representations, and warranties, express or implied, oral, or written, for the subject matter hereof, are hereby superseded by this agreement. This is an integrated agreement.

7. Severability. In the event any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

8. Modification. Except as otherwise provided in this document, this agreement may be modified, superseded, or voided only upon the written and signed agreement of the Parties. Further, the physical

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY

destruction or loss of this document shall not be construed as a modification or termination of the agreement contained herein.

9. Exclusive Jurisdiction for Suit in Case of Breach. The Parties, by entering into this agreement, submit to the jurisdiction of the courts located in Accomack County, Virginia for adjudication of any disputes and/or claims between the parties under this agreement. Furthermore, the parties hereby agree that the courts of Accomack County, Virginia shall have exclusive jurisdiction over any disputes between the parties relative to this agreement, whether said disputes sounds in contract, tort, or other areas of the law.

10. State Law. This Agreement shall be interpreted under, and governed by, the laws of the Commonwealth of Virginia

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing,

BORROWER and LENDER affix their signatures hereto.

BORROWER(S)
PSP LILLISTON, LLC

LENDER
ONANCOCK ECONOMIC
DEVELOPMENT AUTHORITY

Print Name:	By:
Signature:	Signature:
Dated:	Dated:

STATE OF VIRGINIA

PSP LILLISTON, LLC, to-wit:

The foregoing Agreement was acknowledged before me this ____ day of _____, 2024 by _____, **BORROWER**, in my jurisdiction aforesaid.

My Commission Expires: _____

, Notary Public

STATE OF VIRGINIA

ONANCOCK ECONOMIC DEVELOPMENT AUTHORITY, to-wit:

The foregoing Agreement was acknowledged before me this ____ day of _____, 2024 by SIGNATORY, on behalf of the LENDER, in my jurisdiction aforesaid.

My Commission Expires: _____

, Notary Public

PERFORMANCE AGREEMENT

VIRGINIA INDUSTRIAL REVITALIZATION FUND

Project Name: Onancock Lilliston Building

DHCD Contract Number: 23-IRFARPA-09

Industrial Revitalization Fund Commitment: \$1,000,000

WHEREAS, this Performance Agreement is made and entered into by the Virginia Department of Housing and Community Development (DHCD), PSP Lilliston LLC (the “Borrower”), and the Town of Onancock, and;

WHEREAS, the Lilliston Building (the “Project”) will serve as a catalyst for revitalization in the Town of Onancock and achieved a sufficiently high ranking through a competitive proposal selection system to qualify for Industrial Revitalization Fund resources in the amount of \$1,000,000, and;

WHEREAS, the funding will be available to the Borrower as a loan from the Town of Onancock with advances available upon review of documentation of expenditures and matching funds achieved through construction, renovation, clearance, demolition, and;

WHEREAS, the Borrower will commence, carry out, and complete the following scope of work as described in the IRF application to be utilized for hard construction costs associated with the redevelopment of 38 Market Street, Onancock, VA into a mixed-use operation, which will include renovation of the former office space;

NOW THEREFORE, PSP Lilliston LLC agrees to the following:

- 1) Provide documentation of the investment of non-IRF resources of \$250,000 for the acquisition of the property.
- 2) Provide documentation of the investment of non-IRF resources of at least \$550,000 for construction and soft costs, with the total project cost estimated at \$1,800,000.
- 3) Complete IRF-funded redevelopment activities outlined above within 18 months of the date of this agreement to include:
 - a. Construction Improvements (\$1,475,000)
- 4) Support the creation of 20 full-time equivalents (FTE) within 6 months of occupancy. Full-time equivalency is calculated as 35 hours per week.
- 5) Provide progress updates as requested to include verification of performance.
- 6) Notify Locality and DHCD prior to any proposed change of project scale or scope.
- 7) Acknowledgement of DHCD in any publication or any significant event related to the project (Attachment A).
- 8) Maintain the property as proposed in the IRF Contract Negotiation Records or some other income-generating, non-residential use consistent with the IRF program for the period of 10 years from the closing of the loan. If all or any part of the property changes use or is

transferred without the prior written consent of DHCD and the Town of Onancock, DHCD reserves the right to request repayment of the outstanding loan balance due within 60 days to the Town of Onancock.

