

# **Danville-Pittsylvania Regional Industrial Facility Authority**

**City of Danville, Virginia  
County of Pittsylvania, Virginia**

## **AGENDA**

**May 8, 2017**

**12:00 P.M.**

**Danville Regional Airport  
Eastern Conference Room  
424 Airport Drive, Danville, Virginia**

### **County of Pittsylvania Members**

**Jessie L. Barksdale, Vice Chairman  
Robert Warren  
Elton W. Blackstock, Alternate**

### **City of Danville Members**

**Sherman M. Saunders, Chairman  
Fred O. Shanks, III  
J. Lee Vogler, Jr., Alternate**

### **Staff**

**Ken Larking, City Manager, Danville  
David M. Smitherman, Pittsylvania County Administrator  
Clement Wheatley, Legal Counsel to Authority  
Susan M. DeMasi, Authority Secretary  
Michael L. Adkins, Authority Treasurer**

## **Danville-Pittsylvania Regional Industrial Facility Authority**

### **1. MEETING CALLED TO ORDER**

### **2. ROLL CALL**

### **3. PUBLIC COMMENT PERIOD**

Members of the public who desire to comment on a specific agenda item will be heard during this period. The Chairman/Vice Chairman of the Authority may restrict the number of speakers. Each speaker shall be limited to a total of three minutes for comments. *[Please note that the public comment period is not a question-and-answer session between the public and the Authority.]*

### **4. APPROVAL OF MINUTES OF THE APRIL 10, 2017 MEETING**

### **5. NEW BUSINESS**

- A. Consideration of Resolution No. 2017-05-08-5A, approving the automatic renewal of that certain Billboard Lease Agreement with Harkins Outdoor Advertising Corporation, a South Carolina corporation, for an existing billboard located on Lot 6 containing approximately 6.78 acres in that portion of the Authority's Cane Creek Centre project located in Danville, Virginia, at a lease rate of \$1,500 per year, with an early termination right by the Authority in the event the Authority actively develops Lot 6 – Michael C. Guanzon, Clement Wheatley, Legal Counsel to the Authority *[No written resolution.]*
- B. Consideration of Resolution No. 2017-05-08-5B, approving a one-year renewal of the Lease to the Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Berry Hill Project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the Lease Term shall be subject to a right of Landlord to show the demised premises upon 24-hours notice and the obligation of Tenant to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law; the Authority shall have the right to early terminate the Lease with at least thirty (30) days notice; and the Lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000. – Mr. Guanzon
- C. Consideration of Resolution No. 2017-05-08-5C, approving the form of the Deed conveying Lot 12A, containing 10.000 acres, in the Authority's Cyber Park project, located in Danville, Virginia, to the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth in Virginia, in support of Resolution No. 2016-09-12-6F – Mr. Guanzon
- D. Consideration of Resolution No. 2017-05-08-5D, approving that certain First Amendment to Agreement to Purchase and Sell Real Estate with Wilmot Properties, LLC, a Delaware limited liability company, dated June 13, 2016, to clarify "Buildable Acreage" definition to include small corridors required for access/delivery for certain utilities and to provide for Seller's work, at the expense of Buyer, in advance of closing – Matthew D. Rowe, Director of Economic

Development, Pittsylvania County or Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County; and Mr. Guanzon

- E. Financial Status Reports as of April 30, 2017 – Michael L. Adkins, CPA, Treasurer of the Authority

**6. CLOSED SESSION**

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended (“Virginia Code”), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business’s interest in locating its facilities in one or more of the Authority’s projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;
- B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and
- C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

**RETURN TO OPEN SESSION**

- D. Confirmation of Motion and Vote to Reconvene in Open Meeting
- E. Motion to Certify Closed Meeting

**7. COMMUNICATIONS FROM:**

Jessie L. Barksdale  
Elton Blackstock  
Sherman M. Saunders  
Fred O. Shanks, III  
J. Lee Vogler, Jr.  
Robert Warren  
  
Staff

**8. ADJOURN**

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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|-------------------------|--------------------------------------|
| <b>Agenda Item No.:</b> | Item 4                               |
| <b>Meeting Date:</b>    | 05/08/2017                           |
| <b>Subject:</b>         | Meeting Minutes                      |
| <b>From:</b>            | Susan M. DeMasi, Authority Secretary |

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### **SUMMARY**

Attached for the Board's approval are the Meeting Minutes from the Monday, April 10, 2017 meeting.

### **ATTACHMENTS**

Meeting Minutes – 04/10/2017

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 10, 2017

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. (Mr. Vogler entered the meeting at 12:18 p.m.) Pittsylvania County Members present were Vice Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, City of Danville Director of Finance Michael Adkins, Pittsylvania County Economic Development Director Matt Rowe, Governmental Affairs Consultant Linwood Wright, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner of Dewberry & Davis, and Danville City Council Member Madison Whittle.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE MARCH 13, 2017 MEETING**

Upon **Motion** by Mr. Barksdale and **second** by Mr. Shanks, Minutes of the March 13, 2017 Regular Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

Mr. Saunders welcomed Council Member Madison Whittle to the meeting and noted he would like to hear from Board Members and staff who were present for the Berry Hill Groundbreaking, to get their comments on how everything went, their thoughts, and any feedback they heard. Mr. Saunders noted he thoroughly enjoyed and appreciated the groundbreaking, was very impressed with Dewberry for all the planning they have been doing regarding Berry Hill and was especially impressed with Haymes Brothers, to turn all that earth since the first of the month. It was amazing how much work they got done in a short period of time. He thought the gathering was good, enjoyed everyone being there and thought it was well organized.

Mr. Barksdale echoed Mr. Saunders sentiment, explaining he enjoyed a song of Paul Simon's, *Born at the Right Time*, and when he is in situations like that ceremony, thinks how fortunate it was for him to be an elected official, engaged in some small part of all of this, witnessing work that was started long before he was on the RIFA Board. He thanked the individuals who handled that before he was on the Board, all the hours people had discussions and talked about this, and noted he was very proud to be on this Board.

Mr. Shanks noted he does not think there is anybody in this room that doesn't understand the historical significance of what occurred at that groundbreaking, noting he can't help but look back to 2008 when the bond market fell apart, the Board had not bought the property yet, and lenders who were lined up were gone and were not going to finance the deal. Then there was the lawsuit from the people who believed the Board was up to no good, then having to deal with the Federal government, the EPA and the newer environmental regulations. Mr. Shanks stated he looks forward to seeing great things occur there, and also to say thank you to Dewberry for getting RIFA through the environmental quagmire to where they are now.

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Mr. Blackstock noted he was unable to attend but did watch the ceremony which was streamed on line and noted he was impressed. He stated he is not always right, a lot of times he is wrong, but always tries to be honest and when Berry Hill was started, he was pessimistic. Mr. Blackstock noted he changed his mind a long time ago about this project and is thankful to the people who had the foresight to initiate this accomplishment, and appreciated the work done in the past by all the Board members, former members and staff. Mr. Blackstock stated they can't be a single entity anymore, they have to work together as a region, that is what the taxpayers expect them to do, they can set the example on the local level and is proud to be a part of it.

Mr. Warren stated Mr. Barksdale summed it up very well and would echo those comments, but also noted he stood out there that day in amazement of what can really happen when entities come together, and not just Eden, the State, Pittsylvania County or Danville but people that are in the private sector. They have a job to do, but they do it very well, with passion, noting he was speaking about Dewberry and Clement & Wheatley. Their work is very impressive, they were a very big part of the project and he appreciates them. It was amazing when State people came in, saw what was going on between Danville and Pittsylvania County and realized the value of it to the point that they are now using this as a little bit of a model of how "Go Virginia" will look. It goes to show how important it is for them to work together; a lot more can get done together rather than separate.

City Manager Ken Larking noted he would echo a lot of what was already said, being part of an historic occasion was great, and he also came in late in this process. Having Pittsylvania County and Danville, as well as North Carolina involved was an achievement and it was great to see representatives from all those areas come and speak so highly of regional cooperation; the leaders are moving the region forward in the right direction. Mr. Larking thanked the staff, Kim Custer in particular, who worked very hard to make sure the logistics of the event went off well, she did a great job.

Matt Rowe echoed what has been said; being new and coming in on the tail end was one of the things that attracted him to his position, knowing it was going to be something they could market. Mr. Rowe stated the Board did what they said they were going to do, giving staff a one of a kind marketable product in the state. Now, the pressure was on for him and Mr. Tucker to come through for the Board and the region to utilize and get the highest and best value for that piece of property. Mr. Rowe noted also that Kim Custer and Laura Ashworth really put the event together, and thanked them for doing that. It was a great event, it really shows the region can do a lot more together than apart.

Mr. Vogler noted this was many years in the making and in the five years he has been on Council and RIFA, oftentimes he has been asked what the most frustrating thing was and his answer was probably common with everyone who has been involved in it, has been the Berry Hill Mega Park; knowing RIFA had done everything they could do and still not able to see dirt get turned out there. The progress that has been made has been tremendous to watch; it was very exciting, not only what has happened already, but what will be happening in the years ahead. It took a lot of people and a lot of years to make this happen and feels very privileged to have been a small part of it. Mr. Vogler noted he looks forward to what comes next and thanked everyone involved in making this happen.

