

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

August 10, 2015

12:00 P.M.

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

County of Pittsylvania Members

**Coy E. Harville, Vice Chairman
James H. Snead
Brenda H. Bowman, Alternate**

City of Danville Members

**Sherman M. Saunders, Chairman
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 Chairman/Vice Chairman of the Authority may restrict the number of speakers. Each speaker shall be limited to a total of three minutes for comments. *[Please note that the public comment period is not a question-and-answer session between the public and the Authority.]*

4. APPROVAL OF MINUTES OF THE JULY 13, 2015 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution 2015-08-10-5A, Endorsement and Recommendation of Danville Urbanized Area Metropolitan Planning Organization for Virginia House Bill 2 Program Grant Funds for Fiscal Year 2017, regarding State Road 311 (Berry Hill Road) Access and Widening Project – Richard Drazenovich, P.E., Director of Public Works, City of Danville and/or A. Kent Shelton, Assistant Director of Engineering, City of Danville
- B. Consideration of Resolution 2015-08-10-5B, accepting Grant #3011, consistent with the application submitted pursuant to Resolution 2015-03-09-5A, to the Tobacco Indemnification and Community Revitalization Commission (the “Commission”) in the amount of \$2,241,567.00 for Water System Improvements Phase II (Virginia System) work to the Authority's Berry Hill Industrial Park project, in Pittsylvania County, Virginia, and authorizing the Chairman or Vice Chairman of the Authority to execute and deliver, on behalf of the Authority, that certain Letter of Agreement dated May 21, 2015, between the Authority and the Commission for such grant funds, and any other necessary documents pertaining thereto – Telly D. Tucker, Director of Economic Development, City of Danville
- C. Financial Status Report as of July 31, 2015 – Michael L. Adkins, CPA, Authority Treasurer, and Patricia K. Conner, CPA, Assistant Finance Director, City of Danville

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 Sections 2.2-3711(A)(5) and 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, (i) for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, and (ii) for discussion concerning the disposition of certain publicly held real property in that project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

Danville-Pittsylvania Regional Industrial Facility Authority

- B. As permitted by Sections 2.2-3711(A)(5) and 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, (i) for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, and (ii) for discussion concerning the disposition of certain publicly held real property in that project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

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

7. COMMUNICATIONS FROM:

Brenda H. Bowman
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.:	Item 4
Meeting Date:	08/10/2015
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, July 13, 2015 meeting.

ATTACHMENTS

Meeting Minutes – 07/13/2015

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

July 13, 2015

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James A. Snead and Alternate Brenda H. Bowman.

City/County staff members attending were: Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Public Works Ric Drazenovich, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Assistant Finance Director Patricia Connor, City of Danville Senior Accountant Carol Howell, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. City Manager Joe King and County Administrator Clarence C. Monday were absent.

Also present were Shawn Harden and Brian Bradner of Dewberry & Davis.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE JUNE 8, 2015 MEETING

Upon **Motion** by Mr. Harville and **second** by Mr. Snead, Minutes of the June 8, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

A. FINANCIAL STATUS REPORT AS OF JUNE 30, 2015

Authority Treasurer Michael Adkins reviewed the financial status reports through the end of June, the end of the fiscal year. Cane Creek for the month of June shows an expenditure of \$6,500.00 paid to Dewberry for Dam removal work. General Expenditures show four items: legal fees of \$9,375.00 to Clement Wheatley, \$243.22 for meals to Main Street Coffee Emporium, Utilities \$31.62 and VML, RIFA's Fiduciary Insurance, \$2,207.00 for FY2016. There were no expenditures for the Mega Park; Lot 4 Site Development showed expenditures of \$18,878.30 for Dewberry Amendment Number 4. Rent, Interest and Other Income shows four receipts: \$17,606.47 from the Institute for Advanced Learning and Research for the monthly lease payment; \$300.00 for the monthly lease from Securitas, \$2000.00 for the Clodfelter Hunting Lease and \$122.72 in interest. There was one payment to the Institute for the Hawkins' Building Management Fee of \$62,352.79.

Mr. Snead **moved** to accept the Financial Report as of June 30, 2015 as presented. 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)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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July 13, 2015

B. CONSIDERATION – RESOLUTION 2015-07-13-5B – APPROVING FISCAL YEAR 2016 GENERAL EXPENDITURES BUDGET (No written resolution)

Authority Treasurer Michael Adkins reviewed the FY16 budget for RIFA, noting there is no change, it is flat at \$150,000. Mr. Adkins explained staff made minor adjustments allocating debt between line items. On page 23 of the agenda packet, there is an explanation of each of those line items.

Mr. Shanks **moved** to approve the Fiscal Year 2016 General Expenditures Budget. The Motion was **seconded** by Mr. Harville and carried by the following vote:

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

C. PRESENTATION BY BRANCH HIGHWAYS, INC., MICHAEL FREEMAN, PROJECT DEVELOPMENT MANAGER

Michael Freeman, Project Development Manager of Branch Highways gave a brief presentation to RIFA Board and Staff. Mr. Freeman noted that Branch Highways is a large excavation contractor out of Roanoke, Virginia who has done work with companies like Dewberry, Haymes Brothers and contractors over multiple states. They are involved with many types of infrastructure projects: design/build, large site development, airports, landfills, and heavy highways. Mr. Freeman reviewed several of the projects Branch Highways is involved in including the Route 58 Corridor, which is a design/build project with VDOT; Progress Park which was a design/build with the joint IDA; Augusta County, Route 636 where Branch developed the design, stream mitigation and permitting process. Branch is currently working on a FedEx distribution center in Staunton, a project for George Mason University, widening of Greenview in Lynchburg, and Liberty University among others. Mr. Freeman noted their company has projects ranging in size from a half million dollar early grading package up to \$119M bypass. Mr. Freeman noted he was interested in helping RIFA, working along with Dewberry, to help develop Berry Hill whenever RIFA is ready.

Mr. Shanks questioned if in the early stage projects, have they had issues getting permits from the Corp on the most recent projects and Mr. Freeman noted they had; the Corp has been a major problem on large speculative projects such as Progress Park. A lot of times the Corp wants to condense the size of the project, to shrink it down so there are less impacts. Mr. Harville asked, with Branch's relationship with the Corp, does Branch have any new knowledge of the present conditions of the Corp and Mr. Freeman noted they have had to adjust their business model a bit and allow for a little more time for the design stage. It is really just trying to react to what the Corp is requesting, get them the information back as soon as they can and deliver on what is submitted to them.