- 9) The Town of Onancock will maintain a lien on the property for a period of ten (10) years or the life of the loan. In the event of an ownership transfer or change to the use of the property is proposed at any time prior to 10 years following the date of this agreement, PSP Lilliston LLC must notify the Town of Onancock immediately.
- 10) Allow DHCD to audit expenditures and to certify job creation at the end of the Project as outlined above.

Breach of Agreement

PSP Lilliston LLC shall fulfill its responsibilities under this agreement. If at any time the entity is unable to perform its functions under this agreement, such entity shall immediately provide written notice to DHCD and the Town of Onancock describing its inability to fulfill the requirements of the agreement and establish a date at the earliest convenience, but no more than 15 business days after identifying inability to fulfill the requirements, to mutually resolve the issue. If PSP Lilliston LLC fails to abide by this agreement, DHCD reserves the right to request repayment of the outstanding loan balance within 60 days.

Signature

In witness whereof, the parties hereby execute this Agreement:

By _____
Town of Onancock

Date: _____

By _____
PSP Lilliston LLC

Date: _____

By _____
Virginia Department of Housing & Community Development

Date: _____

11

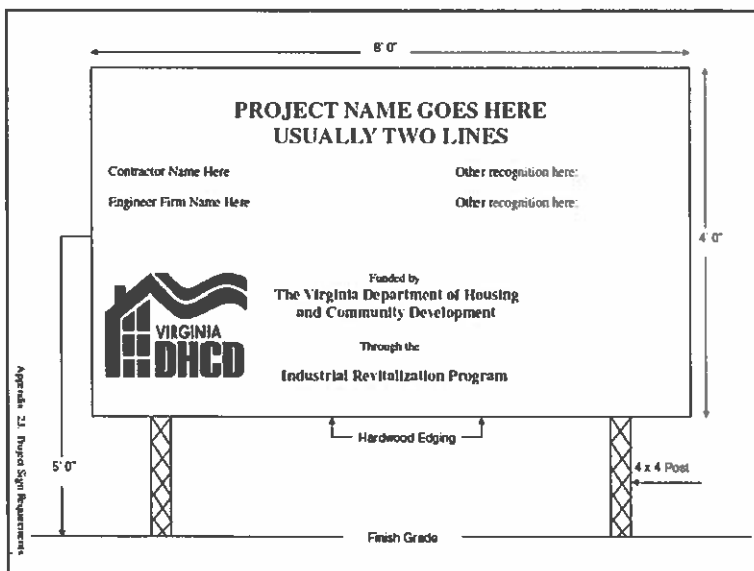
Attachment A.

The following statement is suggested for recognition of DHCD's project support in publications: "This project was funded in part by the Virginia Department of Housing and Community Development (DHCD), a state agency that works to support communities to create healthy, safe, and affordable places for Virginians to call home."

Recognition signage when DHCD is sole funder: DHCD on-site support recognition signage should follow the specifications and schematics below.

- Material can be plywood or other firm material that will withstand wind and moisture without warping;
- Sign should be erected perpendicular to the adjacent road;
- Sign may be painted front and back if community desires;
- Background should be white;
- Lettering should be in a san serif font in a medium shade of blue (such as royal); **PMS = Pantone Blue 072.**

Recognition signage when DHCD is one of several funding sources: In cases where other funders will also be recognized on signage, DHCD's recognition should be listed in the order of subordination. If funder logos will be included, the DHCD logo below should also be included. Lettering should be in a san serif font in a medium shade of blue (such as royal); **PMS = Pantone Blue 072.**



From: McGowan, Tory (DHCD) <Tory.McGowan@dhcd.virginia.gov>

Sent: Friday, January 5, 2024 11:50 AM

To: Matt Spuck <matt.spuck@onancock.com>

Cc: Archer, Brandon (DHCD) <Brandon.Archer@dhcd.virginia.gov>

Subject: Re: Lilliston Project

Hi Matt,

I'm glad things are getting close for this one. To answer your questions:

We use 35 hours a week as a full-time employee equivalent. Even if they are "contractors", I assume they probably have some way of tracking their time. If not, we can figure something out that will be permissible.

