

DAILY CASH TRANSMITTAL

Form No. A-6, Revised 3-93

Sent to VDFCS 1-22-18
Date

TO: FINANCE OFFICE, REVENUE SECTION

Cleared
Cardinal
1-29-18

FROM: Tobacco Region Revitalization Commission
SECTION OR DIVISION

WE ARE TRANSMITTING THE SUM OF \$355,000.00
DETAILS OF COLLECTIONS ARE SHOWN BELOW:

BILL NUMBER	PAYER'S NAME AND ADDRESS	COST CODE	REVENUE CODE	OBJECT CODE	AMOUNT
	Chafin Law Firm				
	PO BOX 1210				
	Lebanon, VA 24266				
	Re: Appalachian Biofuels, LLC	043	09084		\$355,000.00
	TROF clawback 2941				
	<i>Russell County IDA</i>				
TOTAL					\$355,000.00

I CERTIFY THAT THE CASH AND CASH ITEMS

I CERTIFY RECEIPT OF CASH AND CASH ITEMS IN THE AMOUNT OF \$

5244

CHAFIN LAW FIRM, P.C.

TRUST ACCOUNT
P.O. BOX 1210 44 EAST MAIN STREET
LEBANON, VIRGINIA 24266 (276) 889-0143

THE **First** BANK & TRUST CO.
MEMBER FDIC
359 W Main Street ☐ Lebanon, VA 24266 ☐ 276-889-4622
68-446-514



1/17/2018

PAY TO THE ORDER OF

Virginia Tobacco & Revitalization Comm,

\$ **355,000.00

Three Hundred Fifty-Five Thousand and 00/100*****

DOLLARS

Virginia Tobacco & Revitalization Comm,

[Handwritten Signature]
AUTHORIZED SIGNATURE

MEMO

All monies in Trust for Appalachian Biofuelds LLL

Security features. Details on back.

CHAFIN LAW FIRM, P.C.

A. Benton Chafin, Jr.
Attorney at Law

44 East Main Street
Post Office Box 1210
Lebanon, Virginia 24266
Phone: (276) 889-0143
Fax: (276) 889-1121
Website: <http://www.chafinlaw.com>

M. Katherine Patton
Attorney at Law

Jennifer A. Baker
Attorney at Law
*Licensed in VA and TN

January 17, 2018

VIA FEDERAL EXPRESS

Chuck Lessin
6500 Patterson Avenue
Richmond, VA 23226

RE: Virginia Tobacco Commission

Dear Mr. Lessin:

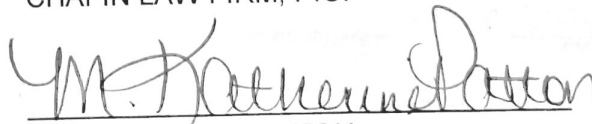
As requested by Matt Benka in his e-mail to Senator Chafin, enclosed please find our Trust Account Check No. 5244 payable to the Virginia Tobacco & Revitalization Commission in the amount of \$355,000.00, representing the monies held in our Trust Account. It is my understanding from Mr. Benka's e-mail that you are going to hand deliver this check to the Tobacco Commission.

If you have questions or need anything further, please do not hesitate to contact our office.

Yours very truly,

CHAFIN LAW FIRM, P.C.

By:


M. KATHERINE PATTON

MKP/rbs

Enclosure (as noted)

pc: Ernie McFaddin, Chairman
IDA of Russell County, VA

ACCOUNTING VOUCHER

AGENCY NAME/DELIVERY ADDRESS: Tobacco Indemnification & Community Revitalization Commission 701 East Franklin Street, Suite 501 Richmond, Virginia 23219		CONTRACT NO. 2941	DATE P.O. PREPARED 9-11-14	P.O. NUMBER
MUST BE DELIVERED BY		BID OPENING DATE	BID REF/REQ#	TERMS P.O.
INSIDE DELIVERY YES IF CHECKED:		CUSTOMER ACCOUNT NO. PAGE 1 of 1		
		VENDOR INVOICE NO.	DUE DATE	STATE REF/P.O.
				AMOUNT PAID

NAME Russell County IDA

ADDRESS: P O Box 1150

CITY Honaker

STATE: VA **ZIP** 24260

VENDOR ID: 541474716

VOUCHER NUMBER AND DATE

TOTAL AMOUNT PAID

PLEASE BE SURE TO INCLUDE ZIP CODE IN ALL ADDRESSES

INVOICE TO ADDRESS:

499 60831 9/17/14

VENDOR NAME

INTRA-AGENCY CONTRACT
Patricia Wyatt

P.O. NUMBER

TELEPHONE
804-786-2308

ITEM NO.	COMMODITY CODE	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
		TROF Deal Closing for Appalachian Biofuels LLC per the attached contract.				\$210,000.00
<p>INTRA-INST.USE</p> <p style="text-align: right;"><i>T. S. Pfohl</i> 9.11.14</p>						TOTAL AMOUNT > \$210,000.00

I certify that the P.O. Receiving Report (if applicable), invoice, and Voucher are in agreement with the merchandise or service being paid for; and further, that computations and coding on the Voucher are correct and discounts taken are proper.

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJ	TK	PH
334	851		09	42	15	745	01		1242 1452		210,000.00			
COST CODE	FIPS	PSD	AGENCY REFERENCE			DATE	INVOICE NUMBER	MM	DD	YY	REFERENC NUM	SX	—	
043														
DESCRIPTION						CURRENT DOCUMENT NUMBER		SX	SUBS ACCOUN	MULTI-PURPOSE	CHECK IF EXPENDITURE DISTRIBUTION CONTINUATION SHEETS ARE ATTACHED			
TROF -2941														

I certify that the above listed merchandise or service was received on the date indicated in good condition, with exceptions noted hereon.

Partial
 Complete
 Date _____

Shipment Received By: _____
 Signature: _____
 Print Name: Stephanie S. Kim
 Title: Director of Finance

Request for Taxpayer Identification Number and Certification

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

Print or type
 See Specific Instructions on page 2.

Name (as shown on your income tax return) INDUSTRIAL DEVELOPMENT AUTHORITY OF RUSSELL COUNTY, VA	
Business name/disregarded entity name, if different from above	
Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input checked="" type="checkbox"/> Other (see Instructions) ▶ GOVERNMENT AGENCY	
Exemptions (see Instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____	
Address (number, street, and apt. or suite no.) PO BOX 1150, 174 CLARK DRIVE	Requester's name and address (optional)
City, state, and ZIP code HONAKER, VA 24260	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

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

Social security number									

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

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person	Date ▶ 08-26-14
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. The IRS has created a page on www.irs.gov/w9 for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

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

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

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and
 4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

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

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

If disbursement to the Grantee has not occurred within one hundred twenty (120) days from the date of this Agreement, the Grant shall be automatically rescinded. Unless otherwise agreed in writing by the parties hereto, Grantee shall disburse the Grant to the Company, or for the Company's benefit, within 30 days of receipt of the Grant from the Commission or return the money to the Commission.

Section 2. Use of the Grant

Under this Agreement, the Commission places no restriction on the use of the Grant proceeds by the Company. Should there be any such restrictions imposed by the Grantee, the same shall be described in Exhibit A, which shall be attached hereto and made a part hereof, but which shall be binding upon the Company only if signed thereon by an authorized Company representative, and not by reference herein. The Grantee shall be responsible for enforcement of any restrictions described in said Exhibit A.

Section 3. Employment Obligation

The Company shall employ* at least 40 persons in the Locality with a quarterly aggregate payroll of at least \$370,000. Said employment and payroll will be in addition to those already employed in the Locality by the Company and paid during the calendar quarter ending on *June 30, 2014*, hereinafter called the "Base Quarter." Persons employed by the Company in the Locality shall be counted as employment hereunder only to the extent that they (a) exceed the aggregate number of employees at all Company locations within the Commonwealth of Virginia during the Base Quarter, and (b) are not counted as fulfillment of any other employment obligation made to the Commission by the Company under any other agreement.

** for purposes of this Agreement the number of persons "employed" means the number of persons who received pay in any given quarter and is calculated by adding together the number of persons who received pay in each month of the quarter and dividing that sum by three (3).*

Section 4. Obligations Regarding Taxable Assets

The Company shall locate or construct taxable assets in the Locality having an assessed value of at least \$3,500,000, as determined by the locality's Commissioner of Revenue ("COR"). If the locality elects to arrange for reimbursement to the Company of all, or any portion of, the tax paid by Company for said taxable assets, or elects to waive all or any portion of such tax liability, Company's aforementioned obligation to locate or construct taxable assets in the Locality shall not be waived or reduced. Company shall receive credit for the value of all taxable assets so determined by the COR, notwithstanding the local taxing authority's election to waive or refund the taxes so levied. Said taxable assets will be in addition to those counted in fulfillment of any other taxable asset or capital investment obligation made to the Commission by the Company under any other agreement. If the Company is exempt from the payment of property taxes on certain assets by state law, the Company shall not be entitled to receive or keep any portion of the Grant allocated to its investment in those certain assets.

