

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

AUGUST 11, 2014

12:00 P.M.

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

County of Pittsylvania Members

**Coy E. Harville, Chair
James H. Snead
Jerry A. Hagerman, Alternate**

City of Danville Members

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

Staff

**Joseph C. King, City Manager, Danville
Clarence C. Monday, 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 Chair/Vice Chair 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 FOR THE JUNE 9, 2014 MEETING

5. NEW BUSINESS

- A. Update on Existing Industries within the Authority's Projects – E. Linwood Wright, Public and Governmental Affairs Consultant, Danville Office of Economic Development; and Corrie M. Teague, Project Manager, Danville Office of Economic Development
- B. Consideration of Resolution No. 2014-08-11-5B, ratifying that certain 2014 Lease Renewal of that certain Hunting Lease Agreement with Jay Vann Clodfelter and Brent Clodfelter as tenants for an aggregate of 561.13 acres, more or less (GPINs 1366-16-2959 and 1367-01-8739), in the Authority's Berry Hill Industrial Park project in Pittsylvania County, Virginia, for a one-year renewal term at the same rental amount of \$2,000, subject to a 60-day early termination right by the Authority, a right by the Authority to show the property upon 24-hours notice and the obligation of tenants to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law -- Coy E. Harville, Authority Chairman; and Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
- C. Consideration of Resolution No. 2014-08-11-5C, (i) approving renewal of the Authority's Member Agreement in order to continue participation with VML Insurance Programs that cover the Authority and its property; and (ii) authorizing, consenting and/or ratifying the execution of all necessary documents pertaining thereto, including without limitation that certain Amended and Restated Member Agreement dated as of July 1, 2014 and those certain Amended and Restated VML Insurance Programs Bylaws dated as of July 1, 2014 -- Michael L. Adkins, Authority Treasurer; Patricia K. Conner, CPA, Danville Senior Accountant
- D. Financial Status Report as of July 31, 2014 – Mr. Adkins and Ms. Conner
- E. Report by Dewberry Engineers Inc. on options for a dam located within the Authority's Berry Hill Industrial Park Project – Shawn R. Harden, P.E., Department Manager, Dewberry Engineers Inc.
- F. Consideration of Resolution No. 2014-08-11-5F, authorizing the Chairman and the Vice Chairman of the Authority, either of whom may act independently of the other, to execute those certain U.S. Department of Agriculture Tract Redistribution Forms for Tract Numbers 7408 and 7359 (Farm Serial Number 13313), located in the Authority's Berry Hill Industrial Park Project, pertaining to farm tract acreage and certain crops – Gregory Sides, Assistant County Administrator

Danville-Pittsylvania Regional Industrial Facility 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)(7) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement Wheatley, and briefings by the Authority staff or consultants pertaining to probable litigation on a contract matter, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority. "Probable litigation" means litigation on which the Authority's legal counsel has a reasonable basis to believe will be commenced against a known party.

RETURN TO OPEN SESSION

- B. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- C. Motion to Certify Closed Meeting.
- D. Consideration of Resolution 2014-08-11-6A pertaining to one or more items discussed in closed session *[written material to be provided to the public after return to open session]*.

7. COMMUNICATIONS:

Jerry A. Hagerman
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.
Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	4
Meeting Date:	8/11/2014
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the meeting minutes from the Monday, June 9, 2014 meeting. Please note that there are no minutes for July since the July 14, 2014 meeting was cancelled.

ATTACHMENTS

Meeting Minutes – 6/09/14

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
June 9, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:21 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Coy E. Harville, James Snead and Alternate Jerry A. Hagerman.

City/County staff members attending were: City Manager Joe King, Deputy City Manager Ken Larking, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Finance Director/Authority Treasurer Barbara Dameron, City of Danville Assistant Finance Director Michael Adkins, Director of Public Works Ric Drazenovich, Project Manager Corrie Teague, Clement & Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Chairman Coy Harville introduced Michael Adkins, City of Danville's Assistant Finance Director who will be the Treasurer for RIFA effective July 1, 2014.

Mr. Harville noted he would like to add to the agenda Michael Adkins, City Interim Finance Director as RIFA Treasurer to replace Barbara Dameron effective July 1, 2014. The Board could have a Motion effective July 1, 2014; Mr. Saunders **moved** to approve the Motion effective July 1, 2014. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

Mr. Harville noted he wanted to amend the Agenda to add the previous Motion. Mr. Shanks **moved** to amend the agenda. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE MAY 12, 2014 MEETING

Upon **Motion** by Mr. Snead and **second** by Mr. Shanks, Minutes of the May 12, 2014 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. – UPDATE ON EXISTING INDUSTRIES WITHIN THE AUTHORITY'S PROJECTS

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 9, 2014

Project Manager Corrie Teague noted U.S. Green Energy has sold their building in Cane Creek to one of their directors to enable the company to repay some debts related to the building construction. With the proceeds, USGE paid back a loan, with interest, to the IDA of over \$413,000 and as far as staff is aware, USGE has paid all of its outstanding indebtedness for the building construction and has entered into negotiations to complete two other remaining items for the building. Production should start up in the next two weeks, determined by when they get new parts for one of their laminators. They have employed two salesman, one on the East Coast and one on the West Coast to initiate sales for the company; they also have several large contracts in negotiations.

Mr. Saunders questioned if the number of employees originally planned to be hired had changed and Ms. Teague noted she had not heard an updated number. Mr. Shanks noted he believed that number was 372, and asked how many other employees there are that she is aware of and Ms. Teague noted those two are the only two she can account for. The source of their information is from Bob Bennett of USGE. Additional employees will be determined by the number of contracts they acquire. Mr. Harville requested another update at the next RIFA meeting in July.

Mr. Saunders questioned Mr. Guanzon regarding the sale by USGE of their building, did that require any change of documentation or procedures on the part of RIFA. Mr. Guanzon noted from RIFA's perspective, when they completed the construction, that satisfied what RIFA asked them to do. The IDA is the entity that has a continuing relationship with them directly under the incentives they provided to them. Mr. Shanks asked Ms. Teague to update the Board on additional employees with respect to the pending contracts.

5B. CONSIDERATION – RESOLUTION NO. 2014-06-09-5B – RATIFYING RESIDENTIAL CONTRACT OF PURCHASE AND ADDENDUM FOR PURCHASE OF LOTS 26, 27, 28 AND 29 ON TOM FORK ROAD

Mr. Snead **moved** adoption of *Resolution No. 2014-06-09-5B, ratifying that certain residential Contract of Purchase and Addendum dated May 27, 2014, for the purchase by the Authority of Lots 26, 27, 28 and 29, fronting on Tom Fork Road, located in Pittsylvania County, Virginia (GPINs 2347-23-6507), at a purchase price of \$14,000.00, from Laura Dean Johnson as seller; such contract and addendum include without limitation an earnest money deposit of \$700.00, and a minimum study period of 90 days; and the property would be added to, and made part of, the Authority's Cane Creek Centre project.*

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

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5C. FINANCIAL STATUS REPORT AS OF MAY 31, 2014

Authority Treasurer Barbara Dameron gave the Financial Status report as of May 31, 2014 beginning with the \$7.3M Bonds for Cane Creek, under Other Expenditures, RIFA expended \$249,780 to reimburse the IDA for the grading cost for Zeyuan Flooring. Under General Expenses, \$5,100 was expended in May: \$4,860 to Clement & Wheatley for Legal, \$233 for Meals and \$26 for Utilities. On Berry Hill Mega Park Lot 4 Site Development, RIFA

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 9, 2014

expended \$16,770 to Dewberry Engineering for time and material billing that was not previously budgeted for project Cavalier; \$49,230 was also expended to Dewberry for Lot 4, \$95,000 to Jones, Lang, LaSalle for the Market Feasibility Study and \$8,540 to Wetland Studies and Solutions. Under Revenues, rents listed include the Institute, Guilford and Osborne. RIFA expended \$9,383 to the Institute for the Administration Fee.

Mr. Saunders **moved** to approve the Financial Report as of May 31, 2014 as presented. The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

Mr. Harville recognized Ms. Dameron on her leaving the City, noted it was pleasure to have been able to work with her on RIFA and its various projects and presented Ms. Dameron with a parting gift. Ms. Dameron noted it has been a pleasure to work with everyone and will miss them. Board members and staff thanked Ms. Dameron, noting she was always available to answer questions, a pleasure to work with and wished her the best of luck at her new position.

COMMUNICATIONS

There were no communications from the RIFA board and staff.

MEETING ADJOURNED AT 12:43 P.M.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-A
Meeting Date:	8/11/2014
Subject:	Update on Existing Industries
From:	E. Linwood Wright and Corrie M. Teague

SUMMARY

During the August 11, 2014 meeting, the Authority will receive an update from the Danville Economic Development Staff on existing industries within the Authority's projects.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-B
Meeting Date:	8/11/2014
Subject:	Hunting Lease Agreement
From:	Michael C. Guanzon, Clement Wheatley

SUMMARY

Attached for the Board's review and approval is Resolution No. 2014-08-11-5B ratifying the renewal of the hunting lease with Jay Vann Clodfelter and Brent Clodfelter.

ATTACHMENTS

Resolution No. 2014-08-11-5B

Resolution No. 2014-08-11-5B

A RESOLUTION RATIFYING THAT CERTAIN 2014 LEASE RENEWAL OF THAT CERTAIN HUNTING LEASE AGREEMENT WITH JAY VANN CLODFELTER AND BRENT CLODFELTER AS TENANTS FOR AN AGGREGATE OF 561.13 ACRES, MORE OR LESS (GPINs 1366-16-2959 AND 1367-01-8739), IN THE AUTHORITY'S BERRY HILL INDUSTRIAL PARK PROJECT IN PITTSYLVANIA COUNTY, VIRGINIA, FOR A ONE-YEAR RENEWAL TERM AT THE SAME RENTAL AMOUNT OF \$2,000, SUBJECT TO A 60-DAY EARLY TERMINATION RIGHT BY THE AUTHORITY, A RIGHT BY THE AUTHORITY TO SHOW THE PROPERTY UPON 24-HOURS NOTICE AND THE OBLIGATION OF TENANTS TO KEEP THE IDENTITY OF ANY PROSPECTIVE BUSINESS RECRUITS CONFIDENTIAL UNTIL A PUBLIC ANNOUNCEMENT IS MADE, IF EVER, OR AS OTHERWISE REQUIRED BY LAW.