Can we insert the phrase, "An independent contractor or 1099 employee who engages in their role as their primary occupation is equivalent to one FTE."

In Section 10, add "pursuant to item 4"

We have had several projects put a sign in the window of the building and that is sufficient. Even if the sign needs to be a little smaller, that is fine as long as DHCD is mentioned. A banner would work as well.

Thank you

We can add the language about it being "up to \$1,000,000". The final amount of the loan will be determined after you submit the final remittance deferral until the building is complete.

Please let us know if you have any additional questions, and we can update the performance agreement regarding up to \$1,000,000. Yes, please.

Best regards,

Tory McGowan

Program Manager, Real Estate Office

VA Department of Housing & Community Development (DHCD)

PREPARED BY:

Hefty Wiley and Gore, PC
100 West Franklin Street, Suite 300
Richmond, Virginia 23220

TAX MAP NUMBER: 85A2-A-77

RETURN TO:

Matt Spuck
Town Manager
15 North Street
Onancock, VA 23417

DEED OF TRUST

This DEED OF TRUST dated this _____ day of _____ 2024 by and between PSP Lilliston, LLC, (the “Borrower” or “Grantor”), whose address is 25020 Shore Parkway, Suite 2A, Onley, VA 23418-2857, and the Town Manager (herein referred to as Trustee”) whose address is 15 North Street, Onancock, Virginia 23417; and the Economic Development Authority of the Town of Onancock, Virginia, (herein referred to as “Lender”), whose mailing address is 15 North Street, Onancock, VA 23417.

WITNESSETH

WHEREAS, the Beneficiary seeks to assist the Grantor in the renovation of that property commonly known as 40 Market Street, Onancock VA 23417, Tax Map No. 85A2-A-77, as more particularly described in Exhibit A, as attached hereto (the “Property”), for the economic welfare of the citizens of the Town of Onancock as well as the County; and

WHEREAS, in consideration of these goals, the Grantor, Lender, and the Economic Development Authority of the Town of Onancock, Virginia entered into a Performance Agreement dated _____ (“Agreement”), setting forth the terms and conditions of such assistance, incorporated herein by reference; and

WHEREAS, under the Agreement, Grantor has executed that Promissory Note dated _____ (“Note”) wherein Grantor shall repay unto the Beneficiary up to ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), incorporated herein by reference; and

WHEREAS, the above-mentioned sum shall be payable by the Lender to the Grantor pursuant to the terms and conditions of the Agreement and Note; and

WHEREAS, under the Agreement, Grantor also executed the Restriction Agreement dated _____, incorporated herein by reference, wherein Grantor agrees to restrict his property and subject it to the uses as outlined in the Agreement.

NOW, THEREFORE, Grantor, in consideration of the indebtedness herein recited and the trust herein created, and other good and valuable considerations, the receipt whereof is hereby acknowledged by the Grantor, the Grantor does hereby grant and convey with General Warranty and English Covenants of Title unto the said Trustee, the property located at 40 Market Street, Onancock VA 23417, as more particularly described in Exhibit A attached hereto and incorporated herein;

TOGETHER WITH all the improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions shall also be covered by this security instrument.

IN TRUST, to secure to the holder thereof, the payment of a certain Promissory Note, of even date herewith, the principal sum of up to \$1,000,000.00 together with interest thereon at the rate of two and one-half percent (2 ½%) interest per annum on the unpaid balance payable to the order of the Onancock Economic Development Authority of the Town of Onancock, Virginia, 15 North Street, Onancock, Virginia, 23417, which shall be repaid per the terms of the Note and Agreement.