Mr. Saunders asked if Mr. Freeman had to give three pieces of advice in working with the Corp what would they be and Mr. Freeman noted to try to build as good a relationship as you can with the local Corp reps; even the individuals that they report to. Continue working with Dewberry, give them the tools they need to be able to provide the Corp with what they are requesting, supply the information in a timely manner and also be looking at other areas that RIFA can be getting ready to go once RIFA does have that Corp permit. Make sure there is nothing else that is going to delay RIFA from starting construction. Mr. Freeman

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

July 13, 2015

further noted the Corp looks at statistics, not at areas that need growth or industry, they don't look at the specific project as being needed versus another. They are fact based. Mr. Snead asked, as Branch is well known organization, does that help with the Corp and Mr. Freeman noted it did, a little bit; Branch tries to be respectful and accommodating when working with them.

Mr. Harville asked Mr. Freeman, in seeing what Dewberry has done and others working with them, would there be any chance in working with DEQ or the Corp to try to get a permit where RIFA could start moving dirt, even though there are issues and Mr. Freeman noted possibly. One unique thing Branch did with Progress Park is they started moving dirt before they had the Corp permit and worked around the impacts; once they got the final Corp permit they were able to work through the impact areas.

Mr. Tucker asked when Branch was finally able to get their permit from the Corp to disturb the wetlands did they have an economic development prospect and Mr. Freeman stated at the time they did not have a prospect; since then, they have had interest from various people who are interested in that site since it is done. Henry County is dealing with exactly the same issues on Commonwealth Crossing; they didn't have a prospect, then they did have a prospect and they were able to get their permit and get moving.

6. COMMUNICATIONS

Mr. Tucker noted staff had received the letter of agreement for Grant 3011 this past Friday from the Tobacco Commission. This was the most recent Mega Site grant that RIFA applied for, funding for either Berry Hill Lot 4 electric utility relocation or Phase II of water system infrastructure improvements. RIFA's resolution allowed the Commission the discretion to approve whichever they thought was better use of the funds and they prefer to approve Phase II of the water infrastructure improvements. Mr. Tucker explained the previous application was titled "Berry Hill Lot 4 Electric Utility Relocation" and since they approved the actual water infrastructure improvements, Mr. Tucker noted he wants them to retitle it so that it reflects the work RIFA is doing. Mr. Tucker noted he has already been in touch with the Tobacco Commission staff, they will change that and once the revision has been made in the letter of agreement, it will be distributed to RIFA board by email, hopefully to take action on and allow the Chairman to sign after the August meeting.

There were no further communications from Board Members or Staff.

The Meeting adjourned at 12:42 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5-A
Meeting Date: 08/10/2015
Subject: Resolution 2015-08-10-5A
From: Richard Drazenovich, P.E., Director of Public Works, City of Danville, and/or
A. Kent Shelton, Assistant Director of Engineering, City of Danville

SUMMARY

During the August 10, 2015 meeting, the Authority will receive a report from staff on Resolution 2015-08-10-5A, Endorsement and Recommendation of Danville Urbanized Area Metropolitan Planning Organization regarding State Road 311.

ATTACHMENT

Resolution 2015-08-10-5A.

Resolution No. 2015-08-10-5A

A RESOLUTION OF ENDORSEMENT AND RECOMMENDATION OF DANVILLE URBANIZED AREA METROPOLITAN PLANNING ORGANIZATION FOR VIRGINIA HOUSE BILL 2 PROGRAM GRANT FUNDS FOR FISCAL YEAR 2017, REGARDING STATE ROAD 311 (BERRY HILL ROAD) ACCESS AND WIDENING PROJECT

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, in 2014 the Virginia General Assembly adopted House Bill 2 (HB2) directing the Virginia Department of Transportation (“**VDOT**”) to prioritize projects for construction which meet the most critical transportation needs; and

WHEREAS, VDOT has solicited application for candidate projects until September 30, 2015; and

WHEREAS, The Danville Urbanized Area Metropolitan Planning Organization intends to apply for and anticipates receipt of House Bill 2 program grant funds for access improvements to State Route 311 (Berry Hill Road) at the intersection of Business Route 58, and to widen the pavement and shoulders of Route 311. These highway improvements are needed for the safe development of the Authority’s Berry Hill Industrial Park Project located in Pittsylvania County, Virginia.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby endorses and recommends the Danville Urbanized Area Metropolitan Planning Organization’s application for House Bill 2 program grant funds for State Route 311 (Berry Hill Road) access improvements and roadway and shoulder widening and recommends this project be included in the VDOT Six-Year Improvement Program (SYIP).

2. The Authority hereby authorizes and directs the Chairman and the Vice Chairman, either of whom may act independently of the other, to take such actions and to do all such things, or as they in their discretion deem necessary or appropriate in order to evidence such endorsement and recommendation or otherwise to carry out the intent and purposes of these resolutions.

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

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CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on August 10, 2015, 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 10th day of August 2015.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-B
Meeting Date:	08/10/2015
Subject:	Resolution 2015-08-10-5B
From:	Telly D. Tucker, Director of Economic Development City of Danville

SUMMARY

During the August 10, 2015 meeting, the Authority will receive a report from staff on Resolution 2015-08-10-5B, consideration of accepting Grant #3011 for Water System Improvements Phase II.

ATTACHMENT

Resolution 2015-08-10-5B.

Grant #3011

Resolution No. 2015-08-10-5B

A RESOLUTION ACCEPTING A GRANT #3011, CONSISTENT WITH THE APPLICATION SUBMITTED PURSUANT TO RESOLUTION 2015-03-09-5A, TO THE TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION (THE "COMMISSION") IN THE AMOUNT OF \$2,241,567.00 FOR WATER SYSTEM IMPROVEMENTS PHASE II (VIRGINIA SYSTEM) WORK TO THE AUTHORITY'S BERRY HILL INDUSTRIAL PARK PROJECT, IN PITTSYLVANIA COUNTY, VIRGINIA, AND AUTHORIZING THE CHAIRMAN OR VICE CHAIRMAN OF THE AUTHORITY TO EXECUTE AND DELIVER, ON BEHALF OF THE AUTHORITY, THAT CERTAIN LETTER OF AGREEMENT DATED MAY 21, 2015, BETWEEN THE AUTHORITY AND THE COMMISSION FOR SUCH GRANT FUNDS, AND ANY OTHER NECESSARY DOCUMENTS PERTAINING THERETO

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 County of Pittsylvania, Virginia (the "**County**"), and the City of Danville, Virginia (the "**City**"), have been impacted by the decline of the tobacco industry causing a negative impact on economic development and growth throughout the region; and

WHEREAS, the Tobacco Indemnification and Community Revitalization Commission (the "**Commission**") has developed an economic development program to help tobacco-reliant localities to change and revitalize their economy, which includes grants to assist the County and the City in transforming their economies to replace the decline in the tobacco agro-business community; and

WHEREAS, consistent with the Authority's application submitted pursuant to Resolution 2015-03-09-5A, the Commission has awarded the Authority Grant #3011, in the amount of \$2,241,567 to complete certain Water System Improvements Phase II (Virginia System) work to the Authority's Berry Hill Industrial Park project in the County (the "**Grant**"); and

WHEREAS, the terms of the Grant and a more particular description of the Phase II work are set forth in that certain Letter of Agreement between the Authority and the Commission, in the form attached hereto and incorporated herein as **Exhibit A** (the "**Letter Agreement**"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of the County and the City for the Authority to accept the Grant from the Commission, and execute and deliver the Letter Agreement.