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 as landlord, and Jay Vann Clodfelter and Brent Clodfelter (collectively, “**Tenants**”) as tenants, entered into that certain Hunting Lease Agreement dated June 11, 2012, which has been subsequently renewed and amended pursuant to that certain Lease Renewal dated July 6, 2013 (collectively, the “**Hunting Lease**”), for that certain real property located in the Authority’s Berry Hill Industrial Park Project located in Pittsylvania County, Virginia, containing an aggregate of 561.13 acres, more or less (GPIN 1366-16-2959, containing approximately 371.13 acres, more or less, commonly known as the Hairston Farm; and GPIN 1367-01-8739, containing approximately 189.0 acres, more or less), off State Road 863; and

WHEREAS, the Board of Directors has determined that the Hunting Lease should be renewed for an additional one (1) year term ending on June 30, 2015, at the same rental amount of Two Thousand and 00/100 Dollars (\$2,000.00), subject to (i) an early termination right by the Authority, (ii) the right of the Authority upon twenty-four (24) hours’ notice to Tenants to enter upon and to show the Demised Premises (as defined in the Hunting Lease) to prospective business recruits, and (iii) Tenants’ 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, as more particularly set forth in that certain 2014 Lease Renewal dated July 1, 2014 (the “**2014 Lease Renewal**”), a copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference; and

WHEREAS, the Board of Directors has determined that the 2014 Lease Renewal serves the purpose of the Authority to enhance the economic base of the City of Danville (the “**City**”) and Pittsylvania County (the “**County**”) by developing and owning the Berry Hill Industrial Park 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 ratify, confirm, approve, and adopt in all respects the 2014 Lease Renewal.

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

Resolution No. 2014-06-09-5B

1. The Authority hereby ratifies, confirms, approves, and adopts in all respects the 2014 Lease Renewal and any and all actions previously taken by the Authority and by the members of its Board of Directors in connection therewith, including without limitation the execution of the 2014 Lease Renewal by the Chairman of the Authority.

2. All actions of the Chairman, the Vice Chairman and any other officers or agents of the Authority for and on behalf of the Authority prior to the date hereof in connection with the 2014 Lease Renewal are in all respects ratified, confirmed, approved and adopted. All other actions of officers of the Authority in conformity with the purposes and intent of this Resolution, regardless of whether such actions occurred before or occur after the enactment of this Resolution, are hereby ratified, approved and confirmed.

3. Without limiting the provisions of paragraph 2 of this Resolution, the Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to amend, modify and/or terminate the 2014 Lease Renewal on such terms and conditions as either of the Chairman and the Vice Chairman determines to be necessary and appropriate based on the Authority's plan of development of the Demised Premises (as defined in the Hunting Lease) and the other portions of its Berry Hill Industrial Park Project, consistent with this Resolution.

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 August 11, 2014, 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 11th day of August 2014.

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

(SEAL)

Exhibit A

[2014 Lease Renewal with Jay Vann Clodfelter and Brent Clodfelter]

THIS 2014 LEASE RENEWAL is made as of the 1st day of July 2014, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”), and **JAY VANN CLODFELTER** and **BRENT CLODFELTER** (individually and collectively referred to as “**Tenant**”).

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that Hunting Lease Agreement dated as of June 11, 2012, which has been subsequently renewed and amended pursuant to a Lease Renewal dated July 6, 2013 (collectively, the “**Lease**”), for that certain real property located in Pittsylvania County, Virginia, containing an aggregate of 561.13 acres, more or less (GPIN 1366-16-2959, containing approximately 371.13 acres, more or less, commonly known as the Hairston Farm; and GPIN 1367-01-8739, containing approximately 189.0 acres, more or less), off State Road 863; and

WHEREAS, Landlord and Tenant desire to renew the Lease for an additional one (1) year term at the same rental amount of Two Thousand and 00/100 Dollars (\$2,000.00), subject to (i) an early termination right by Landlord, (ii) the right of Landlord upon 24 hours’ notice to Tenant to enter upon and to show the Demised Premises (as defined in the Lease) 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 Landlord, if ever, or as otherwise required by law.

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

1. The “**Renewal Term**” shall be for a term of one (1) year beginning on July 1, 2014, and ending on June 30, 2015. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.
2. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of Two Thousand and 00/100 Dollars (\$2,000.00), payable in advance. The “**Rent**” (as defined in the Lease) shall include the Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.
3. Prior to the end of the Renewal Term set forth herein, Landlord shall have the right to terminate the Lease upon giving at least sixty (60) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Additional Rent covering the period between the date of termination and June 30, 2015.
4. At any time during the Renewal Term set forth herein, Landlord shall have the right, upon 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 (as defined in the Lease) 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.

WITNESS the following signatures to this **2014 LEASE RENEWAL** as of the date first set forth above.

LANDLORD:

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

By: _____
Coy E. Harville, Chairman

TENANT:

JAY VANN CLODFELTER

BRENT CLODFELTER

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-C
Meeting Date:	08/11/2014
Subject:	VMLIP Member Agreement & Bylaws
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

The Virginia Municipal League Insurance Programs (VMLIP) provides insurance for DPRIFA. Attached are the updated VMLIP Member Agreement and Bylaws, which must be executed by each member and returned to VMLIP. The changes result primarily from VMLIP bringing program administration in-house last November. VMLIP also took the opportunity to incorporate the 2011 Addendum added when Line of Duty Act Coverage was created, as well as taking care of some general housekeeping items.

Changes to the Member Agreement include:

- Paragraph 17, regarding the Pool's obligations in defending claims, was removed because similar language is already contained in individual policies.
- Paragraph 19, regarding information requests by Members was added to comply with regulations that require this statement to be in the Agreement.
- Paragraph 24, regarding operation of the Pool in accordance with the financial plan, was expanded to include elements required by the regulations.
- Paragraph 25 was added to confirm that the Agreement controls if it conflicts with individual policy language.
- Paragraph 26 was added to confirm that this Agreement supersedes prior versions.

Changes to the Bylaws include:

- Article II, Section 3 regarding termination of members by the Pool has been altered to refer to the Member Agreement. This eliminates a possible contradiction in terms between the Member Agreement and Bylaws.
- Article III, Section 6(B) has been changed to designate the Pool's Managing Director as Secretary rather than the VML Executive Director. This change better reflects current practices by the Board.

Staff has reviewed these changes and deems them reasonable and acceptable.

RECOMMENDATION

Staff recommends the DPRIFA Board approve the updated VMLIP Member Agreement and Bylaws as presented.

ATTACHMENTS

VMLIP Member Agreement & Bylaws

A RESOLUTION (I) APPROVING RENEWAL OF THE AUTHORITY'S MEMBER AGREEMENT IN ORDER TO CONTINUE PARTICIPATION WITH VML INSURANCE PROGRAMS THAT COVER THE AUTHORITY AND ITS PROPERTY; AND (II) AUTHORIZING, CONSENTING AND/OR RATIFYING THE EXECUTION OF ALL NECESSARY DOCUMENTS PERTAINING THERETO, INCLUDING WITHOUT LIMITATION THAT CERTAIN AMENDED AND RESTATED MEMBER AGREEMENT DATED AS OF JULY 1, 2014 AND THOSE CERTAIN AMENDED AND RESTATED VML INSURANCE PROGRAMS BYLAWS DATED AS OF JULY 1, 2014

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 previously authorized the execution and renewals of that certain Member Agreement (the “**Member Agreement**”), originally dated July 1, 2010, with the VML Insurance Programs (the “**Self-Insurance Pool**”), a group self-insurance pool licensed by the Virginia Bureau of Insurance, and the Virginia Municipal League, a local association of city, town and county governments; and

WHEREAS, the Self-Insurance Pool, authorized by Chapter 27 of Title 15.2 of the Code of Virginia, 1950, as amended, is a mechanism for city, town and county governments to provide for joint and cooperative action to self-insure and to pool their separate risks and liabilities; and

WHEREAS, the Self-Insurance Pool has amended and restated its Member Agreement, and as a condition to the Authority’s continued participation, is requiring the Authority (i) to execute that certain Amended and Restated Member Agreement dated as of July 1, 2014 (the “**2014 Amended and Restated Member Agreement**”), and (ii) to agree to those certain amended and restated VML Insurance Programs Bylaws dated as of July 1, 2014 (the “**2014 Amended and Restated Bylaws**”), copies of which are attached hereto as **Exhibit A**, incorporated herein by this reference; 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 for the Authority to renew its membership in the Self-Insurance Pool and its insurance coverage by the Self-Insurance Pool, to execute the 2014 Amended and Restated Member Agreement, and to agree to the 2014 Amended and Restated Bylaws.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority does hereby approve, direct, and ratify the submission to the Self-Insurance Pool (i) a completed application for minimum insurance coverage in amounts consistent with past coverage as determined by the Treasurer of the Authority, (ii) the 2014 Amended and Restated Member Agreement with the Self-Insurance Pool, and (iii) all other documents pertaining to the renewal of its membership to the Self-

Resolution No. 2014-08-11-5C

Insurance Pool, together with such amendments, deletions or additions thereto as may be made by any of the Chairman, the Vice Chairman and the Treasurer of the Authority, and the Pittsylvania County Administrator, and/or the Danville City Manager as staff members and agents of the Authority. In addition, the Authority hereby agrees to the 2014 Amended and Restated Bylaws of the Self-Insurance Pool.