This Deed of Trust is given to secure a debt under the provisions of Section 55.1-320 *et seq.* of the *Code of Virginia*, as amended, and effective on the date hereof, and, as therein provided, shall be construed to impose and confer upon the parties hereto, and the beneficiaries hereunder, the duties, rights, and obligations therein set forth. As authorized and permitted by said Sections the following additional provisions are herein incorporated, in short form, and to be construed as therein provided;

ADVERTISEMENT REQUIRED: Advertisement of the time, place, and terms of sale once a week for two (2) successive weeks in a newspaper published in the County of Accomack, Virginia;

EXEMPTIONS WAIVED;

SUBJECT TO CALL UPON DEFAULT;

SUBSTITUTION OF TRUSTEES PERMITTED;

ANY TRUSTEE MAY ACT.

Grantor agrees that any default on a superior lien on the Property shall be a default under this lien and render the balance due hereunder immediately due and payable. In addition, Grantor hereby covenants and agrees to 1) promptly pay when due all taxes, assessments or governmental or municipal charges or fines on the Property, 2) to keep the improvements now existing or hereafter erected on the Property adequately insured against loss by fire, hazards and such other risks as the Town may reasonably require; all policies and renewals must contain a standard mortgage clause in favor of the Town of Onancock, and 3) keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

In the event of any default hereunder, and for the duration thereof, the Trustee, in addition to all other remedies, shall be entitled to take possession of the Property herein conveyed and above described, to dispossess the owner or owners thereof or any tenant of said owner or owners, and

to collect all rents, issues, and profits of said Property for the use and occupancy thereof. In the event of default, the Trustee is hereby appointed the sole and exclusive agent to receive rents from the Property.

Grantor grants to the Noteholder, in his sole discretion and without cause or reason, the right and power to appoint from time to time one or more substitute Trustees, any or all of whom may act.

This Deed of Trust shall be governed by and construed under the laws of the Commonwealth of Virginia.

WITNESS the following signature and seal:

Print Name: _____

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____:

The foregoing deed of trust was acknowledged before me this ___ day of _____, 2024.

Notary Public
My Commission expires: _____

EXHIBIT A
(Legal Description)

All those certain lots or parcels of real estate situate in the Town of Onancock, Accomack County, Virginia, fronting on Market Street and being shown on that certain plat of survey entitled, "Physical Survey of 40 Market Street Town of Onancock Lee magisterial District Accomack County, Virginia for County of Accomack," dated April 19, 2005, made by MSA, P.C., which said plat is recorded in the Clerk's Office for the Circuit Court of Accomack County, Virginia, in Plat Book 2005, at Page 102, and being described thereon as **PARCEL 1** being a 2-Story Brick #40 show on said plat and being "COUNTY OF ACCOMACK TAX PARCEL 85A2-A-77 NO DEED REFERENCE FOUND AREA = 9.725 SF or 0.223 AC."

Being the same property conveyed by Disaster Medicine Associates, LLC, a Virginia limited liability company to PSP Lilliston, LLC, a Virginia limited liability company, and recorded in the Accomack County Circuit Court Clerk's Office as Instrument # 220001939.

**TOWN OF ONANCOCK AND VIRGINIA DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT
RESTRICTION AGREEMENT**

This **RESTRICTION AGREEMENT** made this _____ day of _____ 2024 by and between the Town of Onancock, Virginia, a political subdivision of the Commonwealth of Virginia (the "Locality" or "Grantor") and the Virginia Department of Housing and Community Development, an agency of the Commonwealth of Virginia ("DHCD" or "Grantee").

WHEREAS, PSP Lilliston, LLC is the sole owner of 40 Market Street, Onancock, VA 23417, Tax Map No. 85A2-A-77, in Onancock, Virginia, as more particularly described in Exhibit A attached hereto ("Subject Property").

WHEREAS, on or about February 1, 2024, the Locality executed and entered into an agreement, Contract # 23-IRFARPA-09 dated December 28, 2022, ("Grant Agreement") with DHCD for an Industrial Revitalization Fund Grant ("IRF Grant") with the understanding that the Town will undertake and complete the Project at the Subject Property;

WHEREAS, DHCD awarded to the Locality an IRF Grant in the amount of up to One Million dollars (\$1,000,000.00) for the Locality to rehabilitate the Lilliston Building located at the Subject Property, as contemplated by the Grant Agreement; and,