Resolution No. 2015-08-10-5B

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority does hereby accept the Grant and approve the Letter Agreement, together with such amendments, deletions or additions thereto, consistent with this Resolution, as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, and hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver, on behalf of the Authority, the Letter Agreement, including all necessary documents pertaining thereto, such execution of the Letter Agreement, and any necessary documents pertaining thereto, by the Chairman or Vice Chairman of the Authority, either of whom may act, to conclusively establish approval of any amendments, deletions or additions thereto.

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

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, the Pittsylvania County Administrator and the Danville City Manager, its other agents and representatives, in respect of the Grant and the matters contemplated therein.

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

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Resolution No. 2015-08-10-5B

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 10, 2015, 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 10th day of August 2015.

(SEAL)

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

Resolution No. 2015-08-10-5B

EXHIBIT A

[Letter Agreement attached]

LETTER OF AGREEMENT - GRANT FUNDS

This Grant Agreement (this "Agreement") made and entered the **21st May, 2015** (the "Award Date"), by and between the **Tobacco Indemnification and Community Revitalization Commission**, a body corporate and political subdivision of the Commonwealth of Virginia (the "Commission"), and. **Danville-Pittsylvania Regional Industrial Facility Authority** (the "Grantee").

WITNESSETH:

WHEREAS, the Virginia General Assembly created the Commission to, among other things, stimulate the economic growth and development of tobacco-dependent communities in the Southside and Southwest regions (the "Region") of the Commonwealth of Virginia (the "Commonwealth"), and

WHEREAS, the Grantee has submitted an application, which by this reference is incorporated herein and made a part of this Agreement (the "Application"), to the Commission for funding to acquire, construct, improve, equip, furnish and/or otherwise undertake the project entitled **Water System Improvements Phase II (Virginia System)** described on **Exhibit A** attached hereto (the "Project"), and

WHEREAS, the Commission, in reliance upon the information set forth in the Application, has determined that the Project benefits the Region and is consistent with and in furtherance of the Commission's public purposes and approved a grant to the Grantee in the amount of **\$2,241,567.00** (the "Grant") to fund the Project, the approval and funding of such Grant the Commission has determined constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the Grant, and

WHEREAS, the Commission and the Grantee desire to set forth their understanding and agreement as to the use of the Grant and the obligations of the Grantee regarding the use of the Grant,

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby represent, warrant, covenant and agree as follows:

1. Definitions. The following capitalized terms used in this Agreement have the meanings set forth below:

"Authorized Expenditures" means the expenditures to be paid by or on behalf of, or reimbursed to, the Grantee in connection with the Grant as set forth in the Project Budget.

"Capital Expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the

definition of “placed in service” under Treas. Regs. §1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“**Commission-Related Party**” means a Person that is a Related Party to the Commission, the Issuer or the Commonwealth.

“**Controlled Group**” means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of this definition.

(i) The determination of direct control is made on the basis of all the relevant facts and circumstances. One entity or group of entities (the controlling entity) generally controls another entity or group of entities (the controlled entity) for purposes of this definition if the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial—

(A) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or

(B) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

(ii) If a controlling entity controls a controlled entity under the test set forth in paragraph (i) of this definition, then the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities.

(iii) An entity is not a controlled entity under paragraph (i) of this definition if the entity possesses substantial taxing, eminent domain, and police powers. For example, a city possessing substantial amounts of each of these sovereign powers is not a controlled entity of the state (Commonwealth).

“**501(c)(3) Organization**” means any Person described in Section 501(c)(3) of the Tax Code and exempt from tax under Section 501(a) of the Tax Code.

“**Governmental Person**” means a state or local governmental unit as defined in Treas. Regs. § 1.103-1 or any instrumentality thereof. The federal government and its agencies and instrumentalities are not Governmental Persons.

“**Issuer**” means the Tobacco Settlement Financing Corporation, a public body corporate and an independent instrumentality of the Commonwealth.

“**Loan**” means any transaction that is generally characterized as a loan for federal income tax purposes. A Loan may arise from the direct lending of money or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed within the meaning of Treas. Regs. § 1.141-5. Certain leases, management contracts and other contractual arrangements and certain prepayments for property or services may constitute Loans under Treas. Regs. § 1.141-5.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership, or any other entity (including a governmental entity).

“Related Party” means, in reference to a Governmental Person or a 501(c)(3) Organization, any Person that is a member of the same Controlled Group and, in reference to any Person that is not Governmental Person or a 501(c)(3) Organization, a Related Person.

“Related Person” shall have the meaning set forth in Section 144(a)(3) of the Tax Code. For purposes of Section 144(a)(3) of the Tax Code, a Person is a Related Person to another Person if—

(A) the relationship between such Persons would result in a disallowance of losses under Section 267 or 707(b) of the Tax Code, or

(B) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Tax Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“Tax Code” means the Internal Revenue Code of 1986, as amended, and the applicable provisions of the regulations of the U.S. Department of Treasury promulgated thereunder.

“Tobacco Bonds” means the Tobacco Settlement Asset-Backed Bonds, Series 2005, which were issued by the Issuer on May 16, 2005, and have a stated final maturity date of June 1, 2037, and the Tobacco Settlement Asset-Backed Bonds, Series 2007 B, C, and D which were issued by the Issuer on May 3, 2007, and have a stated final maturity date of June 1, 2047.

Working Capital Expenditure” means any cost that is not a Capital Expenditure. Generally, current operating expenses are Working Capital Expenditures.

2. **Source of Grant Funds; Reliance.** The Grantee represents that it understands that the Grant funds are derived from the proceeds of the Tobacco Bonds, the interest on which must remain excludible from gross income for federal income tax purposes (that is, “tax-exempt”) pursuant to both (i) Virginia law and (ii) contractual covenants made by the Commission, the Issuer and the Commonwealth for the benefit of the owners of the Tobacco Bonds. The Grantee further represents that (a) the undersigned authorized representative of the Grantee has been informed of the purpose and scope of Sections 103 and 141-150 of the Tax Code as they relate to the Tobacco Bonds and the Grant, and (b) the representations and warranties contained in this Section and throughout this Agreement can be relied on by the Commission, the Issuer and bond counsel for the Commission and Issuer in executing certain documents and rendering certain opinions in connection with the Tobacco Bonds.