2. The Authority hereby authorizes each of the Chairman, the Vice Chairman, and the Treasurer of the Authority, and the Pittsylvania County Administrator, and/or the Danville City Manager, as staff members and agents of the Authority, to execute and deliver such documents on behalf of the Authority, such execution of the same by any of those persons to conclusively establish approval of any amendments, deletions, or additions thereto.

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 in furtherance of the Authority's renewal of its membership to the Self-Insurance Pool, 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, the Treasurer of the Authority, and the Pittsylvania County Administrator, and/or the Danville City Manager, and its other agents and representatives, in respect of the Authority's membership in the Self-Insurance Pool and obtaining insurance coverage.

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 August 11, 2014, 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 11th day of August 2014.

(SEAL)

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

EXHIBIT A

[07/01/2014 Amended and Restated Member Agreement
and 07/01/2014 Amended and Restated Bylaws]

**AMENDED AND RESTATED
MEMBER AGREEMENT**

THIS MEMBER AGREEMENT (this “Agreement”) is made and entered into this 1st day of July, 2014 (this “Member Agreement”) by and between VML Insurance Programs (the “Pool”), a group self-insurance pool licensed by the Bureau of Insurance (the “Bureau”) as successor to the merger of the Virginia Municipal Group Self-Insurance Association (the “Association”) with and into the Virginia Municipal Self-Insurance Association d/b/a the Virginia Municipal Liability Pool (the “Liability Pool”) and the undersigned Virginia political subdivision, or agency thereof, which is, or upon admission will become, a member (individually, a "Member" and collectively "Members") of the Pool.

WITNESSETH

WHEREAS, the Pool is a group self-insurance pool formed pursuant to Chapter 27 of Title 15. 2 of the Code of Virginia (the "Act") for the purpose of providing risk management services and insurance coverage for its Members pursuant to Virginia Code § 15.2-2703(A); and

WHEREAS, the parties entered into a prior agreement dated July 1, 2010 (the “Prior Agreement”), pursuant to which the parties agreed to provide for joint and cooperative action to form a group self-insurance pool pursuant to Chapter 27 of Title 15.2 of the Code of Virginia (the "Act") for the purpose of providing risk management services and insurance coverages for the Members pursuant to Virginia Code § 15.2-2703(A); and

WHEREAS, the parties have agreed to enter into this Agreement to supersede the Prior Agreement and to set out their rights and obligations going forward as set forth herein; and

WHEREAS, each Member of the Pool is required to execute an agreement whereby the Member will covenant and agree to pay contributions and assessments, based upon appropriate classifications and rates, into a designated fund out of which expenses and lawful and proper claims and awards of the Pool are to be paid, and further, that there will be no disbursements out of this fund by way of dividends or distribution of accumulated reserves to the respective Members, except at the discretion of the Board as provided herein; and

WHEREAS, each Member of the Pool has elected to become a party to this Agreement, to comply with the conditions set forth herein and continue operating the Pool as a group self-insurance pool pursuant to the provisions of the Act and regulations promulgated thereunder, and to execute such other instruments and take such other action as may be required to form and continue operation of such Pool.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and obligations herein contained, the parties hereto covenant and agree as follows:

1. **Membership.** Each Member hereby agrees that the Board may admit as Members of the Pool only acceptable political subdivisions in the Commonwealth of Virginia or agencies

thereof as defined in the Act. Subject to the provisions of the Act and rules relating to the approval of any Members, the Board shall be responsible to determine whether or not an applicant may be admitted to Membership.

2. **Membership Termination By the Pool.** Each Member agrees that a Member may, in the sole discretion of the Board, be terminated from membership in the Pool at any time after thirty (30) days' notice in writing has been given to such Member and to the Virginia State Corporation Commission (the "Commission"). In addition, any Member may be terminated at any date upon ten (10) days written notice to such Member and the Commission for non-payment of contributions or assessments. No liability except that available to the Member under an appropriate supplemental extended reporting period shall accrue to the Pool or to the remaining Members for any liability under the Pool of any terminated Member arising subsequent to the date of termination specified in said notice and such terminated Member shall be separately and solely responsible for any liability arising thereafter.
3. **Membership Withdrawal.** A Member may withdraw from the Pool upon thirty (30) days advance written notice to the Board. After the Member has been in the Pool for three (3) consecutive years (which calculation of time shall include years in which the Member was a Member of the Liability Pool or the Association prior to their merger into the Pool), the Member may withdraw upon thirty (30) days written notice and shall be entitled to share in any surplus assets of the fund; upon such termination however, the Member will not receive any refunds of paid contributions or assessments.
4. **Administrator.** Each Member hereby authorizes and requires the Board to designate an administrator, empowered to accept service on behalf of the Pool and authorized to act for and bind the Pool and its Members in all transactions relating to or arising out of the operation of the Pool. The administrator shall receive such fee for its services and shall be agreed upon by the Board. The Board, in its sole discretion, may at any time revise or revoke the powers of the administrator, and may select a substitute administrator.

Any such administrator designated by the Board is hereby appointed by each Member as agent for the Pool, to act directly or through a service contract with the service agent in its behalf and to execute all contracts and reports, waivers, agreements, and excess insurance or reinsurance contracts, to make or arrange for payment of claims, and all other things required or necessary, as covered by the terms of this Agreement and the rules and regulations as now provided or as hereafter promulgated by the Board or the Commission.

5. **Service Agent.** Each Member hereby authorizes the Board to designate a service agent for the Pool and its Members, individually and collectively, subject to its continued approval as a service agent by the Commission. The service agent shall calculate all annual contributions due from the members, pay all approved items of expense as directed by the Board, service claims under the Pool against Members, give a monthly account of all monies so handled, and undertake all other duties set forth in the agreement employing service agent. For handling the administrative and servicing functions of the

Pool, the service agent shall receive such fee as shall be agreed upon by the Board which shall be in consideration of all services and expenses contracted for with the Pool which services or expenses may include counseling with the Board as to safety procedures, claims handling and investigations, and providing for reinsurance or excess insurance coverage. The service agent's books and records are to be open to inspection by the Board or its agents or designees at all reasonable times. The Board, in its sole discretion, may at any time select a substitute service agent.

6. **Deposit of Funds.** The Board or its designee shall deposit to the account of the Pool at any bank or banks designated by the Board, all contributions as when collected and all other funds received from or for the Pool, and said moneys shall be disbursed only as provided by (1) the rules, regulations, Bylaws, and the resolutions of the Board; (2) the agreements between the Board and the service agent; and (3) this Agreement.
7. **Investment of Funds.** The Board shall have the authority to invest the funds of the Pool as permitted by the Pool's Bylaws and the Commission's regulations.
8. **Bylaws, Rules and Regulations.** Each Member of the Pool agrees to abide by the rules and regulations of the Pool, and be subject to the Bylaws of the Pool, attached as Exhibit 1 and incorporated hereto, as may be amended from time to time. In the event of any such amendment to the rules, regulations or Bylaws of the Pool, Members shall be notified promptly thereof.
9. **Coverage.** The Pool will provide loss protection to Members, which may be primary coverage and/or excess coverage as provided in the coverage forms, and as amended from time to time. In the event of any amendment, Members shall be notified thereof promptly.

The Pool's primary automobile liability coverage shall be limited to the minimum statutory amounts required for the type of vehicle covered for operation in the Commonwealth of Virginia. Such coverage shall also include uninsured and underinsured motorist coverage with the same limits and no more. Excess motor vehicle liability coverage shall be in excess of other valid or collectible insurance or qualified self-insurance, including the Pool's primary coverage; provided, however, that uninsured and underinsured motor vehicle coverage as defined in Virginia Code § 38.2 – 2206(A) shall not be offered, provided or made available under or with respect to such excess type coverage provided by the Pool. Each Member hereby rejects uninsured motorist coverage and underinsured motorist coverage in amounts greater than the minimum liability coverage limits required by Virginia law.

The Pool may allow coverage, by endorsement, for additional insureds to the extent of any and all vicarious liability but not for independent negligent acts or omissions of the additional insureds.

10. **Reinsurance and Excess Insurance.** The Board is authorized, in order to protect the Pool's assets and provide hedges against losses of members, to obtain and maintain

specific and/or aggregate reinsurance and/or excess insurance in such amounts and with such retention as in its discretion are advisable, if available at cost and on terms deemed by the Board to be reasonable under the circumstances. The Board is also authorized and empowered to obtain and maintain other insurance, letters of credit or commitment for loans from insurance or financial institutions which in the judgment of the Board will furnish additional security and resources for payment of claims covered by the Pool in excess of the contributions made by members.