WHEREAS, as a condition of the IRF Grant, DHCD requires Locality to agree to a recorded covenant and/or restriction with regard to the use of the property as defined in this agreement and in the Grant Agreement amongst the land records in the Clerk's Office of the Circuit Court of Accomack County, Virginia, and Locality has or will imminently record said covenant and/or restriction

NOW THEREFORE, in consideration of the foregoing recitals and the IRF Grant to the Locality, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Locality does hereby covenant unto DHCD that for a period of **ten (10) years** from the date of the issuance of the Certificate of Occupancy for the rehabilitation of the Subject Property to include commercial spaces on the ground floor and residential and hospitality units on the second floor (the "DHCD Compliance Period"), the Subject Property will not be used in a manner inconsistent with the Grant Agreement or the attendant grant application without prior written approval from DHCD.
2. The Locality covenants to notify DHCD immediately, in writing, if during the DHCD Compliance Period there is (i) a planned change in ownership of the Subject Property; or (ii) any planned change in use of the Subject Property.
3. In the event of a change in ownership or a change in use of the Subject Property, DHCD reserves the right to require the Locality to make a prorated repayment of the IRF Grant (the "Repayment") as follows: the Repayment shall be the product of the principal of the IRF Grant

(\$1,000,000.00) multiplied by a fraction, the denominator of which shall be 10 and the numerator of which shall be the number of years (including fractional portions thereof) that are remaining in the DHCD Compliance Period as set forth in Section 1. For fractional years, the portion of the year shall be determined by a calculation assuming a 365-day year.

4. At the expiration of the DHCD Compliance Period, this Restriction Agreement shall terminate, without the necessity of the recordation of any release, and the Parties shall have no further obligations hereunder. The Locality shall be permitted unilaterally to record a release at the expiration of the DHCD Compliance Period, a copy of which shall promptly be transmitted to DHCD.

5. All notices, requirements, and other communications given under this Restriction Agreement must be in writing and mailed by the United States Postal Service or commercial carrier with delivery tracking and confirmation to the below addresses, or as the addresses may be updated from time to time by the parties in writing. Duplicates shall also promptly be exchanged via email to the email addresses provided below, or as the email addresses may be updated from time to time by the parties in writing:

To the Locality:
Attention: Matt Spuck
Title: Town Manager
Address: 15 North Street. Onancock, VA 23417
Email: Matt.Spuck@Onancock.com

with a mandatory copy to:
Attention: Eric Gregory
Title: Town Attorney
Address: 100 West Franklin Street, Suite 300, Richmond, VA 23220
Email: Eric@HeftyWiley.com

To DHCD:
Virginia Department of Housing & Community Development
600 East Main Street Suite 300, Richmond, Virginia 24320
Email: _____

with a mandatory copy to:
Attention: _____
Title: _____
Address Line 2: _____
City, State, Zip: _____
Email: _____

6. If any provision of this Restriction Agreement is held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Restriction Agreement shall not be affected thereby.

7. No person executing this Restriction Agreement on behalf of the entity of which he or she is an employee or officer shall incur any personal liability by virtue of this Restriction Agreement. This Restriction Agreement is not to be construed as a general obligation of the faith and credit of the Commonwealth or any political subdivision thereof, including DHCD and the Locality.

8. The covenants, restrictions, conditions, and agreements contained in this Restriction Agreement shall bind and inure to the benefit of the Locality, DHCD, and their respective successors and assigns.

9. No amendment or modification of this Restriction Agreement, except as to the update of addresses as set forth in Section 5, shall be effective until and unless expressed in writing and signed by the party or parties to be bound thereby.

IN WITNESS THEREOF, the Locality and DHCD have executed this Restriction Agreement as of the date last signed/executed below.

GRANTOR:
Onancock, Virginia

By: _____
Name: _____
Title: _____
Address: _____
Tele: _____
Email: _____

COMMONWEALTH OF VIRGINIA:
Town OF Onancock, to wit:

The foregoing document was acknowledged before me by _____, on behalf of the Town of Onancock, Virginia, a political subdivision of the Commonwealth of Virginia, this _____ day of _____, 2024.