3. **Nature of Grantee.** The Grantee represents that it is neither a Commission-Related Party nor an agent of the Issuer, the Commission or the Commonwealth. A true, correct and complete copy of the Grantee’s charter, articles of incorporation or similar governing instrument is attached hereto as **Exhibit D** and is in full force and effect on the date hereof. If the Grantee is a 501(c)(3) Organization, a copy of its IRS determination letter shall also be attached as part of **Exhibit D** hereto. The Grantee will not make any changes to its governing

documents or structure, funding or operations during the term of the Tobacco Bonds that would or may cause the Grantee to become a Commission-Related Party or an agent of the Issuer, the Commission or the Commonwealth.

4. Project and Budget; Nature of Authorized Expenditures. The Grantee agrees to use the Grant for that portion of the Project not being paid from other sources as set forth in the budget for the Project attached hereto as **Exhibit B** (the "Project Budget"). No portion of the Grant shall be used by the Grantee for any purpose whatsoever other than to pay or to reimburse Authorized Expenditures with respect to the Project without the prior written approval of the Executive Director of the Commission (the "Executive Director"). No material changes shall be made in the scope of the Project or to the Project Budget without the prior written approval of the Executive Director. Any document signed by the Executive Director accepting a change in the scope of the Project or to the Project Budget shall set forth with specificity the accepted change. If the maximum authorized amount of the Grant exceeds the amount necessary to complete the Project, the excess shall not be disbursed to the Grantee but shall remain with the Commission or, if previously disbursed, be returned to the Commission within thirty (30) days of the earlier of the completion of the Project or the expiration of this Agreement.

The Grantee represents, warrants and covenants as follows:

(a) All Authorized Expenditures will be Capital Expenditures. No Authorized Expenditure will be a Working Capital Expenditure.

(b) Other than as described in Sections 12 and 13 below, the Grant does not impose on the Grantee any obligation or condition to directly or indirectly repay any amount (in cash, property or services or otherwise) to the Commission, the Issuer, the Commonwealth or any Commission-Related Party.

(c) No Authorized Expenditure will represent, nor will the Grant involve, the use by the Grantee of any portion of the Grant funds, directly or indirectly, (i) to make or finance a grant or a Loan to a Commission-Related Party or (ii) to refund, redeem or pay debt service on the debt obligations (including without limitation any tax-exempt bonds) of the Grantee or any other Person.

The average reasonably expected economic life of the assets to be financed by the Grant is set forth in **Exhibit E** attached hereto.

The Grantee agrees to cause the Project to be acquired, constructed, improved, equipped, furnished and/or otherwise undertaken as described in **Exhibit A** and will cause the Project to be completed on or before the expiration of this Agreement. The Grantee represents and warrants that Grant funds and funds available from the other sources specified in the Project Budget will be sufficient to cause the Project to be completed.

The Grantee agrees to comply with any applicable governmental requirements pertaining to the Project and the use and application of Grant funds provided hereunder, including but not limited to, the Virginia Public Procurement Act (Virginia Code Section 2.2-4300 *et seq.*, as

amended), and the State and Local Government Conflict of Interest Act (Virginia Code § 2.2-3100 *et seq.*, as amended) but only as and to the extent required by any such governmental requirements, and the Commission shall not in any way be responsible for determining the extent, if any, to which any such governmental requirements apply to the Grantee.

5. Payment of Grant Funds. Subject to the terms of this Agreement, including but not limited to, satisfaction by the Grantee, in the sole discretion of the Commission, of the conditions set forth on Exhibit C attached hereto, the Grant shall be disbursed to the Grantee on a reimbursement basis upon submission of a signed payment request on the Commission's then current form ("Payment Request Form") with adequate supporting documentation. The Grantee agrees to comply with the Commission's General Funding Policies, Grant Disbursement Guidelines and Guidelines for Advance of Funds as adopted by the Commission as in effect from time to time and applied in the sole discretion of the Commission. Expenses incurred prior to the Award Date are not eligible for reimbursement. Prior to any disbursement, the Commission shall have on record documentation from the Grantee designating the officers, employees or agents authorized to make a reimbursement request (such documentation may be in the form of a resolution or minutes of the Grantee appointing such designee). Reimbursement requests shall be submitted not more frequently than quarterly, unless the Commission otherwise agrees. Appropriate supporting documentation shall be attached to all Payment Request Forms and may include, but is not limited to, invoices from goods purchased and services performed, receipts, vouchers, reporting forms or other evidence of the actual payment of costs related to the Project and consistent with the Project Budget. The Grantee shall also provide appropriate supporting documentation of the expenditure and application of any required matching funds for the Project as set forth on Exhibit C attached hereto. The Commission may in its sole discretion refuse to make a disbursement if the documentation is not adequate or if such disbursement does not appear to be within the Project Budget or otherwise contrary to or in violation of the provisions hereof. The Commission in its sole discretion may refuse to disburse any funds to the Grantee if the Grantee has previously received a grant award and a final grant report for the previous grant award has not been received by the Commission.

The Grantee may request in writing an advance of up to twenty-five percent (25%) of the Grant if the Grantee lacks sufficient funds to commence the Project. Approval of such request shall be in the sole discretion of the Commission and shall be available no earlier than ninety days (90) prior to the start of the Project. If an advance is disbursed, the Grantee may request additional disbursements only upon submission of signed Payment Request Forms with adequate documentation demonstrating the use of the advance in accordance with the provisions of this Agreement.

6. Quality of Work. The Commission, and its members, employees and agents, shall have the right to inspect the Project at reasonable times from time to time. Upon a determination that the quality of work done or the progress toward completion of the Project is unsatisfactory, the Commission may take whatever action is necessary to preserve the integrity of the Grant and its original intended purpose, including but not limited to, the actions set forth in Section 12 of this Agreement. The Project may be monitored through on-site visits by representatives of the Commission or in any other manner deemed appropriate by the Executive Director.

7. Parties' Relationship. In connection with the award or the administration of the Grant, the Commission does not and shall not assume any liability for any financial or other obligations of the Grantee made to third parties, whether or not related to the Project. The Grantee shall provide written notice to all vendors, contractors and any other party retained to work on the Project that neither the Commission nor the Commonwealth shall be liable for the Project or any payment failure or other obligation related thereto. Such written notice shall provide that by accepting work on the Project, all such vendors, contractors and other parties release and relinquish the Commission and the Commonwealth from any claim which might otherwise be asserted, and that each party accepting such work thereby indemnifies and holds the Commission, and its members, employees and agents, harmless against any and all such obligations; and further, that if any action is brought against the Commission, or its members, employees or agents, the party accepting such work shall be liable for all legal expenses and other costs related to such action. The Grantee is and will be acting as an independent contractor in the performance of the Project, and agrees to be responsible, where found liable and to the extent not covered by insurance or specified by statute, for the payment of any claim for loss, personal injury, death, property damage, or otherwise arising out of any act or omission of its members, employees or agents in connection with the performance of the Project. Nothing contained herein shall be deemed an express or implied waiver of the sovereign immunity of the Commission or the Commonwealth.