11. **Limit of Liability Except for Workers' Compensation.** The Members agree that for all lines of business other than workers' compensation coverage, for the payment of any claim against the Pool or the performance of any obligation of the Pool hereunder, resort shall be had solely to the assets and property of the Pool, and that no Member, officer or Board member of the Pool, or the administrator, service agent or their designees shall be liable therefor. The Members further agree that for all lines of business other than workers' compensation coverage, a Member of the Pool shall have no liability to the Pool, to other Members of the Pool, or to any claimant against the Pool itself or another Member of the Pool, except for (i) the payment of contributions under this Agreement, (ii) deductible amounts, (iii) assessments if approved or required, and (iv) the entry fee.
12. **Joint and Several Liability for Workers' Compensation.** For Members purchasing workers' compensation coverage, such Members agree to be jointly and severally liable for and with the other Members which also purchase workers' compensation coverage from the Pool. In addition to the rights the Pool may have under such agreements, in the event of failure of the Pool to enforce such rights after reasonable notice to the Pool, the Commission shall have the right independently to enforce the joint and several liability of its Members pursuant to Title 65.2 and Title 15.2, with respect to its employees.
13. **Payment of Claims.** All claims against Members, if approved by the service agent and as directed by the Board, shall be paid as follows:
 - (a) To the extent of (i) the Pool's funds for each Pool year, (ii) plus any other Pool assets and reserves available and authorized by the Board therefor, and (iii) subject to the applicable limits of coverage retained by the Pool for each Member;
 - (b) Covered claims in excess of the Pool's funds for each Pool year shall be paid by the Pool, with recovery made from the reinsurance or excess insurance coverage, if any, in effect for the Pool;
 - (c) All deductible amounts and the amounts of any claims in excess of amounts available therefor under the provisions of paragraphs (a) and (b) of this section 13 shall be the sole obligation of, and shall be paid by, the Member liable therefor.
14. **Reimbursable Deductible.** The Pool may pay a Member's unpaid deductible amount if such amount is due and owing but remains unpaid. Each Member agrees that upon the payment of any deductible amount by the Pool for or on behalf of a Member, that such

Member shall reimburse the Pool within twelve (12) days of written notice from the Pool. In the event reimbursement is not made within such time, interest thereon will accrue at the rate of the highest yield on the Pool's most recent investment at that time. If the Pool is required to seek reimbursement by suit or by other means in which the Pool incurs expenses to recover such reimbursement, the Member agrees to pay the Pool's reasonable attorneys' fees and all costs incurred in the suit.

15. **Contributions and Assessments.** Each Member agrees to execute necessary authorization forms permitting the Pool to obtain information and data required in determining the experience or other rating modification of such Member. Each Member agrees to pay contributions to the Pool as computed in accordance with a rating plan approved by the Board, as amended from time to time. Each Member agrees that the contributions shall be payable in full in advance of coverage unless the Board in its discretion determines otherwise. Such contributions are deemed earned by the Pool when received and are nonrefundable.

For all lines of coverage other than workers' compensation coverage and Line of Duty Act obligations, in the event of the Pool's deficit for any fiscal year, the Board may adopt, following approval by the Commission, a plan it deems equitable for the elimination of such deficit. The plan may include, but is not limited to, the assessment of all Members in the proportion which the contribution of each Member bears to the total contributions of all Members in the year in which such deficit occurs; provided, however, in no event shall such assessment exceed two (2) times the Member's annual contribution.

Notwithstanding the foregoing paragraph, in the event of the Pool's deficit for any fiscal year with respect to Line of Duty Act obligations, the Board may adopt, following approval by the Commission, a plan it deems equitable for the elimination of such deficit. The plan may include, but is not limited to, the assessment of all Members that purchase Line of Duty Act coverage in the proportion which the contribution of each Member bears to the total contributions of all Members that purchase Line of Duty Act coverage in the year in which such deficit occurs.

For Members purchasing workers' compensation insurance, such Members shall be jointly and severally liable to other Members as to workers' compensation coverage, and membership in the Pool shall not relieve the Member's obligations imposed by Title 65.2 as an employer to its employees.

With respect to all lines of coverage, a Member is obligated to pay any assessment which applies to a Pool year in which it was a Member. The Pool has the authority to assess its Members according to line of coverage, and according to any particular fiscal year. If the Pool is required to obtain the assessment by suit or by other means in which the Pool incurs expenses to recover such reimbursement, the Member agrees to pay the Pool's reasonable attorneys' fees and all costs incurred in the suit.

16. **Reporting of Claims or Losses.** All claims, accidents, incidents, or occurrences, regardless of which line of insurance such claim, accident, incident or occurrence may arise, with the potential of producing claims against a Member or the Pool, no matter how insignificant, shall be promptly reported to the service agent, with such information as may be requested by the service agent. All losses with potential of being reimbursed or paid by the Pool shall also be promptly reported in like manner to the service agent. The claims and loss reports shall be in accordance with the procedures established from time to time by the Board or its service agent.
17. **Subrogation.** Each Member agrees that in the event of the payment of any loss by the Pool under this Agreement, the Pool shall be subrogated to the extent of such payment to all the rights of the Member against any person or other entity legally responsible for damages for said loss, and in such event, the Member hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.
18. **Inspection of Member's Facilities and Records.** The Board, the administrator, the service agent, and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times to inspect the Member's facilities and shall be permitted at all reasonable times and within five years after the final termination of the membership to examine the Member's book, vouchers, contracts, documents, budgets and records of any and every kind which relate to the purposes or powers of the Pool.
19. **Member Information Request.** Upon the request of a Member, the Pool shall provide, without unreasonable delay, to any person designated by the Member, proof of the coverages provided by the Pool, including any insurance or reinsurance, applicable deductible levels and the maximum liability which the Pool will retain.
20. **Risk Management Services.** The Board or its designees may, but shall not be obligated to, provide risk management services to members, designed to assist Members in following a plan of managing risk of loss and loss control which may result in reduced losses and costs. Each Member agrees to initiate and maintain a safety program and agrees to follow the general recommendations of the Board and the service agent as to managing risk of loss and loss control, with safety to property and the public receiving the highest priority. However, each Member shall remain solely and independently responsible for all decisions concerning its safety program and practices and may not rely upon evaluations and/or recommendations made by the Pool, the Board, the service agent, the administrator, or their representatives in making final decisions concerning its safety program and practices.
21. **Expenditure of Funds.** All funds received by the Board during any one fiscal year of the Pool shall be set aside and shall be used only for the following purposes:
 - (a) Payment of a fee for the service agent;
 - (b) Payment of a fee for the administrator;

- (c) Payment of lawful assessments, if any, as required by any lawful authority;
 - (d) Payment of all bonds including errors and omission coverage for all officers and employees, and auditing expenses required of the Pool or its employees;
 - (e) Payment of all legal fees, accounting fees, other professional fees relating to the Board or the Pool, or any other miscellaneous fees of the Board or the Pool;
 - (f) Payment of the costs of any excess insurance policy, reinsurance treaty, loan commitment, letter of credit, or similar agreement entered into by the Pool as deemed advisable by the Board;
 - (g) Payment of claims, including, without limitation, settlements, awards, judgments, legal fees, investigation costs, costs in all contested cases, appeal bonds, and establishment of reserves necessary to provide for all of the same;
 - (h) Subject to the Commission's regulations following the conclusion of each annual operation of the Pool (each, an "annual period"), a distribution to the extent not otherwise prohibited by law to Members in such manner as the Board in its discretion shall deem appropriate and equitable, such discretion taking into consideration matters including, but not limited to, denying or limiting a distribution to Members which have withdrawn or have had their membership terminated, or making distribution only to Members with a loss ratio not in excess of a level designated by the Board, of any excess moneys remaining after payment of items (a) through (g) above, including, without limitation, payments of claims and establishment of outstanding reserves; provided, however, that no such distributions shall be made earlier than twelve (12) months following the end of each annual period; provided further, that undistributed excess funds from previous annual periods may be distributed at any time if not required for reserves and if approved for distribution by the Board.
 - (i) A percentage of any surplus, as approved by the Commission, may be allocated to a restricted surplus account to be used at the discretion of the Board subject to the approval of the Commission.
22. **Fiscal Year**. The Pool shall operate on a fiscal year calculated from 12:01 a.m. on the first day of July (July 1st) until midnight of the thirtieth day of June (June 30th) of the following calendar year.
23. **Renewal Applications**. A current Member's application for continuing membership, when approved in writing by the Board, shall upon payment of all sums due constitute a continuing contract for each successive fiscal period unless canceled by the Board, or unless the Member withdraws from membership by written notice as required by this Agreement.

24. **Financial Plan.** The Pool shall operate according to its financial plan, which financial plan shall be made available by the Pool for inspection at its office and filed with the Bureau, setting forth in general terms the following: (i) loss protection provided by the Pool, (ii) applicable deductible levels and the maximum liability which the Pool will retain, (iii) the amount of reserves to be set aside for the payment of claims, and (iv) the amount of reinsurance or excess insurance to be purchased by the Pool. Such Financial Plan may be amended or modified from time to time at the Board's sole discretion.
25. **Member Agreement Controls.** Where the term and conditions of any coverages offered by the Pool conflict with the Member Agreement, the Member Agreement shall control.
26. **Entire Agreement.** Except as otherwise specifically provided for herein, this Agreement, including the Exhibit attached hereto, sets forth the entire understanding and agreement of the parties relating to the subject matter hereof. This Agreement supersedes all prior agreements of the parties regarding the subject matter contained herein.
27. **Miscellaneous.** The Pool and each Member agree with each current and future Member, to be bound by all the terms and conditions of this Agreement. If any provision of this Agreement is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision, and to that end the provisions of this Agreement are severable.

IN WITNESS WHEREOF, the Members collectively have caused this Agreement to be signed on behalf of the Board by a duly authorized representative and on behalf of the Member by its chief executive officer or other officer designated by its governing body.

VML INSURANCE PROGRAMS

By: _____

Name: P. Steven Craig

Title: Managing Director

NAME OF ENTITY (PLEASE PRINT)

By: _____

Name: _____

Title: _____

EXHIBIT 1

**BYLAWS OF
THE VML INSURANCE PROGRAMS**

VML INSURANCE PROGRAMS

BYLAWS

(AMENDED AND RESTATED AS OF JULY 1, 2014)

ARTICLE I – NAME AND PURPOSE

SECTION 1: NAME

The name of the entity is the **VML Insurance Programs (the “Pool”)**, a group self-insurance pool licensed by the Bureau of Insurance (the “Bureau”) and successor to the merger of Virginia Municipal Group Self-Insurance Association with and into the Virginia Municipal Self-Insurance Association d/b/a Virginia Municipal Liability Pool.