Linwood Wright noted he and Mr. Saunders are the only two people here today who were involved in the first formal session that Danville City Council and Pittsylvania County Board

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of Supervisors held; that was in 1997 in Wintergreen and they talked about developing a major industrial park jointly. That began twenty years ago. Mr. Whittle noted he was unable to attend but did see it on River City TV; City and County both working together is what it takes. Mr. Barksdale acknowledged Clement Wheatley and Mr. Guanzon; he is superman and when Mr. Barksdale leaves the meetings, he knows everything is always going to be alright. Mr. Saunders noted his agreement.

Mr. Guanzon stated it has been an honor and a privilege for his firm to represent RIFA. As a homegrown native of the area, Mr. Guanzon stated it has been amazing to think, when seeing the economic downturns and challenges to the entire region, certain individuals started to have a vision, that vision is being realized and appears to have shared hope, not only hope but excitement as to the prospects of what this region can really become. Mr. Guanzon noted he was very appreciative and congratulated everyone for not only the hard work but for keeping their minds open to see what can be accomplished with cooperation and team work.

Mr. Bradner noted on behalf of Dewberry, he can't thank the Chairman enough, the Board and everyone for allowing Dewberry to play a part in this project; being able to touch things that impact the community that is home and that are going to have a generational effect. It is gratifying, an honor and privilege to participate in that. Mr. Bradner noted a lot has been said about regional cooperation; the staff in both the City and the County are a very well-oiled machine. They have the opportunity working with other regions, what RIFA has, they do not see in other places, it is truly unique. Mr. Bradner thanked RIFA for allowing Dewberry to play a role and to be able to help RIFA help the region. Mr. Bradner noted he wanted to publicly acknowledge Mr. Harden's efforts and his team, he really lives this project, he is doing a fantastic job and thanked him for his dedication and the entire team.

Mr. Shanks noted he looks back and thinks about Lyle Lacy and his leadership during the beginning of this endeavor, he was invaluable.

**NEW BUSINESS**

**5A. CONSIDERATION – RESOLUTION 2017-04-10-5A APPROVING A CHANGE ORDER AT BERRY HILL REGARDING RELOCATION OF POWER LINE AND AREA FOR LOADING DECK AND PLACE A SILT FENCE**

Shawn Harden of Dewberry explained the City of Danville has a single-phase line that cuts across the pads; in order to make the pads better, they have asked the City of Danville to relocate that line. It does two things, it relocates the line outside of the pads, and it gives the City of Danville a new line that is visible from the road. It also sets up for the future for the City of Danville to run three-phase power from the substation to the two sanitary sewer pump stations.

Mr. Barksdale asked for clarification, in the letter from Haymes Brothers, at the very end of the letter on the clarifications "proposed cutting is not required to be performed by April 15, 2017, but if it can, it would be good." Mr. Harden explained the April 15<sup>th</sup> deadline is from RIFA's current permit which has a time of year restriction for tree removal because of the bats. That is not associated with this project and he recommends that even though it is going to be done under that contract, it stays as a separate project just for that reason.

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Mr. Barksdale **moved** adoption of *Resolution 2017-04-10-5A, approving a change order to the site development work approved under Resolution No. 2017-02-24-4A, whereby Haymes Brothers, Inc., a Virginia corporation, would also (i) clear a certain area in the Authority's Berry Hill Industrial Park project, located in Pittsylvania County, Virginia, in order for Danville Utilities to survey the route for relocation of a power line located in the Phase I grading area; (ii) clear approximately 1.5 to 2 acres for use as a loading deck; and (iii) place a 4,500 linear feet silt fence, at a lump sum price of \$36,172.*

The Motion was **seconded** by Mr. Shanks and was carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**5B. CONSIDERATION – RESOLUTION 2017-04-10-5B – APPROVING A CHANGE ORDER AT BERRY HILL REGARDING AMOUNT OF UNDERCUT**

Mr. Harden explained this item is to establish a unit cost for the geotextile fabric; when they started clearing some of the wetland that they got permitted, some of the cuts that were needed to remove were getting fairly deep so they had Froehling & Robertson look at it and they recommended they could reduce the amount of undercut two or three feet by placing this fabric. The undercut is \$8 a cubic yard, this fabric is going to cost \$3 a square yard; it is a measure that is going to help RIFA save money in the future.

Mr. Barksdale noted it will cost \$3 per square yard, what is the area and Mr. Harden noted it will just be where the wet area is, about 4,000 or 5,000 square yards. Mr. Barksdale questioned Mr. Guanzon if there should be a total figure and Mr. Guanzon noted it is okay as is. That essentially reduces the undercut area that has to be done, and replaces it with the geo-fabric, there will be a net savings and there will be less undercutting. Mr. Warren noted the Resolution makes reference to it being \$8 originally per square yard and reducing it to \$3 and Mr. Harden explained the undercut unit cost in the contract is \$8 per cubic yard; if you have one square yard and have to cut three foot out, for every three foot of cut, if you place this fabric you will end up saving \$5 per square yard. Mr. Rowe asked if Mr. Harden could explain to the group this is not going to impact compaction analysis or anything like that and Mr. Harden noted no, what the geotextile does is creates a foundation for them to backfill all top loads. They cut the soil down to look at what the geotechnical engineer determines as suitable base before they place this fabric on it. It is going to be just as good as undercutting it all the way out.

Mr. Warren **moved** adoption of *Resolution 2017-04-10-5B, approving a change order to the site development work approved under Resolution No. 2017-02-24-5B, whereby Haymes Brothers, Inc., a Virginia corporation, to minimize the amount of undercut and associated costs required in the wet areas in the Authority's Berry Hill Industrial Park project, located in Pittsylvania County, Virginia, would supply and place certain geotextile fabric at a unit cost of \$3 per square yard.*

The Motion was **seconded** by Mr. Barksdale and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)



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**5C. FINANCIAL REPORT AS OF MARCH 31, 2017**

Authority Treasurer Michael Adkins noted under the \$7.3M for Cane Creek Centre there was no activity for the month of March. General Expenditures show RIFA expended \$271.00 for meals and \$31.00 for Utilities. Mega Park Funding Other than Bonds shows no activity for March. Berry Hill Mega Park Lot 4 shows \$3,560.00 to Dewberry for Amendment #10, the purchase of Wetland and Stream credits from Bannister Bend Farms of \$22,968.00, and \$9,600.00 to the Treasurer of Virginia for a General Construction Permit at Lot Site 4. Rent, Interest and Other Income for the month of March shows \$21,400.00 rent received from the Institute for Advanced Learning and Research for the Hawkins' Building, \$724.00 Interest Income and RIFA paid \$21,400.00 to the IALR for the property management fees related to the Hawkins' Building.

Mr. Barksdale **moved** to accept the Financial Report. The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**6. CLOSED SESSION**

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

At 12:51 p.m. Mr. Barksdale **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia; and

Mr. Shanks further **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

Mr. Warren **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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The Motions were **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

D. On **Motion** by Mr. Barksdale and **second** by Mr. Shanks and by unanimous vote at 1:43 p.m., the Authority returned to open meeting.

E. Mr. Barksdale **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**7. COMMUNICATIONS**

Mr. Saunders thanked everyone for coming out today.

The Meeting adjourned at 1:46 p.m.

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Chairman

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Secretary to the Authority

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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| <b>Agenda Item No.:</b> | Item 5A  |
| <b>Meeting Date:</b>    | 05/08/2017   |
| <b>Subject:</b>         | Billboard Lease Renewal with Harkins Outdoor Advertising |
| <b>From:</b>            | Michael Guanzon, Legal Counsel to Authority              |

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### **SUMMARY**

The Board is being asked to consider approving the automatic renewal of a billboard lease with Harkins Outdoor Advertising.

### **ATTACHMENTS**

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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| <b>Agenda Item No.:</b> | Item 5B                                     |
| <b>Meeting Date:</b>    | 05/08/2017                                  |
| <b>Subject:</b>         | One Year Lease Renewal with Osborne Company |
| <b>From:</b>            | Michael Guanzon, Legal Counsel to Authority |

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### **SUMMARY**

The Board is being asked to consider approving a one-year lease renewal with the Osborne Company for approximately 100 acres of pastureland in the Authority's Berry Hill Project.