The Grantee shall at all times protect, indemnify and hold the Commission, the Issuer, the Commonwealth and the owners of the Tobacco Bonds, and their respective members, directors, officers, employees, attorneys and agents (the "Indemnitees"), harmless against any and all liability, losses, damages, costs, expenses, penalties, taxes, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any misrepresentation, breach of warranty, noncompliance or default by or on behalf of the Grantee under this Agreement, including, without limitation, all claims or liability (including all claims of and liability to the Internal Revenue Service) resulting from, arising out of or in connection with the loss of the excludability from gross income of the interest on all or any portion of the Tobacco Bonds that may be occasioned by any cause whatsoever pertaining to such misrepresentation, breach, noncompliance or default, such indemnification to include the reasonable costs and expenses of defending any Indemnitee or investigating any claim of liability and other reasonable expenses and attorneys' fees incurred by any Indemnitee in connection therewith.

8. Recordkeeping. The Grantee shall maintain proper books of record and account with respect to the Grant and the Project in which accurate and timely entries shall be made in accordance with generally accepted accounting principles, consistently applied, during the term of this Agreement. Grant funds shall be held in a separate and segregated account (the "Fund") and the Fund shall reflect all activity of the Grant funds received for the Project, itemized by category of expenses in the same manner as in the Project Budget. The Grantee shall retain all invoices from goods purchased and services performed, receipts, vouchers, reporting forms or other evidence of the actual payment of costs related to the Project. All books of record and account and all records of receipts and expenditures with respect to the Grant and the Project and copies of Payment Request Forms with supporting documentation and annual and final reports submitted to the Commission shall be retained for at least three (3) years after the later of the completion of the Project or the expiration of this Agreement. The Commission, and its

members, employees and agents, shall have the right at reasonable times from time to time to inspect and make copies of the books and records of the Grantee and the Fund.

9. Annual Reports. The Grantee shall submit to the Commission annual financial and narrative reports reflecting activity in the Fund and progress made toward completion of the Project. Annual financial reports shall be presented on the Commission's grant reporting form then in effect (the "Grant Reporting Form"). Annual narrative reports shall indicate the progress made toward achieving the goals of the Grant and shall be submitted with the Grant Reporting Form. Annual reports shall be due one year from the Award Date and annually thereafter until the Project is complete. The Commission reserves the right to request additional information to supplement the information provided in the Grant Reporting Form or the annual narrative reports, including but not limited to, the Grantee's audited financial statements.

10. Final Report. The Grantee shall provide a final financial and narrative report to the Commission within thirty (30) days of the earlier of the completion of the Project or the expiration of this Agreement. The final report shall contain the type of information contained in the annual reports, including a narrative as to the success of the Project and a description of the long-term achievements and expectations for the Project. The Commission may withhold final disbursement of up to ten percent (10%) of the Grant until receipt of a final report that is in all respects satisfactory to the Commission. After the completion of the Project and expiration of this Agreement, the Commission may in its sole discretion require additional reporting on the long-term achievements and expectations of the Project.

11. Interim Reports. In addition to the annual reports and final report required by Sections 9 and 10 of this Agreement, the Commission may reasonably request that the Grantee submit additional or interim information from time to time to ensure that the provisions of this Agreement are properly carried out, administered and enforced.

12. Misuse of Award; Rights of Commission. If the Commission determines that any part of the Grant has been used for a purpose other than to pay or reimburse Authorized Expenditures with respect to the Project or that the Grantee has failed to comply with any material term or condition or obligation of the Grantee in this Agreement, including but not limited to, the Grantee making in any material respect a false or misleading statement or other written or oral representation, warranty or statement furnished or made to the Commission in this Agreement, the Application or otherwise, the Commission in its sole discretion may withhold any further disbursements to the Grantee and, in addition:

(a) rescind the Grant by written notice to the Grantee, in which event the Grantee shall be obligated to return to the Commission, within five (5) days following receipt of such notice, an amount, from legally available funds, equal to all Grant payments received pursuant to this Agreement, plus interest from the date of receipt of such notice at the prime rate set forth in the Wall Street Journal on the date of such notice;

(b) require the Grantee to take whatever action at law or in equity the Commission may direct in order to recover any Grant funds not used for the actual

payment of costs related to the Project and consistent with the Project Budget, and comply with any procedures that the Commission may direct in order to prevent further improper use of the Grant;

(c) take any other action as necessary to preserve the integrity of the Grant and to preserve Grant funds for appropriate uses;

(d) determine that the Grantee is ineligible to receive future grant funding through the Commission;

(e) withhold any and all disbursements requested by the Grantee from the Commission under any other grant previously approved by the Commission; and/or

(f) take such judicial action as is necessary to collect any amounts owed, including legal action for breach of this Agreement, pursuant to this Section or as otherwise provided in this Agreement.

The Commission reserves the right to modify or withhold any disbursement of Grant funds if the Commission in its sole discretion determines that it is necessary in order to protect the purposes and objectives of the Commission and the Grant or to comply with any law or regulation applicable to the Commission, the Grant and/or the Grantee.

13. Sale or Encumbrance; Security Interest. Until the Commission has determined that the public purposes of the Grant have been satisfied, none of the assets or property acquired, constructed, improved, equipped, and/or furnished as part of the Project shall be leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered without the prior written approval of the Executive Director. In the event that such asset or property is leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered without the prior written approval of the Executive Director, the Commission may assert its interest in the asset or property to recover the Commission's share of the value of such asset or property and/or recover from the Grantee, unless otherwise prohibited by law.

The Grantee hereby pledges, delivers and assigns to the Commission and, as its interests may be, to the Grantee, a security interest in, to and on all property purchased with the Grant, which security interest shall be held by the Commission and, as applicable, the Grantee to secure the Grantee's full performance under this Agreement. Upon the request of the Commission and, as applicable, the Grantee, the Grantee will execute, provide and sign all documents necessary to establish and/or perfect Commission's and, as applicable, the Grantee's security interest in such property, including deeds of trust, supplemental deeds of trust, amendments or modifications hereto, financing statements, continuation statements or other instruments and documents which may be reasonably required from time to time. The Commission will release its security interest upon the Grantee's full performance under this Agreement, including, without limitation, the Grantee's full compliance with all reporting requirements required herein, and once the Commission has determined that the public purposes of the Grant have been satisfied.