SECTION 2: PURPOSE

A. Group Self-Insurance Pool. The purpose of the Pool is to create and administer a group self-insurance pool pursuant to the authority and possessing the powers as provided in Chapter 27 of Title 15.2 of the Code of Virginia (the “Code”).

B. Insurance Coverages. A group self-insurance pool created and administered by the Pool may be formed by one or more political subdivisions of the Commonwealth of Virginia to provide for cooperative action in providing risk management services as well as insurance coverage for pool members and employees of pool members, for acts or omissions arising out of the scope of their employment, including any or all of the following:

1. Casualty insurance, including workers' compensation under Title 65.2 of the Code, employers' liability, general, professional and public officials liability coverage;
2. Property insurance, including marine insurance and inland marine and transportation insurance coverage;
3. Group life, accident and health coverages including hospital, medical, surgical and dental benefits to the employees of member political subdivisions and their dependents;
4. Automobile insurance, including motor vehicle liability insurance coverage and collision and security for motor vehicles owned or operated, as required by Title 46.2 of the Code, and protection against other liability and loss associated with the ownership and use of motor vehicles;
5. Surety and fidelity insurance coverage; and
6. Umbrella and excess insurance coverages.

ARTICLE II - MEMBERS, MEETINGS, VOTING

SECTION 1. MEMBERS

The members of the Pool shall be political subdivisions of the Commonwealth of Virginia as defined in Section 15.2-2701 of the Code, or agencies thereof, which (i) are members of a pool created in accordance with Section 2 of Article I, (ii) have executed a member agreement with the Pool (the "Member Agreement"), and (iii) have been approved as members pursuant to Article II, Section 2 hereof.

SECTION 2. APPROVAL OF NEW MEMBERS

A. Approval Criteria. Upon receiving applications from prospective new members of the Pool, the Board (as defined in Article III) has the authority to review and consider, and either approve or reject such applications for membership in accordance with the terms of the Member Agreement, in accordance with any rules and regulations established by the Board for admission of new members to the Pool, in accordance with the laws of the Commonwealth of Virginia, and in accordance with the rules and regulations established by the Bureau and the State Corporation Commission (the Commission").

B. Delegation of Authority to Approve. The Board may delegate administrative authority for the review and consideration of membership applications to the Administrator (as defined in Article IV). Any delegation of administrative authority to the Administrator shall be in writing setting forth the terms of the Administrator's authority. All decisions of the Administrator must be subject to final ratification by the Board.

SECTION 3. TERMINATION OF MEMBERS BY THE POOL

A member's membership in the Pool may be terminated as provided by the Member Agreement.

SECTION 4. WITHDRAWAL OF MEMBERS

A. General Right of Withdrawal. A member may withdraw from the Pool upon thirty (30) days advance written notice to the Board and as may be otherwise provided for by the Member Agreement.

B. Member Agreement Controls. Where the Member Agreement specifies conditions for withdrawal which may conflict with, or be in addition to the conditions imposed for withdrawal by these Bylaws, the Member Agreement shall control.

SECTION 5. MEETINGS OF MEMBERS

The members shall meet annually on such date and at such time and place within the Commonwealth of Virginia as shall be designated by the Board. Special meetings of members

may be held at such time and place within the Commonwealth of Virginia as shall be designated in the notice thereof upon call of the Board, the Chair of the Board, or by not less than ten (10) members.

SECTION 6. NOTICE OF MEETINGS OF MEMBERS

A. Manner of Notice. Notice of the annual meeting and any special meeting of members shall be provided in writing to the member or the members' designated representative. Such notice of meeting may be made either by email or by delivering such notice to the United States Postal Service not less than ten (10) days prior to the meeting or by insertion in any official publication of the Virginia Municipal League which is mailed not less than ten (10) days prior to the date fixed for such meeting.

B. Waiver of Notice. No notice of the time and place of any regular or special meeting of the members shall be required if each member waives such notice in writing and such waiver is filed with the records of the meeting.

SECTION 7. VOTING BY MEMBERS

A. Voting in Person. Each member shall each have one vote which, unless there be voting by proxy as provided in paragraph B. below, must be cast only in person by an elected or appointed official of the member duly authorized by the member's governing body for such purpose. Such voting representatives shall register with the secretary of the meeting or the Administrator prior to any members' meeting.

B. Voting by Proxy. The Board may, by resolution, direct that voting at a specified regular annual or special meeting of the members shall be conducted in person or by proxy. If a proxy vote is permitted, the following requirements must be satisfied:

(a) Proxies shall be in writing, signed by an authorized representative of a member, and valid only for the members' meeting next succeeding the date thereof and any continuance of such meeting;

(b) Proxies may (i) be revoked at any time prior to the meeting by a subsequent proxy or (ii) withdrawn in writing filed with the Administrator or the chair of a meeting prior to the meeting for which such proxy has been appointed;

(c) Proxies may be solicited for such meeting, including proxies for election of persons to the Board;

(d) If proxies are solicited, each solicitation shall be in writing, shall identify the party making such solicitation, and shall include a brief explanation of each item of business anticipated at the time of such solicitation to be voted upon at the meeting;

(e) In the event proxies are solicited for election of Board members, all nominees shall be identified by name, place of residence and official position with a member;

(f) Proxy solicitations may be mailed to Members in the manner provided for in Article II, Section 6.

C. Manner of Voting. Except when voting by proxy as authorized in paragraph B. above, voting at members' meeting shall be viva voce on all questions except in the event of a contest for election to the Board, which, unless determined otherwise by a vote of 75% of the members present, shall be by written ballot.

SECTION 8. CONDUCT OF MEETINGS OF MEMBERS

A. Conduct of Meetings. The Chair of the Board shall preside over all meetings of members, except that in the Chair's absence, the Vice-Chair or another member of the Board shall preside. The Secretary of the Board or the Secretary's designee shall act as secretary for all meetings. All meetings of members shall be conducted in accordance with the procedures set forth in Robert's Rules of Order Newly Revised, 10th ed. (Cambridge, Mass.: Perseus Publishing, 2000).

B. Annual Financial Report. At each annual meeting, the Chair or the Chair's designee shall report on the financial position of the Pool. The members shall elect Board members as provided in Article III of these Bylaws.

SECTION 9. QUORUM OF MEMBERS

Ten (10) or more members shall constitute a quorum of any meeting of members to consider and act upon any item of business. When a quorum is present at any meeting, a majority of the voting delegates present may decide any question brought before such meeting except as otherwise provided by law or these Bylaws.; provided, however, in the event a quorum is not present at an annual meeting of members, vacancies on the Board may be filled by majority vote of the members present.

SECTION 10. ACTION OF MEMBERS WITHOUT MEETING

Any action to be taken by members may be taken without a meeting if all voting delegates entitled to vote on the matter consent to the action by a writing filed with the records of the meeting of members. Such consent shall be treated for all purposes as a vote at a meeting.

ARTICLE III - MEMBERS' SUPERVISORY BOARD

SECTION 1. POWERS OF THE BOARD

The Pool shall be managed by the Members' Supervisory Board (the "Board"), which may exercise all the powers of Pool except as otherwise provided by law or by these Bylaws.

SECTION 2. COMPOSITION AND ELECTION OF BOARD MEMBERS

A. Number of Members. The Board shall be composed of not less than six (6) or more than nine (9) members, elected by a majority vote of the voting members present at the annual meeting. In the event that members fail to have an election, Board members currently serving whose terms have not at such time expired shall as soon as practical fill all vacancies on the Board. The number of Board members shall be determined by the Board at the Board meeting preceding the election. If the number of Board members will be different than the previous year's number of Board members, then the members shall be so notified at least two (2) weeks before the annual meeting.

B. Composition of Board. The Board shall be composed of governing officials or chief administrative appointed officials of political subdivisions which are members of the Pool.

C. Terms. Terms of Board members shall be staggered into three classes to provide that approximately one-third (1/3) of the Board shall be elected each year. In determining the number of Board members to be elected, all fractions shall be rounded to the nearest whole number, and in the event the number of Board members cannot be equally divided by three, the Board in its discretion shall determine the additional Board members to be allocated to the different terms for which there may be vacancies.

D. Eligibility for Re-election. A Board member shall not be eligible for re-election unless such member attended more than one-half (1/2) of the Board's meetings during such person's current term.

E. Nominations. Prior to each annual meeting, the Board or its designee shall solicit the names of candidates from the members to fill vacancies thereon and it shall make recommendations for election by the members. In the event the use of proxies shall be directed by the Board and are solicited for election of members of the Board, the notice to members of which the election will take place shall identify each candidate which will be nominated by the Board, the candidates' place of residence and official capacity with a member. Such solicitation and notice shall be in accordance with Section 6 of Article II. Nominations may also be made from the floor at elections by any member.

F. Ex-Officio Board Member. In addition to the Board members elected by the members, the Executive Director of the Virginia Municipal League shall serve as an ex-officio Board member with full power to vote on all matters which come before the Board, and whose presence shall be counted in the determination of a quorum.

G. Prohibited Membership. No Board member may be elected or continue to serve on the Board if such individual is, or becomes, an owner, officer or employee of a service agent for the Pool, as defined in the Commission's regulations.

SECTION 3. **TERMINATION OF A BOARD MEMBER**

A. Resignation. A Board member may resign from membership on the Board at any time by written notice delivered to the Chair or Secretary of the Board. Such notice shall state the effective date of the resignation, and such resignation shall automatically take effect on such date unless a successor Board member is duly qualified and elected into office at an earlier date at the Board's discretion, in which event such resignation shall take effect immediately upon the election of the successor Board member.

B. Termination for Cause. The Board may terminate a member of the Board by a majority vote of the Board at any time such member no longer meets the requirement for eligibility set forth in Section 2 of this Article III. A member also may be terminated at the Board's discretion if the member fails to attend two consecutive Board meetings or fails to attend one-half (1/2) of the meetings held during the Pool's fiscal year.