### **ATTACHMENTS**

Resolution No. 2017-05-08-5B

**A RESOLUTION APPROVING A ONE-YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY OF NORTH CAROLINA, INC., A NORTH CAROLINA CORPORATION, OF APPROXIMATELY 100 ACRES OF PASTURELAND IN THE AUTHORITY'S BERRY HILL PROJECT (A PORTION OF GPINs 1366-78-4718 AND 1367-70-4519), COMMONLY KNOWN AS 4380 BERRY HILL ROAD, IN PITTSYLVANIA COUNTY, VIRGINIA; THE LEASE TERM SHALL BE SUBJECT TO A RIGHT OF LANDLORD TO SHOW THE DEMISED PREMISES UPON AT LEAST 24-HOURS NOTICE AND THE OBLIGATION OF TENANT TO KEEP THE IDENTITY OF ANY PROSPECTIVE BUSINESS RECRUITS CONFIDENTIAL UNTIL A PUBLIC ANNOUNCEMENT IS MADE, IF EVER, OR AS OTHERWISE REQUIRED BY LAW; THE AUTHORITY SHLL HAVE THE RIGHT TO EARLY TERMINATE THE LEASE WITH AT LEAST THIRTY (30) DAYS NOTICE; AND THE LEASE SHALL BE FOR THE USE OF HARVESTING GRASS HAY AND INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY, AT A TOTAL RENTAL FEE OF \$1,000.**

**WHEREAS**, the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia, duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

**WHEREAS**, The Osborne Company of North Carolina, Inc., a North Carolina corporation, entered into that certain Lease Agreement with the Authority, dated May 9, 2011, as amended and renewed (the "Lease"), for the lease of one hundred (100) acres, more or less, of pasture land in the Authority's Berry Hill project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia, for the use of harvesting grass hay and incidental uses acceptable to the Authority, which Lease was subsequently renewed by the parties, at a total rental fee of One Thousand Dollars (\$1,000); and

**WHEREAS**, the current term of the Lease expires on May 15, 2017; and

**WHEREAS**, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia, for the Authority to enter into a one-year renewal of the Lease at a total rental fee of One Thousand and 00/100 Dollars (\$1,000), subject to (i) a 30-day right of early termination by the Authority, (ii) the right of the Authority upon at least twenty-four (24) hours' notice to Tenant to enter upon and to show the demised premises to prospective business recruits, and (iii) Tenant's agreement to keep in strictest confidence the identity of any such prospective business recruits until a public announcement is made by the Authority, if ever, or as otherwise required by law; and

**WHEREAS**, the terms of such proposed renewal are set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Renewal"); and

**WHEREAS**, the Authority finds appropriate and proper that in the event both the Director of Economic Development for Pittsylvania County, Virginia, and the Director of

Economic Development for the City of Danville, Virginia (collectively, the “**Authority Staff Leadership**”), recommend that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, each of the Chairman and the Vice Chairman should be authorized to exercise the Authority’s right of early termination under the Lease.

**NOW, THEREFORE, BE IT RESOLVED,** that

1. The Authority hereby approves the Renewal as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or the Vice Chairman of the Authority, and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the Renewal on behalf of the Authority, such execution of the Renewal by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. In the event that the Authority Staff Leadership recommends that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, the Chairman and the Vice Chairman, either of whom may act independently of the other, are hereby authorized to exercise the Authority’s right of early termination under the Lease.

3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the Renewal, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Renewal and the matters contemplated therein.

5. This Resolution shall take effect immediately upon its adoption.

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**CERTIFICATE**

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on May 8, 2017, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

**WITNESS** my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of May 2017.

\_\_\_\_\_  
**SUSAN M. DeMASI**, Secretary  
Danville-Pittsylvania Regional Industrial  
Facility Authority

(SEAL)

**THIS 2017 LEASE RENEWAL**, made as of the 15th day of May 2017, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **THE OSBORNE COMPANY OF NORTH CAROLINA, INC.**, a North Carolina corporation (“**Tenant**”);

**W I T N E S S E T H :**

**WHEREAS**, Landlord and Tenant entered into that certain Lease Agreement dated as of May 9, 2011 (the “**Lease**”), which has been subsequently renewed, for that certain real property located in Landlord’s Berry Hill project in Pittsylvania County, Virginia, containing an aggregate of 100 acres, more or less, commonly known as 4380 Berry Hill Road (a portion of GPINs 1366-78-4718 and 1367-70-4519); and

**WHEREAS**, Landlord and Tenant desire to renew the Lease for an additional one (1) year term, subject to an early termination right by Landlord, and provide for the payment of additional rent during such renewal term, all as set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants contained in this Lease, the parties agree as follows:

1. The “**Renewal Term**” shall be for a term of one (1) year beginning on May 15, 2017, and ending on May 15, 2018. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.

2. Prior to the end of the Renewal Term, Landlord shall have the right to terminate the Lease upon giving at least thirty (30) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Additional Rent (as hereafter defined) covering the period between the date of termination and May 15, 2018.

3. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of One Thousand and 00/100 Dollars (\$1,000.00), due and payable on the first day of the Renewal Term set forth herein. The “**Base Rent**” (as defined in the Lease) shall include the Base Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.

4. At any time during the Renewal Term, Landlord shall have the right, upon at least twenty-four (24) hours’ notice to Tenant (which can be by telephone or by e-mail), to enter upon and to show the demised premises to prospective business recruits (the “**Recruits**”).

5. Tenant agrees to keep in strictest confidence the identity of any Recruits until a public announcement is made by Landlord, if ever, or as otherwise required by law.

6. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

**[SIGNATURES ON FOLLOWING PAGE]**



WITNESS the following signatures to this **2017 LEASE RENEWAL**:

**LANDLORD:**

**DANVILLE-PITTSYLVANIA REGIONAL  
INDUSTRIAL FACILITY AUTHORITY**, a political  
subdivision of the Commonwealth of Virginia

By: \_\_\_\_\_  
**SHERMAN M. SAUNDERS**, Chairman

**TENANT:**

**THE OSBORNE COMPANY OF NORTH  
CAROLINA, INC.**, a North Carolina corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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|                         |   |
|-------------------------|---|
| <b>Agenda Item No.:</b> | Item 5C                                     |
| <b>Meeting Date:</b>    | 05/08/2017                                  |
| <b>Subject:</b>         | Approval for Deed Conveying Property to IDA |
| <b>From:</b>            | Michael Guanzon, Legal Counsel to Authority |

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### **SUMMARY**

The Board is being asked to consider approving a deed to convey 10 acres of property in the Authority's Cyber Park project to the Industrial Development Authority.

### **ATTACHMENTS**

Resolution No. 2017-05-08-5C

**A RESOLUTION APPROVING THE FORM OF THE DEED CONVEYING LOT 12A, CONTAINING 10.000 ACRES, IN THE AUTHORITY'S CYBER PARK PROJECT, LOCATED IN DANVILLE, VIRGINIA, TO THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, A POLITICAL SUBDIVISION OF THE COMMONWEALTH IN VIRGINIA, IN SUPPORT OF RESOLUTION NO. 2016-09-12-6F**

**WHEREAS**, the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority" or "RIFA") is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

**WHEREAS**, the Authority, under Resolution No. 2016-09-12-6F, executed that certain 1260 South Boston Road Cooperation Agreement dated August 24, 2016 (the "**Cooperation Agreement**"), with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the "**IDA**"), pertaining to a portion of Lots 10, 11 and 12 (tax PIN 76441), to contain approximately 10 acres, in the Authority's Cyber Park project located in Danville, Virginia; and

**WHEREAS**, Section 2 ("**Conveyance of the Land**") of the Cooperation Agreement provides, in part:

"a. Generally. After the Performance Agreement [*as defined in the Cooperation Agreement*] has been executed by Recruit [*as defined in the Cooperation Agreement*], RIFA, upon written request from the IDA, RIFA shall give, transfer and convey the Land [*as defined in the Cooperation Agreement*], "**AS IS**", "**WHERE IS**" and "**WITH ALL FAULTS**", but free and clear of any monetary liens. ... Subject to the imposition of reasonable restrictions on the use of the Land or protective covenants by RIFA in furtherance of the Cyber Park's continued development by RIFA, the deed conveying the Land from RIFA to the IDA shall be with general warranty, in the form reasonably acceptable to legal counsel to RIFA and the IDA, and at the option of the IDA, insurable by a title insurance company selected by the IDA. RIFA shall not be obligated to execute and to deliver such deed to the IDA before a date that is sixty (60) days before the earlier to occur of (i) the date that any construction loan on the Land closes or (ii) the date that construction is scheduled to commence upon the Land as contemplated in the Performance Agreement."; and

**WHEREAS**, Section 2(b) of the Cooperation Agreement also provides that Authority shall have the right to buy back the Land under certain terms and conditions set forth therein, in "the event that (A) construction as contemplated in the Performance Agreement has not commenced on or before November 2, 2017, or (B) Recruit is in breach of the Performance Agreement and all applicable cure periods, if any, have expired"; and

**WHEREAS**, the IDA requested in writing that the Authority convey the Land as set forth in the Cooperation Agreement; and

**WHEREAS**, the form of the general warranty deed conveying newly created Lot 12A, containing 10.000 acres, to the IDA (the "**Deed**"), as shown on **Exhibit A**, attached hereto and incorporated herein by this reference, is acceptable to the IDA and to legal counsel to the Authority; and

**WHEREAS**, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County and the City of Danville, for the Authority to improve the Cyber Park project and to fulfill its obligations under the Cooperation Agreement by executing and delivering the Deed to the IDA at such a time as the Chairman or Vice Chairman (as the case may be), in his sole discretion, determines to be reasonable and appropriate.

**NOW, THEREFORE, BE IT RESOLVED**, that

1. The Authority hereby approves the Deed as set forth in **Exhibit A** and as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, and hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver the Deed on behalf of the Authority, at such a time as he determines to be reasonable and appropriate, such execution of the Deed by the Chairman and/or Vice Chairman, as the case may be, to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the Deed and the Cooperation Agreement, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Deed and the Cooperation Agreement and the matters contemplated therein.