14. Press Releases. The Grantee agrees that it shall not issue any press releases or other public statements regarding the Grant without the prior written consent of the Commission.

15. Future Funding. The Grant provided pursuant to this Agreement shall not be deemed to be an actual or implied promise of the Commission to fund the Project except as provided for herein. No representation by the Commission, or its members, employees or agents, shall be binding unless set forth in writing and signed by the Executive Director. In addition to the other remedies provided by law or in this Agreement, if the Grantee fails to comply with the terms of this Agreement, the Project shall not be entitled to additional funding by the Commission.

16. Entire Agreement. To the extent there are inconsistencies between this Agreement and its supporting documents, including the Application and the exhibits attached hereto, this Agreement shall control. This Agreement expresses the entire understanding and all agreements between the Commission and the Grantee and may not be modified except in a writing signed by the Commission and the Grantee.

17. Governing Law; Jurisdiction; Venue. This Agreement shall be governed by the applicable laws of the Commonwealth. The venue of any judicial action shall be in the Circuit Court of the City of Richmond, Virginia, and such litigation shall only be brought in such court.

18. Limitation of Commission's Liability. Nothing herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the Commission or of an employee or agent of the Commission. No member, employee or agent of the Commission shall incur any personal liability with respect to any action taken by him or her pursuant to this Agreement.

19. Severability. If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

20. Public Documents. Unless specifically exempted pursuant to the Virginia Freedom of Information Act (Virginia Code Section 2.2-3700 *et seq.*, as amended), all reports, documents, financial data and other information provided to the Commission shall be public records.

21. Notices. Unless otherwise provided for herein, all notices, approvals, consents, correspondence and other communications pursuant to this Agreement shall be in writing and shall be deemed received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee) to (a) the Commission at 701 East Franklin Street, Suite 501, Richmond, Virginia 23219, Attention: Executive Director, or (b) the Grantee at the address set forth below.

22. Conditional Funding. In the event that disbursement of Grant funds is contingent upon the happening of an event or events described in Exhibit C attached hereto that have not yet occurred as of the Award Date, the Commission may withdraw the Grant if such event or events have not been substantiated with appropriate documentation satisfactory to the

Commission within twelve (12) months of the Award Date. This Agreement is subject to the availability of Commission funds. If such funds become unavailable and the Commission is unable to obtain sufficient funds, this Agreement shall be amended or terminated, as appropriate.

23. Expiration. Thirty-six (36) months after the date on which the Grant is approved, the Grant shall be automatically rescinded with respect to all funds not yet disbursed by the Commission, unless an extension is granted in writing by the Commission.

24. Assignment. Neither this Agreement nor any rights under this Agreement may be assigned, by operation of law or otherwise, by the Grantee without the prior written consent of the other parties hereto. The provisions of this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

25. Survival. The rights and remedies available to the Commission shall survive any expiration or termination of this Agreement, including but not limited to, Sections 7, 10, 12, 13 and 25.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

[Remainder of this page intentionally left blank.]

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

**TOBACCO INDEMNIFICATION AND COMMUNITY
REVITALIZATION COMMISSION, a body corporate and political
subdivision of the Commonwealth of Virginia**

Signature of Executive Director: _____

Printed Name of Executive Director: Evan Feinman

Date: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Signature of Grantee's Chief Executive: _____

Printed Name of Grantee's Chief Executive: _____

Date: _____

Grantee Information:

Address _____

Phone # _____ e-mail _____ Federal ID # _____

Project Description

The Phase II water project will install a 20" water line from North Carolina/Virginia State line to Oak Ridge Road. The Line will be connected to the existing 16" line previously installed for the Berry Hill Industrial Park. This line will eventually be extended from the State Line and connect to the water system in Eden, NC. The project will include necessary fire hydrants valves and a rail road crossing.

Exhibit B

Project Budget

2. Financial Information: Budgeted Expenditures

You do not need to enter any information in this section. The table below is self calculating based on the information entered in section 1 (Financial Information - Sources of Funds). Please fill in the blue highlighted fields in section 1 to populate the table below. The amounts from the "TICRC Funds" column and the "Total Matching Funds Column" should correspond to the amounts entered in the grant application.

Proposed Project Budget								
	TICRC Funds	State	Local	Federal	Private	In-Kind	Total Matching Funds	Grand Total
Personal Services (Salaries, Wages, Benefits, etc.)								
Contractual Services (A&E, Legal, Printing, Media, Travel, Training, etc.)								
Supplies & Materials (Engineering Supplies, Building & Mechanical Repair, Supplies, Educational Supplies, etc.)								
Continuous Charges (Insurance, Lease Payments, Utilities, etc.)								
Property & Improvements (Land Acquisition, Site Development, etc.)	\$2,241,567.00		\$224,160.00				\$224,160.00	\$2,465,727.00
Equipment (Computers, Phones, Furniture, Fixtures, Manufacturing Equipment, etc.)								
Plant & Improvements (Building Acquisition, Construction/Renovation, etc.)								
Transfer Payments (Scholarships, Incentives, etc.)								
Total Costs:	\$2,241,567.00		\$224,160.00				\$224,160.00	\$2,465,727.00

TICRC Grant Application Budget Worksheet

Bo 201413

I. Financial Information: Sources of Funds
a. Requested TICRC Funds: Enter a Description and Budget Line Item Amounts in the blue highlighted boxes below. *Please include specific, detailed budget narrative as an additional attachment in your application.*

Requested TICRC Fund Details								
1. Description (Enter a brief description of how the TICRC funds will be used)	Requested TICRC funds would be used for Phase II of Water System Improvements designed to bring water infrastructure from the border of the VA and NC state line to the Berry Hill Site.							
2. Budget Line Item	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
3. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,241,567.00	\$0.00	\$0.00	\$0.00
4. Total Amount (Self Totalling)								\$2,241,567.00

b. Other Funding: Enter Source Information, Status, Description and Budget Line Item Amounts in the blue highlighted boxes below. Select funding type and status from the dropdown menus in the blue highlighted boxes where indicated. *Please include specific, detailed budget narrative as an additional attachment in your application.*

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	Local							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Danville Pittsylvania County Regional Industrial Facility Authority (RIFA)							
3. Status (Select the status of the matching funds from the dropdown list)	Application Approved							
4. Description (Enter a brief description of how the matching funds will be used)	The matching funds will be used to cover the design and implementation costs of Phase II of the water system improvements to Dewberry Consulting Engineers as outlined in the attached breakdown.							
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)					\$224,160.00			
7. Total Amount (Self Totalling)								\$224,160.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)								\$0.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)								\$0.00

WATER SYSTEM IMPROVEMENTS
Phase II (Virginia System)