Notary Public

Registration Number: _____

Commission Expires: _____

GRANTEE:

Virginia Department of Housing and Community Development

By: _____

Name: _____

Title: _____

Address: _____

City/St/Zip: _____

Tele: _____

Email: _____

COMMONWEALTH OF VIRGINIA:

CITY/COUNTY OF _____, to wit:

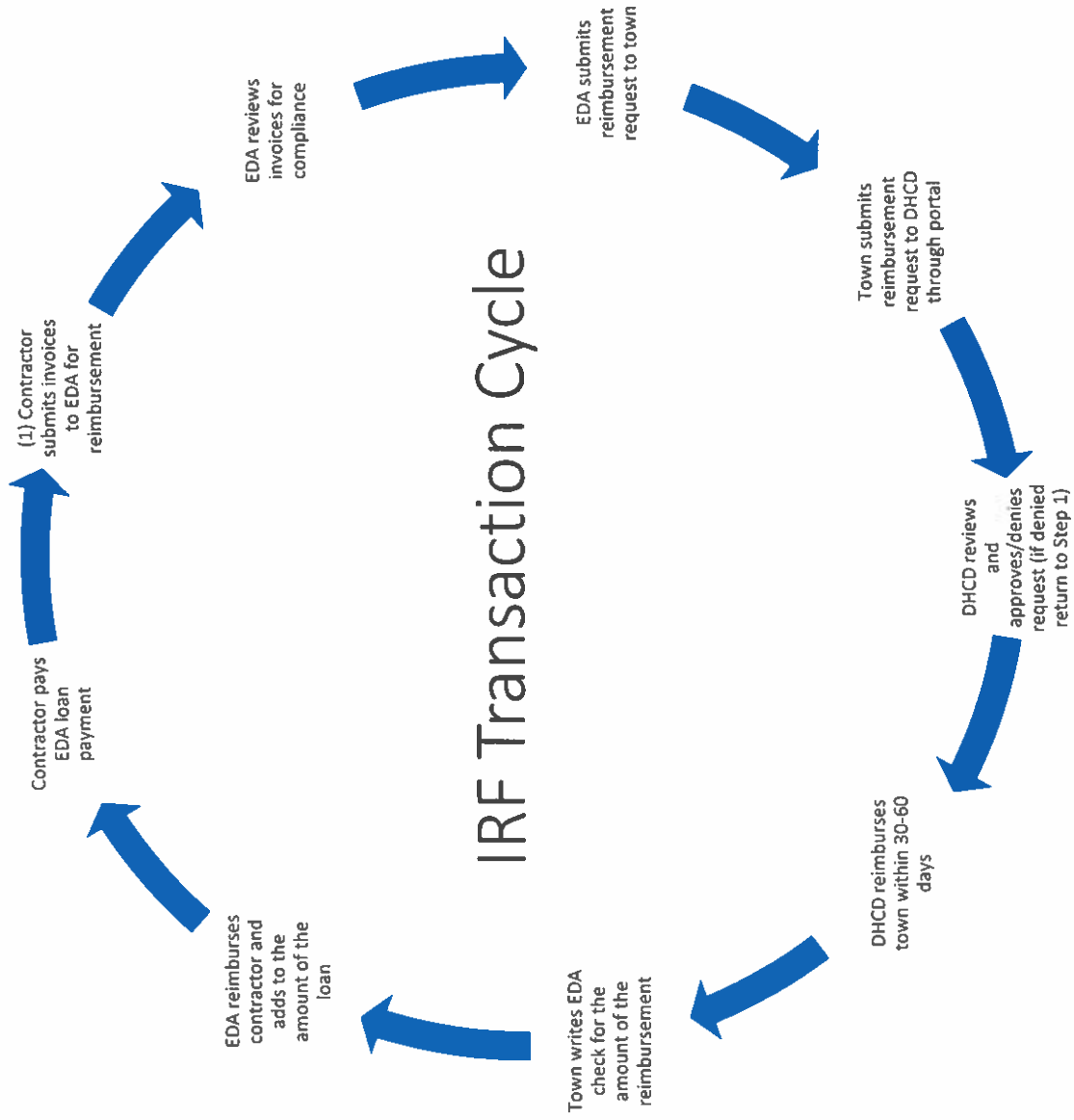
The foregoing document was acknowledged before me by _____, on behalf of the Virginia Department of Housing and Community Development this _____ day of _____, 2024.