4. This Resolution shall take effect immediately upon its adoption.

- # -

**CERTIFICATE**

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on May 8, 2017, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

**WITNESS** my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of May 2017.

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**SUSAN M. DeMASI**, Secretary  
Danville-Pittsylvania Regional Industrial Facility  
Authority

(SEAL)

**Exhibit A**  
**(The Deed)**

**THIS CONVEYANCE IS EXEMPT FROM RECORDATION TAXES REQUIRED UNDER SECTIONS 58.1-801 AND 58.1-802 OF THE CODE OF VIRGINIA, 1950, AS AMENDED (THE "CODE"), PURSUANT TO SECTIONS 58.1-811(D), 58.1-811 (A)(3) and 58.1 811(C)(4) OF THE CODE.**

**PREPARED BY AND RETURN TO:**

Michael C. Guanzon (VSB No. 38135)  
Clement Wheatley  
P.O. Box 8200  
Danville, VA 24543-8200

**PIN:** Part of 76441

**TAX ASSESSMENT:** \$95,702.22

(\$656,900 for whole 68.640 ac. of PIN 76441)

**CONSIDERATION:** \$0.00

**GRANTEE ADDRESS:**

P.O. Box 3300  
Danville, VA 24543

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**THIS DEED OF GIFT**, made as of the 8th day of May 2017, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia, as grantor (“**Grantor**”), and **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, as grantee (“**Grantee**”);

**W I T N E S S E T H :**

**THAT** for no monetary consideration, Grantor does hereby grant, give, and convey, with General Warranty and English Covenants of Title unto Grantee, all of that certain lot, tract, or parcel of land, with improvements thereon and appurtenances thereunto belonging, situate in the City of Danville, Virginia, and more particularly described as follows:

**BEING ALL OF LOT 12A**, containing **10.000 acres**, as shown on that certain Plat Showing New Lot 12A, by Richard B. Armstrong, Jr., L.S., Armstrong & Associates, Project No. 170052, dated March 30, 2017, and recorded in the Clerk’s Office of the Circuit Court of Danville, Virginia (the “**Clerk’s Office**”), as Instrument No. 17-1392; **AND BEING**, in fact, a part of the same property conveyed by the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, to Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia, by deed dated June 21, 2002, and recorded in the Clerk’s Office as Instrument No. 02-3554, at page 14, to which plat and deed specific reference is here made for a more particular description of the real property herein conveyed.

**SUBJECT TO** that certain right of Grantor to purchase the property as set forth in that certain 1260 South Boston Road Cooperation Agreement dated

August 24, 2016, entered between Grantor and Grantee, a copy of which is attached hereto as **Exhibit A**, incorporated herein by this reference. Such right of repurchase by Grantor shall run with the land and shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns.

This conveyance is made subject to all easements, conditions, restrictions and agreements of record affecting the real estate hereby conveyed or any part thereof.

**WITNESS** the following signature to this **DEED OF GIFT**:

**DANVILLE-PITTSYLVANIA INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia

By: \_\_\_\_\_  
Sherman M. Saunders, Chairman

**COMMONWEALTH OF VIRGINIA AT LARGE:**  
**CITY OF DANVILLE, to-wit:**

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid, on this \_\_\_\_\_ day of \_\_\_\_\_ 2017, by **SHERMAN M. SAUNDERS**, in his capacity as Chairman of **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia, as Grantor.

My commission expires:\_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Registration No. \_\_\_\_\_

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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|                         |  |
|-------------------------|--|
| <b>Agenda Item No.:</b> | Item 5D  |
| <b>Meeting Date:</b>    | 05/08/2017   |
| <b>Subject:</b>         | Approval of Amending Purchase/Sell Agreement with Wilmot Properties, LLC |
| <b>From:</b>            | Michael Guanzon, Legal Counsel to Authority                              |

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### **SUMMARY**

The Board is being asked to consider approving an amendment to a previous agreement with Wilmot Properties, LLC. This amendment includes the clarification of the “buildable acreage” definition.

### **ATTACHMENTS**

Resolution No. 2017-05-08-5D



**Danville-Pittsylvania Regional Industrial Facility Authority**

**MEETING  
May 8, 2017, 12:00 P.M.**

**SUPPLEMENT TO AGENDA ITEM 5D**

## FIRST AMENDMENT TO AGREEMENT TO PURCHASE AND SELL REAL ESTATE

**THIS FIRST AGREEMENT TO PURCHASE AND SELL REAL ESTATE** (this "**Amendment**") is made and entered into as of the 8th day of May 2017, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("**Seller**"), and **WILMOT PROPERTIES, LLC**, a Delaware limited liability company ("**Buyer**").

### R E C I T A L S:

Seller and Buyer entered into that certain Agreement to Purchase and Sell Real Estate dated June 13, 2016 (the "**PSA**"); and

The parties wish to amend the PSA under the terms and conditions set forth below.

**NOW, THEREFORE**, for and in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby covenant and agree as follows:

1. **Definitions.** Unless otherwise provided in this Amendment, the terms used in this Amendment shall have the same meaning given to such term in the PSA.

2. **Property (Lot 3).** Lot 3B, as described on Exhibit "A" attached to the PSA, contained approximately 456 acres of land, and Buyer and Seller have agreed to reduce the size and change the configuration of the Property to be conveyed pursuant to the PSA, which reconfigured parcel contains approximately 400 acres of land and is depicted on Exhibit "A-1" attached hereto. Accordingly, Buyer and Seller agree that all references to Lot 3B or the Property shall mean the parcel of land described on Exhibit "A-1" attached hereto, which drawing shall supersede and replace Exhibit "A" attached to the PSA in all respects.

3. **Purchase Price and Deletion of "Non-Buildable Acreage."** Section 2(a) of the PSA is hereby ~~deleted~~ and the following is substituted in its place and stead:

"a. **Purchase Price.** The purchase price for the Property shall be Two Million Two Hundred Fifty Thousand and 00/100 Dollars (\$2,250,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid in immediately available funds at the Closing, less the Initial Deposit (as hereafter defined), the Additional Deposit (as hereafter defined) (if any), and all Extension Fees (as hereafter defined) paid by Buyer, and subject to adjustment as otherwise provided in this Agreement. "

The first sentence of Section 9 of the PSA shall be amended ~~to provide that~~ by deleting the phrase, "..., including those acres designated as Non-Buildable Acreage ~~shall also specifically exclude those certain small corridors of the Property, as designated by both parties, required for access or delivery for water, transmission and/or gas as may be agreed upon as set forth in Section 2(a) above~~".

#### 24. Seller's Work.

a. **Generally.** The PSA is hereby amended to provide that prior to Closing, Buyer may direct Seller in writing to commence Seller's ~~work~~Work as described in Section 13(b) of the PSA ("**Pre-Closing Work**"); however, prior to Closing, Pre-Closing Work shall be at the sole expense and cost of Buyer.

b. **Pre-Closing Work Costs.** Should Closing occur, the expenses and costs paid by Buyer for Pre-Closing Work ("**Pre-Closing Work Costs**") shall be credited against the Purchase Price at Closing, ~~but~~ and in the event that the Pre-Closing Work Costs paid by Buyer exceed the Purchase Price, the Seller agrees to reimburse Buyer in the amount of such excess on the Closing Date; however, in no event shall the sum of such purchase price credit, such reimbursement amount and the cost of any Seller's Work (as described in Section 13(b) of the PSA) paid by Seller exceed the aggregate of Six Million Five Hundred Thousand and 00/100 Dollars (\$6,500,000.00). Should Closing not occur for whatever reason, Buyer shall not be entitled to, and shall not seek, reimbursement for, Pre-Closing Work Costs from any one or more of Seller, the County of Pittsylvania, Virginia, the City of Danville, Virginia, or the Pittsylvania County Service Authority.

c. **Buyer as Sole Payor of Pre-Closing Work Costs.** Prior to the commencement of Pre-Closing Work, Buyer shall execute such documents as reasonably necessary for Buyer to become the sole payor of, and the sole financially responsible party for Pre-Closing Work Costs.

d. **Pre-Closing Work Costs -- Limitations.** Without the prior written consent of Buyer, which consent may be withheld in its sole and absolute discretion, Pre-Closing Work Costs shall not exceed Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) for the stream, navigable waters and wetlands mitigation and permits; (B) Fifty Thousand and 00/100 Dollars (\$50,000.00) for the removal and/or relocation of historic or culturally significant structures; or (C) Six Million Five Hundred Thousand and 00/100 Dollars (\$6,500,000.00), in the aggregate for all Pre-Closing Work Costs.

e. **Scope and Timing of Pre-Closing Work.** Buyer shall have the right, in its sole and absolute discretion, to determine the scope and timing of Pre-Closing Work before Closing; however, (i) Pre-Closing Work shall not include such work that would render the use of the Property limited only for power plant use; and (ii) Seller, in its sole and absolute discretion, shall have the right to suspend or cease Pre-Closing Work at any time upon giving written notice to Buyer (A) if Buyer fails to pay the Pre-Closing Work Costs in accordance with the terms and conditions approved by Buyer pursuant to Section 4(f)(ii) below or (B) if Buyer fails to comply with the conditions of the preceding item (i) in this sentence.

f. **Control of Pre-Closing Work.** Ultimate control of Pre-Closing Work shall vest exclusively in Seller; however, Buyer shall have the right, in its sole and absolute discretion, (i) to determine the scope and timing of Pre-Closing Work as set forth in Section 24(e) above; (ii) to ~~reasonably~~ approve the contractor or contractors performing the Pre-Closing Work and to approve the terms and conditions of the contract for the performance of the Pre-Closing Work;

(iii) to co-supervise, along with Seller, the progress and status of the Pre-Closing Work; (iv) to access all information and documentation pertaining to Pre-Closing Work; and (v) to direct the suspension or cessation of Pre-Closing Work upon giving written notice to Seller.