C. Return of Books. Upon termination of Board membership for any reason, a former Board member shall immediately upon termination turn over and deliver to the Chair of the Board, the Chair's designee, or the Administrator, at the principal office of the Pool, any and all records, books, documents or other property in the possession or under the control of such Board member which belong to the Pool.

SECTION 4. **VACANCIES ON THE BOARD**

Any vacancy occurring on the Board may be filled between annual meetings by the affirmative vote of a majority of the remaining Board members. In cases in which vacancies are filled by the remaining Board members, the Board may, but need not, solicit nominations from the members.

SECTION 5. **POWERS OF REMAINING BOARD MEMBERS**

In case of death, resignation, ineligibility, incapacity, refusal or inability to act by any one or more of the Board members, the remaining Board members shall have all of the powers, rights, and interest of the Pool and shall be charged with the duties of the Pool; provided that in such case, no action may be taken unless it is decided upon by a majority of the remaining Board members.

SECTION 6. **OFFICERS OF THE BOARD**

A. Chair and Vice-Chair. As soon as practical after the annual meeting of members and election of Board members, the Board shall elect from among its members a Chair and a Vice-Chair.

B. Secretary. The Managing Director of the Pool or such other person as may be designated by the Board shall serve as the Secretary of the Board.

C. Terms of Officers. The term of such officers shall commence on the date of their election and continue for one year or until his or her successor has been elected or qualifies. In the event of failure or inability of any such officer to act, the Board may replace such person at any meeting.

SECTION 7. BOARD MEETINGS, NOTICES, QUORUM

A. Regular and Special Board Meetings. Regular meetings of the Board shall be held at least quarterly at the principal office of the Pool or at such other location as may be acceptable to a majority of the Board. Special meetings of the Board shall be conducted on the call of the Chair, Vice-Chair, or any two other Board members, and may be held at any time and place without notice provided all Board members execute a waiver of notice to the special meeting or consent to the special meeting by participating in it.

B. Notices of Board Meetings. The Chair of the Board, or the Chair's designee, shall set the date, time and location of each meeting. Notices of Board meetings shall be either (i) mailed first class mail, postage prepaid, to each Board member not less than five (5) days prior to the date of such meeting, or (ii) delivered by telephone, telegram, telephone facsimile or e-mail appropriately transmitted not less than 24 hours prior to such meeting. Each such notice shall specify the date, time and location of such meeting and may specify the purpose thereof and any action proposed to be taken thereat. If such notice is by mail, telegram, telephone facsimile or e-mail, it shall be addressed to each Board member at his or her address as recorded in the office of the Pool.

C. Participation in Meetings. Meetings of the Board, or any committee or task force authorized by the Board, may be conducted by telephone or any means of communication by which all members participating may simultaneously hear each other during the meeting, or as may be otherwise provided for directors of stock corporations in § 13.1-684 of the Code. A member participating in a meeting by this means is deemed to be present in person at the meeting.

D. Quorum and Minutes. A majority of the members of the Board shall constitute a quorum for all meetings. The Secretary or designee thereof shall keep minutes of all meetings, proceedings and acts of the Board, but such minutes need not be verbatim. Copies of all minutes of the Board shall be sent to all Board members as soon as practical following each meeting, but in every case prior to the following Board meeting.

SECTION 8. VOTING BY THE BOARD

All actions and decisions of the Board shall be by vote of a majority of the Board members attending any duly called regular or special meeting at which a quorum is present.

SECTION 9. BOARD ACTION WITHOUT MEETING

Any action which may be taken by the Board at a Board meeting may be taken by written unanimous consent pursuant to the requirements for directors of stock corporations as set forth in § 13.1-685 of the Code.

SECTION 10. COMMITTEES OF THE BOARD

A. Establishment of Committees. The Board may establish one or more committees and fix the number of members of the Board to serve on them. Each committee must have two (2) or more members, who serve at the pleasure of the Board.

B. Powers of Committees. Committees may have such powers and duties as may be designated by the Board, except that committees may not have the power to fill vacancies on the Board or any of its committees; may not adopt, amend or repeal the Bylaws; may not authorize or approve distribution of any of the funds of the Pool, except according to formula or method previously prescribed by the Board; and may not remove or appoint the Pool's Administrator or Service Agent.

C. Committee Action. Creation or termination of, grant of authority to, or any action taken by a committee without Board authorization does not alone constitute compliance by a Board member with the responsibilities specified in the Commission's regulations or as set forth in Section 11 of Article III below.

SECTION 11. DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board shall have the authority, and shall be charged with the duty, of general supervision and operation of the Pool and shall conduct the business and activities of the Pool in accordance with the Member Agreement, Bylaws, applicable federal and state statutes, and the Commission's regulations. The Board shall be responsible for accounting for and investing the funds of the Pool as permitted the Commission's regulations and in such a manner that allows Pool to fulfill its obligations for all liabilities and other needs in the future. In addition, the income derived from the investment activity may be retained as Members' equity, used for the payment of liabilities, as a rate stabilization mechanism or distributed to members in the form of dividends, all at the discretion of the Board in accordance with law, regulations, Bylaws and the Member Agreement.

SECTION 12. LIABILITY OF BOARD MEMBERS

A. Liability of Board Member. No Board member shall be liable for any action taken in good faith pursuant to these Bylaws, the Commission's regulations, the Member Agreement or otherwise in respect of the duties imposed thereby or by law or for an omission to act, except for gross negligence; nor shall any Board member be liable for any act or omission by another Board member or by any agent or employee.

B. Consultation and Reliance. The Board may employ and consult with legal counsel concerning any questions which may arise with reference to any matter pertaining to the Pool, and the Board may rely on the opinion of such counsel as authorization for the action taken. Board members acting in good faith in accordance with the opinion of counsel shall be protected conclusively based on their reliance on such an opinion.

SECTION 13. INDEMNIFICATION OF BOARD MEMBERS

A. Board Member. A Board member shall be entitled to indemnification, and the Pool shall indemnify, a Board member to the fullest extent as provided for the indemnification of a director of a stock corporation in Article 10 of Chapter 9 of Title 13.1 of the Code.

B. Officer, Employee or Agent. An officer, employee or agent of the Pool may be indemnified by the Pool to the same extent as provided for officers, employees or agents of a corporation in said Article 10, Chapter 9 of Title 13.1.

C. Manner of Indemnification. Indemnification may be paid from any restricted reserve account established in accordance with 14 VAC 5-360-100 of the Commission's regulations. Notwithstanding the foregoing, in no event shall any such indemnification be paid from any loss fund of the Pool except to the extent that any portion of such loss fund may be available for distribution to the members as provided by the Member Agreement and the Commission's regulations.

D. Insurance. The Pool may purchase and maintain insurance on behalf of an individual who is or was a Board member, officer, employee or agent of the Pool against liability asserted against or incurred by him in that capacity or arising from the individual's status in that capacity to the same extent as may be afforded directors, officers, employees and agents of a corporation in said Article 10, Chapter 9, Title 13.1.

ARTICLE IV - ADMINISTRATOR AND SERVICE AGENT

SECTION 1. ADMINISTRATOR

A. Appointment of Administrator. The Board shall appoint an Administrator to administer the financial and administrative affairs of the Pool. The Administrator shall not be an owner, officer or employee of a Service Agent.

B. Administrator's Bond. The Administrator shall furnish a fidelity bond with the Board as obligee in an amount determined by the Board. Evidence of such a bond shall be available to appropriate governmental agencies.

C. Administrator's Contract and Duties. The Board shall contract in writing on behalf of the Pool for the services of the Administrator appointed pursuant to this Section, on such terms, including compensation, and for such period as the Board in its discretion deems appropriate. The Administrator shall carry out the duties and responsibilities set forth in such contract, as required by the Board and Pool, and as specified in the Commission's regulations.

SECTION 2. SERVICE AGENT

A. Approval. The Board, subject to the prior approval of the Commission, may appoint a Service Agent.

B. Service Agent's Bond. The Service Agent shall furnish a fidelity bond covering its employees with the Pool as obligee in an amount determined by the Board and sufficient to protect the Pool against loss of all monies placed in the claim's fund.

C. Service Agent's Contract and Duties. The Board shall contract in writing on behalf of the Pool for the services of the Service Agent upon such terms, including compensation, and for such period as the Board in its discretion deems appropriate. The Service Agent shall carry out the duties and responsibilities set forth in such contract and as required by the Board and Pool, and shall provide all services necessary to fulfill the members' obligations as set forth in the Commission's regulations. The Service Agent shall also handle all claims incurred during the contract period to their conclusion unless approval to transfer them is obtained from the Commission prior to such transfer.

ARTICLE V – MISCELLANEOUS

SECTION 1. EXECUTION OF DOCUMENTS

Any certificate, contract or other document signed by the Chair or Vice-Chair of the Board or a duly authorized officer of the Administrator of the Pool shall be evidence of the action of the Board and any such certificate or other instrument so signed shall be presumed to be authentic. All facts and matters stated therein shall conclusively be presumed to be true.

SECTION 2. TERMINATION OF POOL

A. Termination by Agreement. The Pool may be terminated at any time upon the concurrence of all of the parties to the Member Agreement (the "Termination Date").

B. Distribution upon Termination. In the event of termination, the remaining funds available to the Pool, after providing for all outstanding obligations, shall be distributed to members participating at the Termination Date through a formula determined by the Board.

SECTION 3. SITUS OF THE POOL

The situs of the Pool is the Commonwealth of Virginia. All questions pertaining to the validity, construction and administration of these Bylaws or the Pool shall be determined in accordance with the laws of the Commonwealth of Virginia.