Section 7. Determination of Performance – Taxable Assets

For purposes of this Agreement, the calendar year that includes the Base Quarter shall be called the "Base Year." The Company agrees to meet its taxable asset obligations hereunder not later than thirty-six (36) months thereafter and agrees that all such assets will be owned or leased by the Company, located in the Locality, subject to taxation, and of record with the COR, all during the aforementioned 36-month period. Company assets located or constructed in the Locality prior to or during the Base Year will not be counted in fulfillment of the Company's taxable asset obligation.

The Company's achievement toward meeting its taxable asset obligation shall be based on asset values assessed by the COR for the Locality and shall be the sum of the following:

- a. the highest real property assessed value of record for any one of the three years following the Base Year, less and except the assessed value for the Base Year, plus
- b. the first personal property assessed value for each asset first appearing of record in the Company name during the three calendar years following the Base Year.

The Commission shall rely upon the information described above as the same is reported to the Commission by the COR in writing, without exception.

For purposes of this Agreement, leased assets are defined as those for which the Company is contractually obligated to pay the property taxes thereon during the term of the lease, and evidence of the Company's obligation to pay such property taxes is presented to the Commission.

The Company hereby expressly grants its consent for (a) the COR for the Locality to release to the Tobacco Commission or the Grantee records necessary to disclose the information required in Section 7 hereof, and (b) the Virginia Employment Commission to release to the Tobacco Commission all Company employment records of any kind held by the Virginia Employment Commission.

Taxable assets owned by subsidiary companies, related entities, entities under common ownership or control, shall not be counted as taxable assets of the Company in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same taxable assets documentation as described in this Section.

Section 8. Repayment Obligation

In the event that the Company does not meet its obligations hereunder within thirty six (36) months after the end of the Base Quarter, it shall repay to the Grantee the unearned portion of the Grant, which is calculated as follows:

- a. A minimum increase in taxable assets is required before **any** portion of the Grant is earned by the Company, hereinafter called the Minimum Investment Requirement. The Minimum Investment Requirement is the greater of (a) \$1.0 million or (b) one-half of the taxable asset obligation described in Section 4 hereof.

Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

Section 9. Events of Default

If any of the following should occur within the thirty six (36) month period after the end of the Base Quarter, it shall constitute an event of default and the Commission may, at its election, accelerate the Company's obligation to repay the portion of the Grant that has not been earned as of the date of the event of default:

- a. The Company applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition of bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Company as bankrupt or insolvent or approving a petition seeking reorganization of the Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets which remains undismissed, undischarged or unstayed for a period of forty-five (45) days.
- b. The Company ceases to be of record and in good standing with the Virginia State Corporation Commission, and such failure is not cured within 60 days from notice thereof, unless Company obligations hereunder have been assumed by another entity and that assumption approved by the Commission and the Grantee.
- c. The Company fails, for reasons other than an Event of Force Majeure, to fulfill at least twenty five percent (25%) of either its employment obligation described in Section 3 above or its taxable asset obligation described in Section 4 above within eighteen (18) months after the end of the Base Quarter.
- d. Failure to provide verification to the Commission as described in Section 10, below, within 60 days from a written request from the Commission.
- e. The Company closes its business in the Locality for a period of more than 30 days.

Section 10. Verification of Performance

If the Commission is unable to verify the Company's progress towards meeting its taxable asset and employment obligations herein using the information available pursuant to Sections 5 and 6, the Company shall provide, at the Company's expense, detailed verification to the Commission and the Grantee, of the Company's progress toward meeting its taxable asset and employment obligations. Such verification shall be limited to the Company's payroll tax filings and property tax filings, together with such other supporting documentation about the payroll and property tax filings as the Commission may request, but any such request shall be no more often than annually.

This Agreement is made, and intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of that state. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court located nearest to the Locality and such litigation shall be brought only in such court.