~~3~~5. **Headings.** The descriptive headings in this Amendment are inserted for convenience only and do not constitute a part of this Amendment.

~~4~~6. **Counterparts.** This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment.

~~5~~7. **Effect on the PSA.** Except as amended in this Amendment, all other terms, provisions, and conditions of the PSA shall remain in full force and effect, and the parties ratify and confirm that the PSA, as amended by this Amendment, is and remains in full force and effect.

*[Remainder of Page Intentionally Left Blank; Signatures on Following Page]*

**IN WITNESS WHEREOF**, the parties hereto have caused this **FIRST AMENDMENT TO AGREEMENT TO PURCHASE AND SELL REAL ESTATE** to be executed by their duly authorized representatives as of the day and year indicated next to their signatures.

**SELLER:**

**DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**,  
a political subdivision of the Commonwealth of Virginia

By: \_\_\_\_\_  
Sherman M. Saunders, Chairman

Date of Execution: \_\_\_\_\_, 2017

**Attested:**

By: \_\_\_\_\_  
Susan M. DeMasi  
Corporate Secretary

**BUYER:**

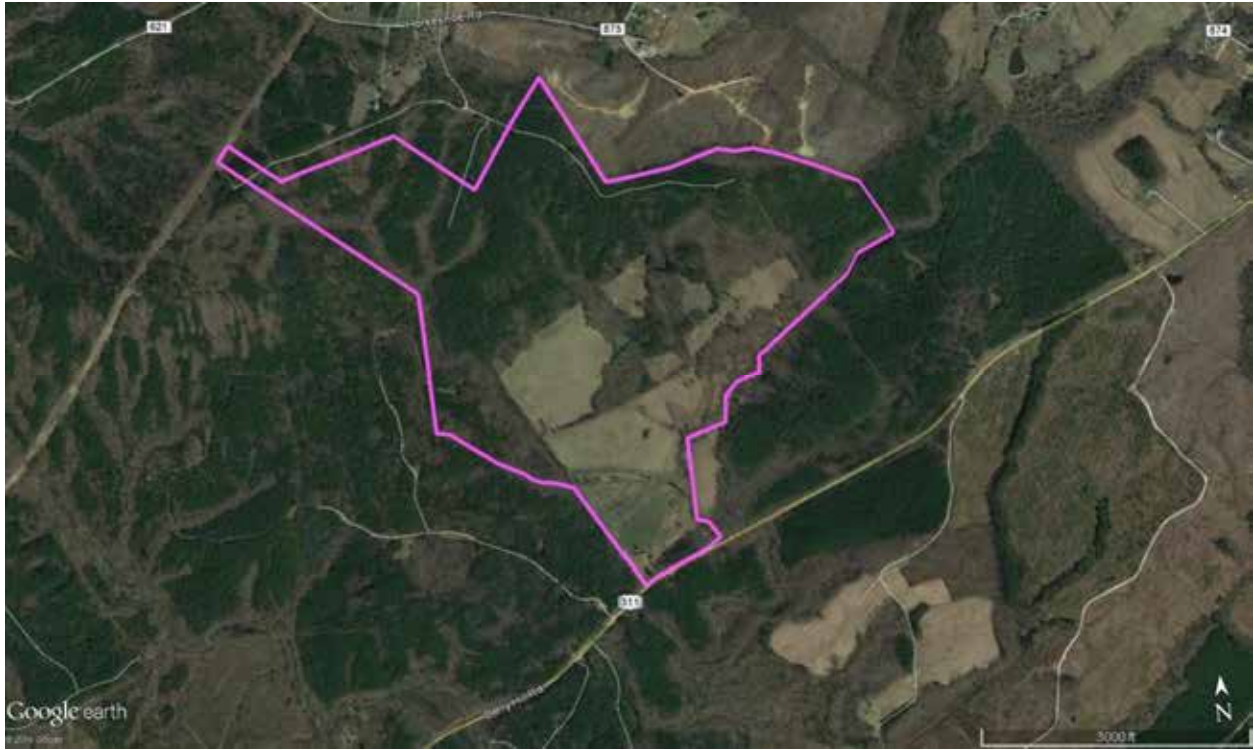
**WILMOT PROPERTIES, LLC**, a Delaware limited liability company

By: \_\_\_\_\_  
David K. Mohon, Authorized Representative

Date of Execution: \_\_\_\_\_, 2017

EXHIBIT "A-1"

Revised Drawing Showing the Location of Reconfigured  
Lot 3B in Berry Hill Industrial Park, Pittsylvania County, Virginia



**A RESOLUTION APPROVING THAT CERTAIN FIRST AMENDMENT TO AGREEMENT TO PURCHASE AND SELL REAL ESTATE WITH WILMOT PROPERTIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DATED JUNE 13, 2016, TO CLARIFY “BUILDABLE ACREAGE” DEFINITION TO INCLUDE SMALL CORRIDORS REQUIRED FOR ACCESS/DELIVERY FOR CERTAIN UTILITIES AND TO PROVIDE FOR SELLER’S WORK, AT THE EXPENSE OF BUYER, IN ADVANCE OF CLOSING**

**WHEREAS**, the Danville-Pittsylvania Regional Industrial Facility Authority (the “**Authority**”) is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

**WHEREAS**, the Authority, pursuant to Resolution No. 2016-06-13-6F-1, and Wilmot Properties, LLC, a Delaware limited liability company (“**Buyer**”), entered into that certain Agreement to Purchase and Sell Real Estate dated June 13, 2016 (the “**Agreement**”), for Lot 3B in the Authority’s Berry Hill Industrial Park project located in Pittsylvania County, Virginia (the “**Berry Hill Project**”); and

**WHEREAS**, as of the date hereof, Buyer is in its Due Diligence Period (as defined in the Agreement) and has requested that certain amendments be made to the Agreement as set forth in that certain First Amendment to Agreement to Purchase and Sell Real Estate (the “**First Amendment**”), attached hereto as **Exhibit A**, and incorporated herein by this reference; and

**WHEREAS**, under the First Amendment, the definition of “**Non-Buildable Acreage**” would be clarified to exclude certain small corridors required for access or delivery for water, transmission and/or gas; and

**WHEREAS**, the First Amendment would also allow Buyer to direct the Authority to cause to be performed certain pre-closing work as described in Section 13(b) of the Agreement at the sole expense of Buyer; and should the transaction close, Buyer’s payments would be credited against the purchase price, up to Six Million Five Hundred Thousand and 00/100 Dollars (\$6,500,000.00), subject to certain other limitations on other costs for such pre-closing work, as more particularly set forth in the First Amendment; and

**WHEREAS**, the Authority has hereby determined, in open session, that the First Amendment, in furtherance of the development of the Berry Hill Project, serves the purpose of the Authority to enhance the economic base of the City of Danville and Pittsylvania County by developing, owning, and operating the Berry Hill Project on a cooperative basis involving the City and the County, and that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to authorize, approve, execute and adopt in all respects the First Amendment.

**NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:**

1. The Authority hereby authorizes and directs its Chairman and/or Vice Chairman, either of whom may act independently of the other, to execute and deliver, and otherwise pursue, the First Amendment, together with such further amendments, deletions or additions to the First Amendment as may be approved by its Chairman or Vice Chairman (as the case may be), and such execution of the same by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of any further amendments, deletions or additions thereto.

2. The Authority hereby authorizes its Chairman and Vice Chairman, either of whom may act independently of the other, to execute and deliver such other documents in connection with the First Amendment, as may be approved by its Chairman or Vice Chairman (as the case may be), such execution by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of such other documents.

3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the First Amendment or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of this Resolution.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the First Amendment and the matters contemplated in this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

### **CERTIFICATE**

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on May 8, 2017, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

**WITNESS** my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 8th day of May 2017.

---

**SUSAN M. DeMASI**, Secretary  
Danville-Pittsylvania Regional Industrial Facility  
Authority

(SEAL)



## Exhibit A

### **FIRST AMENDMENT TO AGREEMENT TO PURCHASE AND SELL REAL ESTATE**

**THIS FIRST AGREEMENT TO PURCHASE AND SELL REAL ESTATE** (this "**Amendment**") is made and entered into as of the 8th day of May 2017, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("**Seller**"), and **WILMOT PROPERTIES, LLC**, a Delaware limited liability company ("**Buyer**").

### **R E C I T A L S :**

Seller and Buyer entered into that certain Agreement to Purchase and Sell Real Estate dated June 13, 2016 (the "**PSA**"); and

The parties wish to amend the PSA under the terms and conditions set forth below.