SECTION 4. AMENDMENTS

These Bylaws may be amended at any time by the concurrence of a majority of the Board. However, these Bylaws may not be amended so as to change the purpose of the Pool as set forth in Article I thereof or to permit the diversion or application of any of the funds of the Pool for any purpose other than those specified herein, in the Member Agreement, the statutes of Virginia or the Commission's regulations. The Board, upon adoption of an amendment to these Bylaws shall send a copy of any such amendment to all members of the Pool.

SECTION 5. CONSTRUCTION

Whenever any words are used in these Bylaws in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply; whenever any words are used in these Bylaws in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words were used in these Bylaws in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-D
Meeting Date:	8/11/2014
Subject:	Financial Status Reports
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through July 31, 2014 will be provided at the meeting. The financial status reports as of July 31, 2014 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of July 31, 2014 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2014
- C. General Expenditure for FY 2015
- D. Mega Park – Funding Other than Bond Funds
- E. Berry Hill Mega Park – Lot 4 Site Development
- F. Rent, Interest, and Other Income Realized
- G. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of July 31, 2014

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost ⁷	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
Cane Creek Parkway ³		\$ 3,804,576.00	\$ 3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ¹		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4,5}		71,881.00	21,529.12	50,351.88	
Land		-	2,777,512.90	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	55,344.30	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	327,319.70	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,292,448.98	\$ 50,351.88	\$ 235,781.26

notes:

¹ Dewberry Contracts consist of wetland, engineering, surveying and site preparation

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

³ Project completed under budget

⁴ 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.

⁴ 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.

⁵ The budget amount decreased \$71,279.61 from the September 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.

⁶ 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.

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

Road Summary-Cane Creek Parkway:	
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
Total Road Contract Allocated to RIFA	\$ 5,271,916.00

Funding Summary - Cane Creek Parkway	
VDOT	\$ 1,467,340.00
Bonds	3,804,576.00
	\$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2014

As of July 31, 2014

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2013	66,686.06				
Contingency					
Miscellaneous contingency items		\$ 81,786.06	\$ 382.78	\$ -	\$ 81,403.28
Total Contingency Budget		81,786.06	382.78	-	81,403.28
Legal					
		100,000.00	55,919.36	-	44,080.64
Accounting					
		18,900.00	18,500.00	-	400.00
Annual Bank Fees					
		4,600.00	500.00	-	4,100.00
Postage & Shipping					
		100.00	-	-	100.00
Meals					
		4,800.00	4,235.27	-	564.73
Utilities					
		500.00	310.04	-	189.96
Insurance					
		6,000.00	2,416.00	-	3,584.00
Total	\$ 216,686.06	\$ 216,686.06	\$ 82,263.45	\$ -	\$ 134,422.61

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2015

As of July 31, 2014

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2014		TBD			
Contingency					
Miscellaneous contingency items		\$ 22,200.00	\$ -	\$ -	\$ 22,200.00
Total Contingency Budget		<u>22,200.00</u>	<u>-</u>	<u>-</u>	<u>22,200.00</u>
Legal					
		100,000.00	-	-	100,000.00
Accounting					
		19,600.00	-	-	19,600.00
Annual Bank Fees					
		600.00	-	-	600.00
Postage & Shipping					
		100.00	-	-	100.00
Meals					
		4,000.00	-	-	4,000.00
Utilities					
		500.00	-	-	500.00
Insurance					
		3,000.00	-	-	3,000.00
Total	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -	<u>\$ 150,000.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of July 31, 2014

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ^{1,4}	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 ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
 Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		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	-	
 Other					
Dewberry & Davis		29,465.00	28,965.00	500.00	
Dewberry & Davis ³		990,850.00	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Total		\$ 14,231,524.83	\$ 14,232,024.83	\$ 14,202,225.97	\$ 18,595.71
					\$ 10,703.15

¹ 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.

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

³ 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.

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

⁵ 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.

⁶ 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.

⁷ Unencumbered the remaining \$11,203.15 due to termination of contract.

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of July 31, 2014

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Expenditures					
Dewberry Engineers Inc.		1,268,487.00	80,190.00	1,188,297.00	
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.		150,000.00	47,231.81	102,768.19	
Total	\$ 7,889,153.00	\$ 1,583,327.00	\$ 280,261.81	\$ 1,303,065.19	<u>\$ 6,305,826.00</u>

¹ \$300,000 was received from each locality in June 2014.

² 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.

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of July 31, 2014

<i>Source of Funds</i>	<u>Funding Receipts</u>		<u>Expenditures</u> FY2015	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2014</u>	<u>Current</u> <u>Month</u>		
<u>Carryforward</u>	\$ 429,892.53			
<u>Current Lessees</u>				
	<u>Park</u>	<u>Property</u>		
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	Hawkins Research Bldg. at 230 Slayton Ave.	\$ 6,673.24	\$ 6,673.24
Institute for Advanced Learning and Research (IALR)	Cyberpark	IALR Building at 150 Slayton Ave.	-	-
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	300.00
Guilford Whitetail Management	Berry Hill	Klutz Farm off State Rd. 863/U.S. 311	-	-
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.	-	-
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland	-	-
Clodfelter Hunting Lease	Berry Hill	371.13 acres off State Road 863	2,000.00	2,000.00
<i>Total Rent</i>			\$ 8,973.24	\$ 8,973.24
<u>Interest Received</u> ²			\$ 84.45	\$ 84.45
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee				\$ -
Totals			<u>\$ 429,892.53</u>	<u>\$ 9,057.69</u>
			<u>\$ 9,057.69</u>	<u>\$ -</u>
				<u>\$ 438,950.22</u>

Restricted ¹ \$ 364,064.30
Unrestricted \$ 74,885.92

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

² 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^{1,2}
July 31, 2014*

	Unaudited FY 2015
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,171,102
Cash - money market	1,141,715
<i>Total current assets</i>	2,312,817
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	286,833
Restricted cash - debt service fund CCC bonds	1,094,868
Restricted cash - debt service fund Berry Hill bonds	-
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,116
Capital assets not being depreciated	24,839,271
Capital assets being depreciated, net	26,838,571
Construction in progress	2,650,156
Unamortized bond issuance costs	348,683
<i>Total noncurrent assets</i>	58,058,498
Total assets	60,371,315
Liabilities	
<i>Current liabilities</i>	
Accrued interest	69,244
Bonds payable - current portion	1,080,000
<i>Total current liabilities</i>	1,149,244
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	9,195,000
<i>Total noncurrent liabilities</i>	9,195,000
Total liabilities	10,344,244
Net Position	
Invested in capital assets - net of related debt	47,783,498
Unrestricted	2,243,573
Total net position	\$ 50,027,071

¹ 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.

² 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 July 31, 2014 as of July 30, 2014, 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
*July 31, 2014**

	Unaudited FY 2015
Operating revenues	
Virginia Tobacco Commission Grants	-
Rental income	14,523
Total operating revenues	14,523
Operating expenses ⁴	
Mega Park expenses ³	208
Cane Creek Centre expenses ³	-
Cyber Park expenses ³	-
Professional fees	-
Insurance	2,416
Other operating expenses	-
Total operating expenses	2,624
Operating income	11,899
Non-operating revenues (expenses)	
Interest income	-
Interest expense	-
Total non-operating expenses, net	-
Net income before capital contributions	11,899
Capital contributions	
Contribution - City of Danville	242,314
Contribution - Pittsylvania County	242,314
Total capital contributions	484,628
Change in net position	496,527
Net position at July 1,	49,530,544
⁵ Net position at July 31,	\$ 50,027,071

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

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

⁵ Please note this will change once all FY2014 entries are made and may also change depending on audit adjustments, if any, for FY2014 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*July 31, 2014**

	Unaudited FY 2015
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from leases	8,973
Payments to suppliers for goods and services	2,174
Net cash provided by operating activities	11,147
Capital and related financing activities	
Capital contributions	484,628
Interest paid on bonds	(8,140)
Principal repayments on bonds	-
Net cash provided by capital and related financing activities	476,488
Investing activities	
Interest received	-
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	487,635
Cash and cash equivalents - beginning of year (including restricted cash)	5,206,999
Cash and cash equivalents - through July 31, 2014 (including restricted cash)	\$ 5,694,634
Reconciliation of operating income before capital contributions to net cash provided by operating activities:	
Operating income	\$ 11,899
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,624
Change in due from other governments	-
Change in other receivables	2,500
Change in accounts payable	(26)
Change in unearned income	(5,850)
Change in security deposit	-
Net cash provided by operating activities	\$ 11,147

Components of cash and cash equivalents at July 31, 2014:	
American National - Checking	\$ 1,171,102
American National - General money market	1,141,715
Wachovia - \$7.3M Bonds CCC Debt service fund	1,094,868
Wachovia - \$7.3M Bonds CCC Project fund	286,833
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,116
	\$ 5,694,634

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-E
Meeting Date:	8/11/2014
Subject:	Report by Dewberry Engineers Inc.
From:	Shawn R. Harden, Department Manager, Dewberry Engineers

SUMMARY

During the August 11, 2014 meeting, the Authority will receive a report by Dewberry Engineers Inc. on options for a dam located within the Authority's Berry Hill Industrial Park Project.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-F
Meeting Date:	08-11-2014
Subject:	USDA Tract Redistribution Forms – Berry Hill
From:	Gregory L. Sides, Assistant County Administrator

SUMMARY

The United States Department of Agriculture periodically updates farm tract acreage data and issues a Tract Redistribution Form as necessary. RIFA has received two Tract Redistribution Forms for land that is being cultivated in the Berry Hill Industrial Park. The Director of Agriculture Development for Pittsylvania County has discussed these forms with USDA representatives. The guidance from the USDA is that these forms need to be signed by the RIFA Chairman and returned to the address specified on the form.

RECOMMENDATION

Staff recommends that the RIFA Board authorize the Chairman to sign the two Tract Redistribution Forms and have staff return the forms to the address specified on the form.