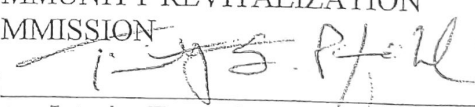
This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. If any provision of this Agreement is determined to be unenforceable, then the remaining provisions of this Agreement shall, in the sole discretion of the Commission, be voidable by the Commission or interpreted as in effect as if such unenforceable provisions were not included therein.

The Company hereby warrants that from the date of this agreement until all obligations hereunder have been satisfied that it is, and will remain, registered and in good standing with the Virginia State Corporation Commission and that the Company is, and will remain, legally authorized to conduct business in the Commonwealth of Virginia.

The provisions of this Agreement are intended to and shall survive closing, the delivery of any deed or other instrument, and any other event.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement to become effective as of the date first written above.

TOBACCO INDEMNIFICATION AND
COMMUNITY REVITALIZATION
COMMISSION

By: 
Interim Executive Director


Date: 8.29.14

GRANTEE

By: 
Title: Chairman

Date: 08/26/14

COMPANY

By: 
Title: CEO

Date: Aug. 26, 2014

ACCOUNTING VOUCHER

AGENCY NAME/DELIVERY ADDRESS:
 Tobacco Indemnification & Community Revitalization Commission
 701 East Franklin Street, Suite 501
 Richmond, Virginia 23219

MUST BE DELIVERED BY INSIDE DELIVERY YES IF CHECKED:

NAME Russell County IDA
 ADDRESS: PO Box 1150
 CITY Honaker
 STATE: VA ZIP 24260
 VENDOR ID: 54-1474716

PLEASE BE SURE TO INCLUDE ZIP CODE IN ALL ADDRESSES

INVOICE TO ADDRESS:
 Supporting Documentation on file in
 TIC Grants Office

CONTRACT NO. 2941	DATE P.O. PREPARED 11/18/14	P.O. NUMBER
BID OPENING DATE	BID REF/REQ#	TERMS P.O.
CUSTOMER ACCOUNT NO.		PAGE 1 of 1
VENDOR INVOICE NO.	DUE DATE	STATE REF/P.O.
		AMOUNT PAID

VOUCHER NUMBER AND DATE
 TOTAL AMOUNT PAID
 12-8-14
 50196637

VENDOR NAME	P.O. NUMBER
INTRA-AGENCY CONTRACT Patricia Wyatt	TELEPHONE 804-786-2308

ITEM NO.	COMMODITY CODE	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
2		TROF deal closing for Appalachian Biofuels, LLC Per the attached contract Pmt 2 of 2 <i>T. S. Pfehl</i> 11-20-14				\$355000.00

INTRA-INST.USE TOTAL AMOUNT > \$355000.00 ✓

I certify that the P.O. Receiving Report (if applicable), invoice, and Voucher are in agreement with the merchandise or service being paid for, and further, that computations and coding on the Voucher are correct and discounts taken are proper. INITIAL:

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT			
			FUND	DET		PROG	SUB	ELE				PROJ	TK	PH	
334	851		09	42	15	745	01		1452		355000.00				
COST CODE	FIPS	PSD	AGENCY REFERENCE			INVOICE			DUE DATE			REFERENC			
			DATE	NUMBER	MM	DD	YY	NUM	SX	-					
043															
DESCRIPTION									CURRENT DOCUMENT		SUBS ACCOUN T	MULTI-PURPOSE	CHECK IF EXPENDITURE DISTRIBUTION CONTINUATION SHEETS ARE ATTACHED		
2 / 2941									NUMBER	SX					

I certify that the above listed merchandise or service was received on the date indicated in good condition, with exceptions noted hereon.

Partial Complete Date _____
 Shipment Received By: _____
 Signature: _____ Stephanie S. Kim Director of Finance
 Print Name: _____ Title: _____

SN

Payment Date	Amount	Notes	Fund	Cost Code	Grant Approval Date	Project End Date
<u>2941</u>						
APPALACHIAN BIOFUELS, LLC						
\$565,000.00						
Russell County Industrial Development Authority						
9/17/2014	\$210,000.00		TROF	043	8/1/2014	6/30/2017
11/21/2014	\$355,000.00 ✓		TROF	043	8/1/2014	6/30/2017
Total 2941 (2 items)	\$565,000.00					