Notary Public Registration

Number: _____

Commission Expires: _____

IRF Transaction Cycle



**ECONOMIC DEVELOPMENT AUTHORITY
OF THE
TOWN OF ONANCOCK, VIRGINIA

BYLAWS**

ARTICLE I - The Authority

Section 1. Name of the Authority.

The name of the Authority shall be the “Economic Development Authority of the Town of Onancock, Virginia”.

Section 2. Purpose of the Authority.

The Economic Development Authority of the Town of Onancock, Virginia shall fulfill all purposes and intents of the Code of Virginia, as expressed in Chapter 49, Industrial Development and Revenue Bond Act §15.2-4900, *et seq.*, as amended.

Section 3. Records of the Authority.

All of the books and records of the Authority shall be kept at the office designated herein except as otherwise required by resolution of the Authority, or as the business of the Authority may require. The minutes of the Authority shall be open and available for inspection by the public during normal business hours.

ARTICLE II - Board of Directors

Section 1. Directors.

The Economic Development Authority of the Town of Onancock, Virginia shall be governed by a Board of Directors composed of seven directors appointed by the Town Council of the Town of Onancock, Virginia, and all powers and duties of the Authority shall be exercised and performed by the Board of Directors. The Town Council shall appoint the Directors for staggered, four-year terms, except appointments to fill vacancies, which shall be for the unexpired terms. All terms shall be deemed to commence on the date of the initial appointment to the Authority. Each Director shall, before entering upon his or her duties, take and subscribe to the oath prescribed by state law and shall serve until their successors are appointed and qualified.

Section 2. Director Qualifications.

The directors shall, at the time of their appointment and thereafter, be residents of Onancock or Accomack County. Directors shall not be employed by the City during their term of office. When a director ceases to be a resident of Onancock or Accomack County, the director’s office shall be vacant, and a new director may be appointed by the Town Council for the remainder of the term.

Section 3. Conflicts of Interest Requirements.

Directors must receive training on the State and Local Government Conflicts of Interest Act, and such training shall be repeated every two years. New directors must receive the training within two months of their appointment. Directors are not required to file the Statement of Economic Interest because the Town has a population of less than 3,500 (§2.2-3115).

Section 4. Freedom of Information Act Requirements.

Directors must complete training on the Freedom of Information Act every two years. New Directors must complete such training within two months of taking office. The Economic Development Director is the Authority’s Freedom of Information Act Officer.

ARTICLE III - Officers

Section 1. Officers.

The Officers of the Authority shall be a Chair, a Vice Chair, a Secretary, and a Treasurer.

Section 2. Elections.

The Chair, Vice Chair, Secretary, and Treasurer shall be elected by the Directors at their first meeting and the Chair and Vice Chair must be selected from among the Board of Directors. Thereafter, the Chair and Vice Chair shall be elected by the directors for terms of two consecutive years at their January meeting. Each officer shall hold office until his/her successor shall have been duly elected and qualified for office.

Section 3. Vacancies.

Should any office become vacant, the Board of Directors shall elect a successor at any regular or special meeting, provided advance notice of the election to fill such vacancy is given to the members of the Board of Directors at least two (2) days before such meeting. The term of office for an officer elected to fill a vacancy shall run until the next regular election.

Section 4. Chair.

The Chair shall preside at all meetings of the Authority, call special meetings; and call special elections. Except as otherwise authorized by resolution of the Board of Directors of the Authority, only the Chair needs to sign all contracts, bonds, deeds, and other instruments made and authorized by the Board to bind the Authority legally and effectively. The Chair shall have equal vote with the other directors. The Chair shall perform all other duties incidental to his/her office or that are properly required by the Board of Directors.

Section 5. Vice Chair.

In the absence of the Chair or in the event of his/her inability or refusal to act or carry out his or her duties, the Vice Chair shall perform and exercise the duties and functions of the Chair; and in case of the resignation or death of the Chair, the Vice Chair shall perform the duties of the Chair until a new Chair shall be elected.