ATTACHMENTS

Resolution No. 2014-08-11-5F
Tract Redistribution Forms

A RESOLUTION AUTHORIZING THE CHAIRMAN AND THE VICE CHAIRMAN OF THE AUTHORITY, EITHER OF WHOM MAY ACT INDEPENDENTLY OF THE OTHER, TO EXECUTE THOSE CERTAIN U.S. DEPARTMENT OF AGRICULTURE TRACT REDISTRIBUTION FORMS FOR TRACT NUMBERS 7408 AND 7359 (FARM SERIAL NUMBER 13313), LOCATED IN THE AUTHORITY'S BERRY HILL INDUSTRIAL PARK PROJECT, PERTAINING TO FARM TRACT ACREAGE AND CERTAIN CROPS

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 United States Department of Agriculture (“**USDA**”) periodically updates farm tract acreage data and issues a Tract Redistribution Form as necessary; and the Authority has received two Tract Redistribution Forms for land (pertaining to farm tract acreage and certain crops) that is being cultivated in its Berry Hill Industrial Park Project, namely Tract Numbers 7408 and 7359 (Farm Serial Number 13313), copies of which are attached as **Exhibit A**, incorporated herein by this reference; and

WHEREAS, the USDA Director of Agriculture Development for Pittsylvania County has discussed these forms with USDA representatives; and the guidance from USDA is that these forms should be signed by the Authority’s Chairman/Vice Chairman and returned to the address specified on the forms; and

WHEREAS, the Board of Directors of the Authority finds these forms to be in good order, appropriate and necessary for the development of its Berry Hill Industrial Park Project, and agrees that these forms should be executed by the Authority’s Chairman/Vice Chairman.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and directs its Chairman and Vice Chairman, either of whom may act independently of the other, to execute the Tract Redistribution Forms set forth in **Exhibit A**, for delivery to the USDA.
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 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, with respect to the matters contemplated herein.
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 August 11, 2014, 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 11th day of August 2014.

(SEAL)

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

EXHIBIT A

[2 Tract Redistribution Forms]

This form is available electronically.

CCC-517 (02-10-11)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. COUNTY FSA OFFICE NAME AND ADDRESS (Including Zip Code) Pittsylvania County FSA Office 19783 U.S. Hwy 29S, Suite D Chatham, VA 24531	
TRACT REDISTRIBUTION FORM				TELEPHONE NUMBER (Area Code): (434) 432-9455	
2. STATE CODE 51		3. COUNTY CODE 143			
4. FARM SERIAL NUMBER 13313		5. TRACT NUMBER 7408			
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246), 7 CFR Part 718, and 7 CFR Part 1412. The information will be used to accomplish the redistribution of base acres on each tract. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for the redistribution of base acres on each tract.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title II, Subtitle J - Administration). RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</p>					
6. TRACT ACREAGE					
A. DCP CROPLAND		64.39			
B. EFFECTIVE DCP CROPLAND		64.39			
C. CURRENT DOUBLE CROPPED ACRES					
D. REQUESTED DOUBLE CROPPED ACRES					
E. CROP	F. CURRENT BASE	G. REQUESTED BASE	E. CROP	F. CURRENT BASE	G. REQUESTED BASE
Wheat	2.9	4.5			
Corn	25.9	28.9			
Grain Sorghum	0.0	0.4			
Soybeans	0.0	0.7			
Barley	3.0	3.0			
7. OWNER'S CERTIFICATION					
<p>I understand that by signing this form I have made the tract redistribution decision shown in Item 6 for the farm serial number in Item 4.</p> <p>I also understand that all owners on this farm must sign form CCC-517. In the event that one or more owners of this farm fail to sign form CCC-517, I understand that this form is null and void, that the tract redistribution decision shown in Item 6 is no longer applicable.</p>					
A. OWNER'S NAME AND ADDRESS (Including Zip Code) Danville Pittsylvania Regional Industrial Facility Authority P.O. Box 3300 Danville, VA 24543					
B. SIGNATURE OF OWNER (BY)		C. TITLE/RELATIONSHIP OF THE INDIVIDUAL SIGNING IN A REPRESENTATIVE CAPACITY		D. DATE (MM-DD-YYYY)	

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.



2014 Program Year

Map Created October 27, 2013

Common Land Unit

Cropland

Non-cropland

Conservation Reserve Program

Wetland Determination Identifiers

Restricted Use

Limited Restrictions

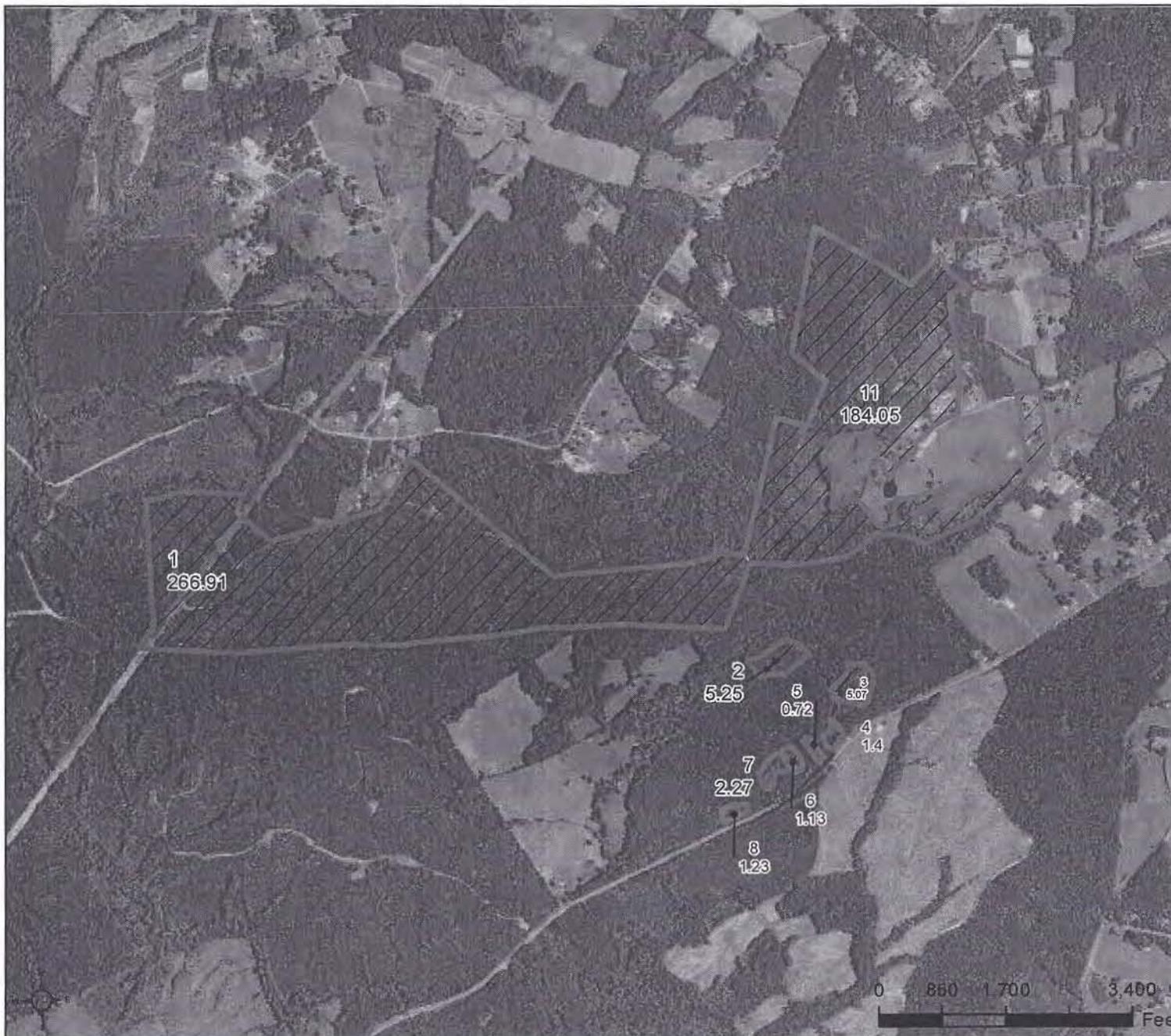
Exempt from Conservation Compliance Provisions

Tract Boundary

This form is available electronically.

CCC-517 (02-10-11)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. COUNTY FSA OFFICE NAME AND ADDRESS (Including Zip Code) Pittsylvania County FSA Office 19783 U.S. Hwy 29S, Suite D Chatham, VA 24531		
TRACT REDISTRIBUTION FORM				TELEPHONE NUMBER (Area Code): (434) 432-9455		
				2. STATE CODE 51		3. COUNTY CODE 143
				4. FARM SERIAL NUMBER 13313		5. TRACT NUMBER 7359
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246), 7 CFR Part 718, and 7 CFR Part 1412. The information will be used to accomplish the redistribution of base acres on each tract. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for the redistribution of base acres on each tract.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title II, Subtitle J - Administration). RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</p>						
6. TRACT ACREAGE						
A. DCP CROPLAND				0.0		
B. EFFECTIVE DCP CROPLAND				0.0		
C. CURRENT DOUBLE CROPPED ACRES						
D. REQUESTED DOUBLE CROPPED ACRES						
E. CROP		F. CURRENT BASE		G. REQUESTED BASE		
Wheat		1.5		0.0		
Corn		3.0		0.0		
Grain Sorghum		0.4		0.0		
Soybeans		0.7		0.0		
7. OWNER'S CERTIFICATION						
<p>I understand that by signing this form I have made the tract redistribution decision shown in Item 6 for the farm serial number in Item 4.</p> <p>I also understand that all owners on this farm must sign form CCC-517. In the event that one or more owners of this farm fail to sign form CCC-517, I understand that this form is null and void, that the tract redistribution decision shown in Item 6 is no longer applicable.</p>						
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