**NOW, THEREFORE**, for and in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby covenant and agree as follows:

1. **Definitions.** Unless otherwise provided in this Amendment, the terms used in this Amendment shall have the same meaning given to such term in the PSA.
2. **Non-Buildable Acreage.** Section 2 of the PSA is hereby amended to provide that Non-Buildable Acreage shall also specifically exclude those certain small corridors of the Property, as designated by both parties, required for access or delivery for water, transmission and/or gas.
3. **Seller's Work.**
  - a. **Generally.** The PSA is hereby amended to provide that prior to Closing, Buyer may direct Seller in writing to commence Seller's work as described in Section 13(b) of the PSA ("**Pre-Closing Work**"); however, prior to Closing, Pre-Closing Work shall be at the sole expense and cost of Buyer.
  - b. **Pre-Closing Work Costs.** Should Closing occur, the expenses and costs paid by Buyer for Pre-Closing Work ("**Pre-Closing Work Costs**") shall be credited against the Purchase Price at Closing, but in no event shall such credit exceed the aggregate of Six Million Five Hundred Thousand and 00/100 Dollars (\$6,500,000.00). Should Closing not occur for whatever reason, Buyer shall not be entitled to, and shall not seek, reimbursement for, Pre-Closing Work Costs from any one or more of Seller, the County of Pittsylvania, Virginia, the City of Danville, Virginia, or the Pittsylvania County Service Authority.

c. **Buyer as Sole Payor of Pre-Closing Work Costs.** Prior to the commencement of Pre-Closing Work, Buyer shall execute such documents as reasonably necessary for Buyer to become the sole payor of, and the sole financially responsible party for Pre-Closing Work Costs.

d. **Pre-Closing Work Costs -- Limitations.** Without the prior written consent of Buyer, which consent may be withheld in its sole and absolute discretion, Pre-Closing Work Costs shall not exceed Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) for the stream, navigable waters and wetlands mitigation and permits; (B) Fifty Thousand and 00/100 Dollars (\$50,000.00) for the removal and/or relocation of historic or culturally significant structures; or (C) Six Million Five Hundred Thousand and 00/100 Dollars (\$6,500,000.00), in the aggregate for all Pre-Closing Work Costs.

e. **Scope and Timing of Pre-Closing Work.** Buyer shall have the right to determine the scope and timing of Pre-Closing Work before Closing; however, (i) Pre-Closing Work shall not include such work that would render the use of the Property limited only for power plant use; and (ii) Seller, in its sole and absolute discretion, shall have the right to suspend or cease Pre-Closing Work at any time upon giving written notice to Buyer.

f. **Control of Pre-Closing Work.** Ultimate control of Pre-Closing Work shall vest exclusively in Seller; however, Buyer shall have the right (i) to determine the scope and timing of Pre-Closing Work as set forth in Section 3(e) above; (ii) to reasonably approve the contractor or contractors performing the Pre-Closing Work; (iii) to co-supervise, along with Seller, the progress and status of the Pre-Closing Work; (iv) to access all information and documentation pertaining to Pre-Closing Work; and (v) to direct the suspension or cessation of Pre-Closing Work upon giving written notice to Seller.

4. **Headings.** The descriptive headings in this Amendment are inserted for convenience only and do not constitute a part of this Amendment.

5. **Counterparts.** This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment.

6. **Effect on the PSA.** Except as amended in this Amendment, all other terms, provisions, and conditions of the PSA shall remain in full force and effect, and the parties ratify and confirm that the PSA, as amended by this Amendment, is and remains in full force and effect.

*[Remainder of Page Intentionally Left Blank; Signatures on Following Page]*

**IN WITNESS WHEREOF**, the parties hereto have caused this **FIRST AMENDMENT TO AGREEMENT TO PURCHASE AND SELL REAL ESTATE** to be executed by their duly authorized representatives as of the day and year indicated next to their signatures.

**SELLER:**

**DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**,  
a political subdivision of the Commonwealth of Virginia

By: \_\_\_\_\_  
Sherman M. Saunders, Chairman

Date of Execution: \_\_\_\_\_, 2017

**Attested:**

By: \_\_\_\_\_  
Susan M. DeMasi  
Corporate Secretary

**BUYER:**

**WILMOT PROPERTIES, LLC**, a Delaware limited liability company

By: \_\_\_\_\_  
David K. Mohon, Authorized Representative

Date of Execution: \_\_\_\_\_, 2017

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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|                         |   |
|-------------------------|---|
| <b>Agenda Item No.:</b> | Item 5E                                   |
| <b>Meeting Date:</b>    | 05/08/2017                                |
| <b>Subject:</b>         | Financial Status Reports – April 30, 2017 |
| <b>From:</b>            | Michael L. Adkins, Authority Treasurer    |

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### **SUMMARY**

A review of the financial status reports through April 30, 2017 will be provided at the meeting. The financial status reports as of April 30, 2017 are attached for the DPRIFA Board's review.

### **RECOMMENDATION**

Staff recommends approving the financial status reports as of April 30, 2017 as presented.

### **ATTACHMENTS**

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility  
Authority

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# Financial Status

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## Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2017
- C. Mega Park – Funding Other than Bond Funds
- D. Berry Hill Mega Park – Lot 4 Site Development
- E. Rent, Interest, and Other Income Realized
- F. Unaudited Financial Statements

## Danville-Pittsylvania Regional Industrial Facility Authority

\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 <sup>7</sup>

As of April 30, 2017

| <u>Funding</u>  | <u>Funding</u>         | <u>Budget / Contract<br/>Amount</u> | <u>Expenditures</u>    | <u>Encumbered</u>   | <u>Unexpended /<br/>Unencumbered</u> |
|---|------------------------|-------------------------------------|------------------------|---------------------|--------------------------------------|
| Funds from bond issuance  | \$7,300,000.00         |                                     |                        |                     |                                      |
| Issuance cost   | (155,401.33)           |                                     |                        |                     |                                      |
| Refunding cost <sup>7</sup>   | (52,500.00)            |                                     |                        |                     |                                      |
| Bank fees   | (98.25)                |                                     |                        |                     |                                      |
| Interest earned to date   | 486,581.70             |                                     |                        |                     |                                      |
| <b>Cane Creek Parkway <sup>3</sup></b>                              |                        | \$3,804,576.00                      | \$3,724,241.16         | \$ -                |                                      |
| <b>Swedwood Drive <sup>2</sup></b>                                  |                        | 69,414.00                           | 69,414.00              | -                   |                                      |
| <b>Cane Creek Centre entrance <sup>3</sup></b>                      |                        | 72,335.00                           | 53,878.70              | -                   |                                      |
| <b>Financial Advisory Services</b>                                  |                        | 9,900.00                            | 9,900.00               | -                   |                                      |
| <b>Dewberry contracts <sup>1</sup></b>                              |                        | 69,582.50                           | 69,582.50              | -                   |                                      |
| <b>Dewberry contracts not paid by 1.7 grant <sup>4, 5</sup></b>     |                        | 71,881.00                           | 28,554.12              | 43,326.88           |                                      |
| <b>Land</b>   |                        | -                                   | 2,792,945.57           | -                   |                                      |
| <b>Demolition services</b>  |                        | 71,261.62                           | 71,261.62              | -                   |                                      |
| <b>Legal fees</b>   |                        | -                                   | 109,908.08             | -                   |                                      |
| <b>CCC - Lots 3 &amp; 9 project - RIFA Local Share <sup>6</sup></b> |                        | 142,190.00                          | 112,464.98             | -                   |                                      |
| <b>Other expenditures</b>   |                        | -                                   | 339,846.72             | -                   |                                      |
| <b>Total</b>  | <b>\$ 7,578,582.12</b> | <b>\$ 4,311,140.12</b>              | <b>\$ 7,381,997.45</b> | <b>\$ 43,326.88</b> | <b>\$ 153,257.79</b>                 |

**notes:**

<sup>1</sup> Dewberry Contracts consist of wetland, engineering, surveying and site preparation

<sup>2</sup> Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive

<sup>3</sup> Project completed under budget

<sup>\*</sup> In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

<sup>4</sup> These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

<sup>5</sup> The budget amount decreased \$71,279.61 from the 9/30/2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

<sup>6</sup> This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

<sup>7</sup> The \$7.3 million bonds were refunded on 8/1/2013 with the issuance of refunding bonds in the amount of \$5,595,000.

| <b><u>Road Summary-Cane Creek Parkway:</u></b> |                        |
|--|------------------------|
| English Contract-Construction                  | \$ 5,363,927.00        |
| Change Orders                                  | 165,484.50             |
| Expenditures over contract amount              | 3,579.50               |
| (Less) County's Portion of Contract            | (935,207.00)           |
| (Less) Mobilization Allocated to County        | (9,718.00)             |
| Portion of English Contract Allocated to RIFA  | 4,588,066.00           |
| Dewberry Contract-Engineering                  | 683,850.00             |
| <b>Total Road Contract Allocated to RIFA</b>   | <b>\$ 5,271,916.00</b> |

| <b><u>Funding Summary - Cane Creek Parkway</u></b> |                        |
|--|------------------------|
| VDOT   | \$ 1,467,340.00        |
| Bonds  | 3,804,576.00           |
|  | <b>\$ 5,271,916.00</b> |

# Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2017

As of April 30, 2017

|                                    | <u>Funding</u>       | <u>Budget</u>        | <u>Expenditures</u> | <u>Encumbered</u> | <u>Unexpended /<br/>Unencumbered</u> |
|------------------------------------|----------------------|----------------------|---------------------|-------------------|--------------------------------------|
| <b>Funding</b>                     |                      |                      |                     |                   |                                      |
| City Contribution                  | \$ 75,000.00         |                      |                     |                   |                                      |
| County Contribution                | 75,000.00            |                      |                     |                   |                                      |
| Carryforward from FY2016           | 101,941.49           |                      |                     |                   |                                      |
| <b>Contingency</b>                 |                      |                      |                     |                   |                                      |
| Miscellaneous contingency items    |                      | \$ 143,441.49        | \$ 3,658.03         | \$ -              | \$ 139,783.46                        |
| Berry Hill Wilmot Project (Lot 3B) |                      |                      | 13,087.00           |                   | (13,087.00)                          |
| <b>Total Contingency Budget</b>    |                      | <u>143,441.49</u>    | <u>16,745.03</u>    | -                 | <u>126,696.46</u>                    |
| <b>Legal</b>                       |                      | 80,000.00            | 37,995.81           | -                 | 42,004.19                            |
| <b>Accounting</b>                  |                      | 20,300.00            | 20,300.00           | -                 | -                                    |
| <b>Annual Bank Fees</b>            |                      | 600.00               | 550.00              | -                 | 50.00                                |
| <b>Postage &amp; Shipping</b>      |                      | 100.00               |                     | -                 | 100.00                               |
| <b>Meals</b>                       |                      | 4,000.00             | 2,410.85            | -                 | 1,589.15                             |
| <b>Utilities</b>                   |                      | 500.00               | 278.13              | -                 | 221.87                               |
| <b>Insurance</b>                   |                      | 3,000.00             |                     | -                 | 3,000.00                             |
| <b>Total</b>                       | <u>\$ 251,941.49</u> | <u>\$ 251,941.49</u> | <u>\$ 78,279.82</u> | <u>\$ -</u>       | <u><u>\$ 173,661.67</u></u>          |

**Danville-Pittsylvania Regional Industrial Facility Authority**

**Mega Park - Funding Other than Bond Funds**

As of April 30, 2017

| <b>Funding</b>   | <b>Funding</b>          | <b>Budget / Contract<br/>Amount</b> | <b>Expenditures</b>     | <b>Encumbered</b>   | <b>Unexpended /<br/>Unencumbered</b> |
|--|-------------------------|-------------------------------------|-------------------------|---------------------|--------------------------------------|
| City contribution  | \$ 134,482.50           |                                     |                         |                     |                                      |
| County contribution  | 134,482.50              |                                     |                         |                     |                                      |
| City advance for Klutz, Canter, & Shoffner property <sup>1,4</sup>                               | 10,340,983.83           |                                     |                         |                     |                                      |
| Tobacco Commission FY09 SSED Allocation  | 3,370,726.00            |                                     |                         |                     |                                      |
| Tobacco Commission FY10 SSED Allocation - Engineering Portion                                    | 407,725.00              |                                     |                         |                     |                                      |
| Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated                               | (244,797.00)            |                                     |                         |                     |                                      |
| Local Match for TIC FY10 SSED Allocation - Engineering Portion <sup>5</sup>                      | 76,067.61               |                                     |                         |                     |                                      |
| Additional funds allocated by RIFA Board on 1/14/2013 <sup>6</sup>                               | 11,854.39               |                                     |                         |                     |                                      |
| <b>Land</b>  |                         |                                     |                         |                     |                                      |
| Klutz property   |                         | \$ 8,394,553.50                     | \$ 8,394,553.50         | \$ -                |                                      |
| Canter property <sup>2</sup>   |                         | 1,200,000.00                        | 1,200,000.00            | -                   |                                      |
| Adams property   |                         | 37,308.00                           | 37,308.00               | -                   |                                      |
| Carter property  |                         | 5,843.00                            | 5,843.00                | -                   |                                      |
| Jane Hairston property   |                         | 1,384,961.08                        | 1,384,961.08            | -                   |                                      |
| Bill Hairston property   |                         | 201,148.00                          | 201,148.00              | -                   |                                      |
| Shoffner Property  |                         | 1,872,896.25                        | 1,872,896.25            | -                   |                                      |
| <b>Other</b>   |                         |                                     |                         |                     |                                      |
| Dewberry & Davis   |                         | 28,965.00                           | 28,965.00               | -                   |                                      |
| Dewberry & Davis <sup>3</sup>  |                         | 990,850.00                          | 973,629.29              | 17,220.71           |                                      |
| Consulting Services - McCallum Sweeney <sup>7</sup>  |                         | 115,000.00                          | 103,796.85              | -                   |                                      |
| Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project <sup>8</sup> |                         | -                                   | 11,203.15               | -                   |                                      |
| <b>Total</b>   | <b>\$ 14,231,524.83</b> | <b>\$ 14,231,524.83</b>             | <b>\$ 14,214,304.12</b> | <b>\$ 17,220.71</b> | <b>\$ (0.00)</b>                     |

<sup>1</sup> This figure does not include the interest the City lost from the uninvested funds, which was paid to the City 1/3/2012 and totaled \$144,150.41.

<sup>2</sup> Settlement fees were drawn from bonds issued for the Berry Hill project 12/1/2011.

<sup>3</sup> This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

<sup>4</sup> RIFA paid the City back for all advances on 1/3/2012.

<sup>5</sup> The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

<sup>6</sup> Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

<sup>7</sup> Unencumbered the remaining \$11,203.15 due to termination of contract.

<sup>8</sup> As approved by RIFA Board on 10/16/2014



## Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of April 30, 2017

|  | <u>Funding</u>         | <u>Budget / Contract</u><br><u>Amount</u> | <u>Expenditures</u>    | <u>Encumbered</u>      | <u>Unexpended /</u><br><u>Unencumbered</u> |
|--|------------------------|---|------------------------|------------------------|--|
| <b>Funding</b>   |                        |   |                        |                        |  |
| Tobacco Commission FY12 Megasite Allocation  | \$ 6,208,153.00        |   |                        |                        |  |
| Local Match for TIC FY12 Megasite Allocation - County Portion <sup>1</sup>           | 750,000.00             |   |                        |                        |  |
| Local Match for TIC FY12 Megasite Allocation - City Portion <sup>1</sup>             | 750,000.00             |   |                        |                        |  |
| Local Match for TIC FY12 Megasite Allocation - RIFA Portion <sup>2</sup>             | 181,000.00             |   |                        |                        |  |
| Transfer in from "Mega Park - Funding Other than Bond Funds" Budget <sup>3</sup>     | 11,203.15              |   |                        |                        |  |
| <b>Expenditures</b>  |                        |   |                        |                        |  |
| Dewberry Engineers Inc.  |                        | 1,637,985.74                              | 1,352,785.24           | 285,200.50             |  |
| Jones Lang LaSalle   |                        | 95,000.00                                 | 95,000.00              | -                      |  |
| Jones Lang LaSalle - Economic Analysis   |                        | 12,000.00                                 | -                      | 12,000.00              |  |
| VA Water Protection Permit Fee   |                        | 57,840.00                                 | 57,840.00              | -                      |  |
| Wetlands Studies and Solutions, Inc.   |                        | 141,996.00                                | 77,027.64              | 64,968.36              |  |
| Banister Bend Farm, LLC - Wetland and Stream Credits                                 |                        | 122,968.00                                | 122,968.00             | -                      |  |
| DEQ - Construction Activity General Permit   |                        | 9,600.00                                  | 9,600.00               | -                      |  |
| Haymes Brothers, Inc. - Construction on Phase 1 Graded Pad                           |                        | 3,776,063.00                              | 270,580.93             | 3,505,482.07           |  |
| <b>Transfers to "General Expenditures Fiscal Year 2015" Contingency <sup>3</sup></b> |                        |   |                        |                        |  |
| Dewberry Engineers Inc.  |                        | (108,603.35)                              | (108,603.35)           | -                      |  |
| Jones Lang LaSalle - Market Analysis Study   |                        | (95,000.00)                               | (95,000.00)            | -                      |  |
| Jones Lang LaSalle - Economic Analysis   |                        | (12,000.00)                               | -                      | (12,000.00)            |  |
| <b>Total</b>   | <b>\$ 7,900,356.15</b> | <b>\$ 5,637,849.39</b>                    | <b>\$ 1,782,198.46</b> | <b>\$ 3,855,650.93</b> | <b>\$ <u>2,262,506.76</u></b>              |

<sup>1</sup> \$300,000 of this was received from each locality 6-2014. \$450,000 received 8-2014. \$450,000 received 9-2014.