Section 6. Secretary.

The Secretary will prepare and disseminate all agendas and minutes of regular and special meetings and shall administer and manage all non-financial records and correspondence on behalf of the Authority.

Section 7. Treasurer.

The Treasurer shall be responsible for the keeping of suitable records of all financial transactions of the Authority. The Treasurer shall be responsible for the record-keeping of all bills received by the Authority and shall oversee their payment either by the Town or by the Authority. The Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such monies under the direction of the Authority. The Treasurer shall have charge and custody of all funds that may be received directly by the Authority and be responsible for their investment and deposit in the name of the Authority when authorized by the Board and in such bank or banks that the Authority may select, and in general, he/she shall perform all other duties incidental to the office of Treasurer and such other duties as may be properly prescribed from time to time by the Board of Directors of the Authority.

The Treasurer shall keep regular books of account, showing receipts and expenditures, shall render to the Authority at every meeting, or more often when requested, an account of the transactions and the financial condition of the Authority.

ARTICLE IV - Meetings

Section 1. Meetings and Notices.

Regular meetings of the Board of Directors shall be held every other month on the third (3rd) Wednesday at 6:00 P.M. unless otherwise notified. The Board shall designate a time and place for the meeting to take place, which shall be open and accessible to the public. The Board of Directors' annual meeting shall be at the regular meeting in January of each year.

Special meetings of the Board of Directors may be called by the Chair or a majority of the Board of Directors. A notice specifying the time and place of any special meeting shall be given to each director of the Authority at least three (3) business days before such meeting by personally delivering such notice or by mailing or emailing such notice. Such notice shall be posted on the Town website and placed in a prominent public location at which notices are regularly posted. The presence of any Director at a special meeting shall be deemed as an acknowledgment of the timely receipt of notice thereof or a waiver of any such notice requirement. Special meetings may be held without notice if all of the Directors are present or those not present sign a written waiver of notice before or after the meeting.

Notice, reasonable under the circumstance, of special or emergency meetings, shall be given to the public and the media contemporaneously with the notice provided to the Board of Directors. All meetings shall be open to the public.

Section 2. Quorum.

A quorum at any meeting of the Board of Directors shall consist of four (4) members of the Board of Directors.

Section 3. Agenda.

The agenda will be prepared by the Secretary, in consultation with the Chair. The agenda shall be distributed to the directors by the close of business on the Friday before the meeting. A complete copy of all agenda materials shall be available to the public at the same time as it is distributed to the directors.

Section 4. Order of Business.

At all meetings of the Authority, the following order of business shall be observed, as far as is consistent with the purpose of the meeting:

- A. Roll Call
- B. Approval of or Amendments to the Agenda
- C. Approval of Minutes
- D. Reports
- E. Unfinished Business
- F. New Business
- G. Public Comment
- H. Closed Session, as needed
- I. Adjournment

Section 5. Voting.

Each Director has one vote. All votes shall be by roll call and shall be reflected as such in the meeting minutes. Votes by proxy are not permitted.

Section 6. Public Comment.

The speaker, when recognized by the Chair, shall state his or her full name and place of residence before proceeding. The speaker will have three minutes to address the Directors.

Section 7. Parliamentary Procedure.

The current edition of Roberts' Rules of Order shall be the general guide in all questions of parliamentary procedure. The attorney for the Authority shall serve as the parliamentarian.

ARTICLE V - Fiscal Year

The fiscal year of the Authority shall be from July 1 until June 30, inclusive.

ARTICLE VI - Audit

The Authority shall keep suitable records of all financial transactions and shall arrange to have the same audited annually, to the extent required by law.

Article VII - Amendments

These Bylaws may be amended, added to, altered, or repealed in whole or in part, by a majority vote of at least four (4) of the Directors of the Authority at a regular or a special meeting, provided notice of any such action is given to all directors at least one (1) week in advance of the meeting at which such action is on the agenda. Such notice shall be in writing, including electronically, and in accordance with Article IV, Section 1 of these Bylaws.

Adopted December 19, 2023.