Item Description	Quantity	Unit	Unit Cost	Total
Mobilization & Site Prep	1	LS	\$ 100,000	\$ 100,000
Connection to Existing System	1	EA	\$ 6,000	\$ 6,000
20" Waterline (along VA SR 863)	10465	LF	\$ 160	\$ 1,674,400
Fire Hydrants	13	EA	\$ 4,500	\$ 58,500
20" Gate Valves	2	EA	\$ 5,800	\$ 11,600
Rail Road Crossing	1	EA	\$ 75,000	\$ 75,000
Air Release Valves	4	EA	\$ 3,500	\$ 14,000
Creek Crossing	3	EA	\$ 40,000	\$ 120,000
Erosion & Sediment Control	1	LS	\$ 25,000	\$ 25,000
Site Restoration	1	LS	\$ 35,000	\$ 35,000

Construction Subtotal \$ 2,119,500
Construction Contingencies (15%) \$ 317,925
Construction Cost \$ 2,437,425

Phase 2 Water Cost (Virginia) \$ 2,437,425

Grant Conditions

1. No less than 10% of the total Project Budget shall be funded by non-commission sources and satisfactory evidence thereof submitted to the Commission prior to disbursement of any Commission money. Un-approved applications to other funding sources are not satisfactory evidence.
2. Commission awards \$2,241,567 for not more than 90% of the Phase two water line construction and related costs

Exhibit D

Governing Documents of Grantee

Attach charter, articles of incorporation or similar governing instruments, also attach IRS determination letter if a 501(c)(3) Organization

**DETERMINATION OF AVERAGE REASONABLY EXPECTED
ECONOMIC LIVES OF PROJECT ASSETS**

The Tax Code limits the length of average maturity for certain tax-exempt bonds, such as the Tobacco Bonds, to no more than 120% of the average reasonably expected economic life of the assets being financed with the proceeds of such bonds. In this Exhibit, the Grantee will determine the average reasonably expected economic life of the assets being financed by the Grant.

There are two safe harbors in determining "economic life": the ADR midpoint life under IRS Revenue Procedures 83-85 and 87-56 and the guideline life under IRS Revenue Procedure (in the case of structures). For the purposes hereof, the reasonably expected economic life of an asset is to be determined as of the date the asset is expected to be placed in service. You may wish to consult your accountant in completing this Exhibit. Commission staff can provide copies of the above-referenced Revenue Procedures.

Please complete the attached Schedule as follows:

Step 1. Please list each of the assets comprising the Project to be financed or refinanced by the Grant funds by describing them in Column I. At the minimum, the assets should be broken down as "Land," "Land Improvements," "Building," and "Equipment." In Column II, indicate whether each asset will be acquired, constructed, installed, renovated, etc.

Step 2. In Column III, set forth the corresponding total cost of each asset to be paid with Grant funds. Any amounts shown on the Project Budget as "Contingency" should be assigned to the shortest-lived asset.

Step 3. In Column IV, set forth the date each asset is expected to be placed in service. An asset is first placed in service when it is first placed in a condition or state of readiness and availability for a specifically assigned function.

Step 4. In Column V, set forth in years the ADR midpoint life or the guideline life of each asset listed in Column I, in accordance with the following:

Land. If any portion of the Grant funds will be used to finance land, Commission staff should be consulted to determine the economic life to be assigned. In most cases, Commission staff will direct you to assign the land an economic life of 0 and to exclude the land from the economic life calculation.

If land improved with one or more existing buildings will be acquired, please allocate the purchase price between the land and buildings and furnish the Commission with a copy of a recent appraisal of the relative value of the land and buildings to support your allocation.

Buildings. A guideline life must be determined under Revenue Procedure 62-21 for any building to be financed with the Grant. Forty years is the guideline life for most buildings. Based on the nature of the particular building, your accountant or Commission staff will assist you in determining whether another guideline life is more appropriate. Each building includes the structural shell of the building and all integral parts thereof, equipment which services normal

heating, plumbing, air conditioning, fire prevention and power requirements, and equipment such as elevators and escalators.

Equipment. Please select a ADR midpoint life for each item of equipment to be financed. The tables of asset guideline classes, asset guideline periods and asset depreciation ranges included in Revenue Procedures 83-35 and 87-56 is used for reference.

To use the table, you should first determine the asset guideline class in which each item of equipment falls. General business assets fall into classes 00.11 through 00.4 to the extent that a separate class is provided for them. Other assets, to the extent that a separate class is provided, fit into one or more of classes 01.1 through 80.0. Subsidiary assets (jigs, dies, molds, patterns, etc.) are in the same class as are the other major assets in an industry activity unless the subsidiary assets are classified separately for that industry. Each item of equipment should be classified according to the activity in which it is primarily used. If the equipment is not described in any asset guideline class, its estimated economic life must be determined on a case by case basis.

Working Capital. Working Capital Expenditures are ineligible for Grant funding.

Step 5. In Column VI, adjust the ADR midpoint or guideline life for each asset by adding the amount of time (in years) between May 16, 2005 (the closing date of the Tobacco Bonds) and the in-service date specified in Column IV. For example, if a building with a guideline life of 40 years will be placed in service one year and six months after May 16, 2005, the adjusted economic life for such building in Column VI should be 41.5

Step 6. In Column VII, show with respect to each asset the product of the respective entry in Column III multiplied by the respective entry in Column VI.

Step 7. Total all of entries in Column III and Column VII.

Step 8. Divide the Column VII Total by the Column III Total. The quotient is the average reasonably expected economic life of the assets to be financed with Grant funds as part of the Project.

EXHIBIT B

INFORMATION SCHEDULE
REASONABLY EXPECTED ECONOMIC LIVES
OF PROJECT FACILITIES

	COLUMN I	COLUMN II	COLUMN III	COLUMN IV	COLUMN V	COLUMN VI	COLUMN VII
	DESCRIPTION OF ASSETS INCLUDED IN THE PROJECT	ACQUISITION, CONSTRUCTION, INSTALLATION, RENOVATION, ETC.	TOTAL COST TO BE FINANCED BY GRANT	IN SERVICE DATE	GUIDELINE OR ADR MIDPOINT LIFE	ADJUSTED ECONOMIC LIFE	COLUMN III X COLUMN VI
1	Land Improvements	Constructed	\$2,241,567	6/1/18	20	33	\$73,971,711
2							
3							
4							
5							
6							
			Total: \$2,241,567				Total: \$73,971,711

AVERAGE REASONABLY EXPECTED ECONOMIC LIFE:

COLUMN VII TOTAL \$73,971,711 ÷ COLUMN III TOTAL: \$2,241,567 = 33 YEARS

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:

Meeting Date: 8/10/2015

Subject: Financial Status Reports – July 31, 2015

From: Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through July 31, 2015 will be provided at the meeting. The financial status reports as of July 31, 2015 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of July 31, 2015 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2015
- C. General Expenditures for FY2016
- 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, 2015

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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	23,524.12	48,356.88	
Land		-	2,792,945.57	-	
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		-	336,557.70	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,319,114.65	\$ 48,356.88	\$ 211,110.59

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 2015
As of July 31, 2015

	<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	114,807.25				
City Contribution - remaining FY2011 Allocation	55,000.00				
County Contribution - remaining FY2011 Allocation	55,000.00				
Contingency					
Miscellaneous contingency items		\$ 31,403.90	\$ 452.29	\$ -	\$ 30,951.61
Jones Lang LaSalle - Berry Hill Market Study Analysis		95,000.00	95,000.00	-	-
Jones Lang LaSalle - Berry Hill Economic Analysis		12,000.00	12,000.00	-	-
Dewberry Engineers, Inc. - Berry Hill		108,603.35	108,603.35	-	-
Total Contingency Budget		<u>247,007.25</u>	<u>216,055.64</u>	-	30,951.61
Legal		100,000.00	52,054.50	-	47,945.50
Accounting		19,600.00	19,100.00	500.00	-
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	2,379.82	-	1,620.18
Utilities		500.00	369.37	-	130.63
Insurance		3,000.00	2,207.00	-	793.00
Total	<u>\$ 374,807.25</u>	<u>\$ 374,807.25</u>	<u>\$ 292,716.33</u>	<u>\$ 500.00</u>	<u>\$ 81,590.92</u>

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2016

As of July 31, 2015

	<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 FY2015	TBD				
Contingency					
Miscellaneous contingency items		\$ 41,500.00	\$ -	\$ -	\$ 41,500.00
Total Contingency Budget		41,500.00	-	-	41,500.00
Legal					
		80,000.00	-	-	80,000.00
Accounting					
		20,300.00	-	20,300.00	-
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	\$ -	\$ 20,300.00	<u>\$ 129,700.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of July 31, 2015

<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>
Funding					
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		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	973,629.29	17,220.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 14,231,524.83	\$ 14,231,524.83	\$ 14,214,304.12	\$ 17,220.71	\$ (0.00)

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.

⁸ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of July 31, 2015

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				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,593,487.00	968,250.75	625,236.25	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	-	12,000.00	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		141,996.00	59,927.20	82,068.80	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	-	(12,000.00)	
Total	\$ 7,900,356.15	\$ 1,684,719.65	\$ 977,414.60	\$ 707,305.05	\$ 6,215,636.50

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 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.

³ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of July 31, 2015

Source of Funds	Funding Receipts			Expenditures FY2015	Unexpended / Unencumbered
	Carryforward from FY2014	Current Month	Receipts FY2015		
<u>Carryforward</u>	\$ 429,892.53				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) ¹					
Institute for Advanced Learning and Research (IALR)					
Securitas					
Guilford Whitetail Management					
Mountain View Farms of Virginia, L.C.					
Osborne Company of North Carolina, Inc.					
Clodfelter Hunting Lease					
<u>Total Rent</u>	\$ 19,906.47	\$ 161,791.66			
<u>Interest Received</u> ²	\$ 122.12	\$ 1,321.87			
<u>Yorktowne Repayment</u>	\$ -	\$ 14,425.20			
<u>Expenditures</u>				\$ 146,691.66	
Hawkins Research Bldg. Property Mgmt. Fee					
Totals	\$ 429,892.53	\$ 20,029.19	\$ 177,416.61	\$ 129,085.19	\$ 478,223.95

Restricted 1 \$ 374,997.53
Unrestricted \$ 103,226.42

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, 2015*

	Unaudited FY 2016
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,066,293
Cash - money market	1,142,952
Prepays	2,207
<i>Total current assets</i>	2,211,452
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	264,592
Restricted cash - debt service fund CCC bonds	1,004,851
Restricted cash - debt service fund Berry Hill bonds	-
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,167
Capital assets not being depreciated	25,055,863
Capital assets being depreciated, net	25,883,079
Construction in progress	3,632,297
<i>Total noncurrent assets</i>	57,840,849
Total assets	60,052,301
Liabilities	
<i>Current liabilities</i>	
Unearned income	2,875
Bonds payable - current portion	1,130,000
<i>Total current liabilities</i>	1,132,875
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	8,056,990
<i>Total noncurrent liabilities</i>	8,056,990
Total liabilities	9,189,865
Net Position	
Net investment in capital assets	45,648,841
Restricted - debt reserves	3,005,018
Unrestricted	2,208,577
Total net position	\$ 50,862,436

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, 2015 as of July 31, 2015, 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, 2015**

	Unaudited FY 2016
Operating revenues	
Virginia Tobacco Commission Grants	-
Reimbursement of incentive grants	-
Rental income	5,275
Total operating revenues	5,275
Operating expenses ⁴	
Mega Park expenses ³	230
Cane Creek Centre expenses ³	7,631
Cyber Park expenses ³	-
Professional fees	-
Insurance	-
Other operating expenses	-
Total operating expenses	7,861
Operating loss	(2,586)
Non-operating revenues (expenses)	
Interest income	-
Interest expense	-
Total non-operating expenses, net	-
Net loss before capital contributions	(2,586)
Capital contributions	
Contribution - City of Danville	75,000
Contribution - Pittsylvania County	75,000
Total capital contributions	150,000
Change in net position	147,414
Net position at July 1, 2015	50,715,022
Net position at June 30, 2016	\$ 50,862,436

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*July 31, 2015**

	Unaudited FY 2016
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from reimbursement of incentive grants	-
Receipts from leases	300
Payments to suppliers for goods and services	(33,464)
Net cash used by operating activities	(33,164)
Capital and related financing activities	
Capital contributions	150,000
Interest paid on bonds	-
Principal repayments on bonds	-
Net cash provided by capital and related financing activities	150,000
Investing activities	
Interest received	-
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	116,836
Cash and cash equivalents - beginning of year (including restricted cash)	5,362,019
Cash and cash equivalents - through June 30, 2016 (including restricted cash)	\$ 5,478,855
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating loss	\$ (2,586)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	230
Change in due from other governments	-
Change in other receivables	-
Change in accounts payable	(25,833)
Change in unearned income	(4,975)
Net cash used by operating activities	\$ (33,164)

Components of cash and cash equivalents at June 30, 2016:	
American National - Checking	\$ 1,066,293
American National - General money market	1,142,952
Wells Fargo - \$7.3M Bonds CCC Debt service fund	1,004,851
Wells Fargo - \$7.3M Bonds CCC Project fund	264,592
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,167
	\$ 5,478,855