<sup>2</sup> The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

<sup>3</sup> As approved by RIFA Board on 10/16/2014

**Danville-Pittsylvania Regional Industrial Facility Authority**  
 Rent, Interest, and Other Income Realized for Fiscal Year 2017  
 As of April 30, 2017

| <b>Source of Funds</b>   | <b>Funding Receipts</b>             |  |                            | <b>Expenditures<br/>FY2017</b> | <b>Unexpended /<br/>Unencumbered</b> |
|--|-------------------------------------|--|----------------------------|--------------------------------|--------------------------------------|
|  | <b>Carryforward<br/>from FY2016</b> | <b>Current<br/>Month</b>                   | <b>Receipts<br/>FY2017</b> |                                |                                      |
| <u>Carryforward</u>  | \$ 548,731.95                       |  |                            |                                |                                      |
| <u>Current Lessees</u>   |                                     |  |                            |                                |                                      |
| Institute for Advanced Learning and Research (IALR) <sup>1</sup> | <u>Park</u>                         | <u>Property</u>                            |                            |                                |                                      |
| Institute for Advanced Learning and Research (IALR)              | Cyberpark                           | Hawkins Research Bldg. at 230 Slayton Ave. | \$ -                       | \$ 180,425.21                  |                                      |
| Securitas  | Cyberpark                           | IALR Building at 150 Slayton Ave.          |                            |                                |                                      |
| Mountain View Farms of Virginia, L.C.                            | Cyberpark                           | Gilbert Building at 1260 South Boston Rd.  | -                          | 1,200.00                       |                                      |
|  | Berry Hill                          | 30 acre tract on Stateline Bridge Rd.      | -                          | 1,200.00                       |                                      |
| <u>Total Rent</u>  |                                     |  | \$ -                       | \$ 182,825.21                  |                                      |
| <u>Interest Received</u> <sup>2</sup>                            |                                     |  | \$ 830.11                  | \$ 5,506.43                    |                                      |
| <u>Yorktowne Repayment</u>                                       |                                     |  | \$ -                       | \$ 114,598.88                  |                                      |
| <u>Expenditures</u>  |                                     |  |                            |                                |                                      |
| Hawkins Research Bldg. Property Mgmt. Fee                        |                                     |  |                            | \$ 180,425.21                  |                                      |
| Disbursement to Blair Construction, Inc. for Hawkins Lab Upfit   |                                     |  |                            | \$ 43,696.00                   |                                      |
| <b>Totals</b>  |                                     |  | <b>\$ 548,731.95</b>       | <b>\$ 830.11</b>               | <b>\$ 302,930.52</b>                 |
|  |                                     |  |                            | <b>\$ 224,121.21</b>           | <b>\$ 627,541.26</b>                 |

|  |                                |               |
|--|--------------------------------|---------------|
|  | <b>Restricted</b> <sup>1</sup> | \$ 313,695.06 |
|  | <b>Unrestricted</b>            | \$ 313,846.20 |

<sup>1</sup> Please note that rent proceeds must be used in accordance with the U.S. Economic Development Administration's (EDA) Standard Terms and Conditions

<sup>2</sup> Please note that this is only interest received on RIFA's general money market account.

**Danville-Pittsylvania Regional Industrial Facility Authority**  
**Statement of Net Position**<sup>1, 2</sup>  
**April 30, 2017\***

|  | <b>Unaudited<br/>FY 2017</b> |
|--|------------------------------|
| <b>Assets</b>  |                              |
| <i>Current assets</i>  |                              |
| Cash - checking  | \$ 353,231                   |
| Cash - money market  | 1,152,016                    |
| Prepays  | 230                          |
| <i>Total current assets</i>                                  | 1,505,477                    |
| <i>Noncurrent assets</i>                                     |                              |
| Restricted cash - project fund CCC bonds                     | 203,085                      |
| Restricted cash - debt service fund CCC bonds                | 18,911                       |
| Restricted cash - debt service fund Berry Hill bonds         | 13                           |
| Restricted cash - debt service reserve fund Berry Hill bonds | 2,003,325                    |
| Capital assets not being depreciated                         | 25,071,362                   |
| Capital assets being depreciated, net                        | 24,561,601                   |
| Construction in progress                                     | 4,367,908                    |
| <i>Total noncurrent assets</i>                               | 56,226,205                   |
| <b>Total assets</b>  | <b>57,731,682</b>            |
| <b>Liabilities</b>   |                              |
| <i>Current liabilities</i>                                   |                              |
| Unearned income  | 600                          |
| Bonds payable - current portion                              | 478,450                      |
| <i>Total current liabilities</i>                             | 479,050                      |
| <i>Noncurrent liabilities</i>                                |                              |
| Bonds payable - less current portion                         | 5,506,640                    |
| <i>Total noncurrent liabilities</i>                          | 5,506,640                    |
| <b>Total liabilities</b>                                     | <b>5,985,690</b>             |
| <b>Net Position</b>  |                              |
| Net investment in capital assets                             | 48,218,866                   |
| Restricted - debt reserves                                   | 2,022,249                    |
| Unrestricted   | 1,504,877                    |
| <b>Total net position</b>                                    | <b>\$ 51,745,992</b>         |

<sup>1</sup> Please note this balance sheet does not include the Due to/Due from between the County and the City since it nets out and only changes at fiscal year-end.

<sup>2</sup> Please note this balance sheet does not include all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

\*Please note these statements are for the period ended April 30, 2017 as of April 25, 2017, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

*Danville-Pittsylvania Regional Industrial Facility Authority*  
*Statement of Revenues and Expenses and Changes in Fund Net Position*  
*April 30, 2017\**

|   | <b>Unaudited<br/>FY 2017</b> |
|---|------------------------------|
| <b>Operating revenues</b>                             |                              |
| Reimbursement of incentive grants                     | 114,599                      |
| Rental income   | 185,500                      |
| <b>Total operating revenues</b>                       | <b>300,099</b>               |
| <b>Operating expenses</b> <sup>4</sup>                |                              |
| Mega Park expenses <sup>3</sup>                       | 651,802                      |
| Cane Creek Centre expenses <sup>3</sup>               | 51,022                       |
| Cyber Park expenses <sup>3</sup>                      | 225,640                      |
| Professional fees                                     | 55,507                       |
| Insurance   | 2,140                        |
| Other operating expenses                              | 3,400                        |
| <b>Total operating expenses</b>                       | <b>989,511</b>               |
| <b>Operating income (loss)</b>                        | <b>(689,412)</b>             |
| <b>Non-operating revenues (expenses)</b>              |                              |
| Interest income                                       | 10,186                       |
| Interest expense                                      | (147,116)                    |
| <b>Total non-operating expenses, net</b>              | <b>(136,930)</b>             |
| <b>Net income (loss) before capital contributions</b> | <b>(826,342)</b>             |
| <b>Capital contributions</b>                          |                              |
| Contribution - City of Danville                       | 762,507                      |
| Contribution - Pittsylvania County                    | 762,507                      |
| <b>Total capital contributions</b>                    | <b>1,525,014</b>             |
| <b>Change in net position</b>                         | <b>698,672</b>               |
| <b>Net position at July 1, 2016</b>                   | <b>51,047,320</b>            |
| <b>Net position at April 30, 2017</b>                 | <b>\$ 51,745,992</b>         |

<sup>3</sup> A portion or all of these expenses may be capitalized at fiscal year-end.

<sup>4</sup> Please note that most non-cash items, such as depreciation and amortization, are not included here until year-end entries are made.

*Danville-Pittsylvania Regional Industrial Facility Authority*  
*Statement of Cash Flows*  
*April 30, 2017\**

|  | <b>Unaudited<br/>FY 2017</b> |
|--|------------------------------|
| <b>Operating activities</b>  |                              |
| Receipts from grant reimbursement requests   | \$ -                         |
| Receipts from reimbursement of incentive grants  | 114,599                      |
| Receipts from leases   | 182,824                      |
| Payments to suppliers for goods and services   | (1,116,669)                  |
| <b>Net cash used by operating activities</b>   | <b>(819,246)</b>             |
| <b>Capital and related financing activities</b>  |                              |
| Capital contributions  | 1,525,014                    |
| Interest paid on bonds   | (205,587)                    |
| Principal repayments on bonds  | (2,075,000)                  |
| <b>Net cash provided by capital and related financing activities</b>   | <b>(755,573)</b>             |
| <b>Investing activities</b>  |                              |
| Interest received  | 10,186                       |
| <b>Net cash provided by investing activities</b>   | <b>10,186</b>                |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | (1,564,633)                  |
| <b>Cash and cash equivalents - beginning of year (including restricted cash)</b>                               | <b>5,295,214</b>             |
| <b>Cash and cash equivalents - through April 30, 2017 (including restricted cash)</b>                          | <b>\$ 3,730,581</b>          |
| <b>Reconciliation of operating loss before capital contributions to net cash used by operating activities:</b> |                              |
| Operating income (loss)  | \$ (689,412)                 |
| Adjustments to reconcile operating loss to net cash used by operating activities:                              |                              |
| Non-cash operating in-kind expenses  | -                            |
| Changes in assets and liabilities:   |                              |
| Change in prepaids   | 2,140                        |
| Change in due from other governments   | -                            |
| Change in other receivables  | -                            |
| Change in accounts payable   | (129,299)                    |
| Change in unearned income  | (2,675)                      |
| <b>Net cash used by operating activities</b>   | <b>\$ (819,246)</b>          |

| <b>Components of cash and cash equivalents at April 30, 2017:</b> |                     |
|---|---------------------|
| American National - Checking                                      | \$ 353,231          |
| American National - General money market                          | 1,152,016           |
| Wells Fargo - \$7.3M Bonds CCC Debt service fund                  | 18,911              |
| Wells Fargo - \$7.3M Bonds CCC Project fund                       | 203,085             |
| US Bank - \$11.25M Bonds Berry Hill Debt service fund             | 13                  |
| US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund     | 2,003,325           |
|   | <b>\$ 3,730,581</b> |