

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

May 13, 2019

12:00 P.M.

**Institute for Advanced Learning and Research
150 Slayton Avenue, Room 206
Danville, Virginia**

County of Pittsylvania Members

**Robert W. Warren, Vice Chairman
Ronald S. Scarce
Elton W. Blackstock, Alternate**

City of Danville Members

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

Staff

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

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE APRIL 8, 2019 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2019-05-13-5A, authorizing the Treasurer of the Authority to pursue and to negotiate the terms and conditions of an issuance of its Revenue Refunding Bond (Cane Creek Project), Series 2019 in an amount not to exceed \$2,545,000; and to authorize the execution and delivery of the Summary of Preliminary Terms and Conditions Dated May 1, 2019, with Wells Fargo Bank, National Association, in order to refinance the prior \$3,700,000 Revenue Refunding Bond (Cane Creek Project), Series 2016 -- Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia
- B. Consideration of Resolution No. 2019-05-13-5B, approving the proposed site plan and floor plan to the site in the Authority's Cyber Park in Danville, Virginia, that will be occupied by BGF Industries, Inc., a Delaware corporation – Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- C. Consideration of Resolution No. 2019-05-13-5C, approving the purchase of certain real property containing approximately 90 acres, located in Pittsylvania County, Virginia, commonly known as part of 401 Buford Road, Danville, Virginia, in support of the Authority's Southern Virginia Megasite at Berry Hill, at a purchase price of \$259,000, the funding of which shall derive from TIC grant #2264 from the Virginia Tobacco Region Revitalization Commission and a grant from the Virginia Economic Development Partnership – Mr. Rowe and Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
- D. Financial Status Reports as of April 30, 2019 – Mr. Adkins and Ms. Weaver

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in

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locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

- B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Southern Virginia Megasite at Berry Hill project, Cyber Park project and/or Cane Creek Centre project, where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in one or more of the Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and
- C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

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

7. COMMUNICATIONS FROM:

- Authority Board Members
- Staff
 - Report on updates to Enterprise Zones in Pittsylvania County – Susan E. McCulloch, Project Manager, Office of Economic Development, Pittsylvania County

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	05/13/2019
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's review and approval are the Meeting Minutes from the Monday, April 8, 2019 Meeting.

ATTACHMENTS

Meeting Minutes – 04/08/2019

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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April 8, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:16 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present were City of Danville Members Chairman Fred O. Shanks, III, Sherman M. Saunders, and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Robert W. Warren, Ronald S. Searce and Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Pittsylvania County Administrator David Smitherman, City of Danville Project Manager Kelvin Perry, Assistant County Administrator for Planning & Development Gregory Sides, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnette, and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis, and Will Mckman from the Danville Regional Foundation.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE MARCH 11, 2019 MEETING AND THE MARCH 18, 2019 SPECIAL MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Warren, Minutes of the March 11, 2019 Meeting and the March 18, 2019 Special Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2019-04-08-5A APPROVING A ONE YEAR LEASE RENEWAL WITH THE OSBORNE COMPANY

Authority Attorney Michael Guanzon explained this was another one year renewal of the sod lease to the Osborne Company of North Carolina, which is about 100 acres in the Southern Virginia Mega Site with a \$1,000 annual rental fee. The lease is renewable every year, RIFA can terminate it on thirty days notice, and there is a confidentiality requirement if RIFA brings a potential recruit to the site. The benefit of this lease is it provides indirect surveillance of the property. Staff recommends renewal of another one year term.

Mr. Warren **moved** for adoption of *Resolution No. 2019-04-08-5A approving a one-year renewal of the Lease to The Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Southern Virginia Megasite at Berry Hill Project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the Lease Term shall be subject to a right of Landlord to show the demised premises upon 24-hours notice and the obligation of Tenant to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law; the Authority shall have the right to early terminate the Lease with at least 30-days notice; and*

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the Lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000.

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

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

5B. CONSIDERATION OF RESOLUTION 2019-04-08-5B AUTHORIZING A ONE YEAR LICENSE AGREEMENT FOR AXXOR

Pittsylvania County Director of Economic Development Matt Rowe noted he had received an email from Axxor NA in the Ringgold East Industrial Park about their desire to locate a wayfinding sign on the entrance sign to Cane Creek. They are proposing an annual fee of \$500 which would go to any maintenance or beautification of the entranceway. Axxor understands should RIFA need the sign space in the future, it could be subject to early termination within thirty days with notice. Mr. Guanzon noted their location actually has an address of Cane Creek Parkway; although it was not technically within the Cane Creek Industrial Park, it fronts on the street that bears the same name.

Mr. Saunders **moved** for adoption of *Resolution No. 2019-04-08-5B, authorizing a one-year license agreement for Axxor N.A., LLC, a Virginia limited liability company, to have its name added to the entrance sign of the Authority's Cane Creek Centre Industrial Park in Pittsylvania County, Virginia, for an annual fee of \$500, subject to early termination by the Authority upon 30-days written notice.*

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

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

5C. FINANCIAL STATUS REPORTS AS OF MARCH 31, 2019

Authority Treasurer Michael Adkins gave the Financial Status report as of March 31, 2019 beginning with the Cane Creek Bonds which show no activity for March. General Expenditures for FY 2019 show RIFA paid \$239 in meals and \$31 for monthly utilities. The Mega Site Funding Other Than Bonds shows RIFA received \$500,000 from the County representing their local share of TCR Grant #2264. Lot 4 Site Development, Lot 8 Site Development, and Water and Sewer show no activity for March. Rent, Interest and Other Income shows RIFA received rent from the Institute for the Hawkins Building of \$25,412, and also paid that amount for Hawkins' Building maintenance. RIFA also received \$398 in interest income, and \$10,000 from Hairston and Bates for a purchase option. There was activity related to Harlow with respect to their incentive; RIFA received \$315,000 from the Tobacco Commission, and \$19,342 each from the City and the County. This money was also expended during March with \$316,794 paid to Gerfertec for a deposit on Harlow equipment, \$29,014 paid to Philips Corp. for Harlow equipment, and \$9,671 was reimbursed to Harlow for the same equipment.

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

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

5D. PRESENTATION OF VIRGINIA CODE §15.2-6407 REVENUE SHARING AGREEMENTS

Mr. Guanzon noted he wanted to clarify what the law provides with respect to how the money works with the City, County and RIFA. Virginia Code 15.2 is the enabling statute that allows the creation of RIFAs. Section 6407 states that revenues and other incomes can be, by agreement, split by the member localities; the October 2, 2001 agreement is a cost sharing and revenue sharing agreement between the City and the County. Under that provision, any type of income that comes in through RIFA activities, becomes an asset of RIFA's, it is not an asset of the City or the County, and can only be used for RIFA purposes. Can that money be taken out and given to the localities; the answer is possibly, but not directly. If RIFA sells some of their properties and get cash up front, that goes into RIFA's funding source, but that doesn't necessarily mean they split it in half and give it to the City and County. Also in the Revenue Cost Sharing Agreement is the issue about utilities; it says that if the project is located in the City, then the City is responsible for providing utilities to the site. But there is a caveat that says: *according to the rules and regulations of the City*. If the City cannot afford or chooses not to provide that service, then it will not happen. Likewise with the County, if PCSA doesn't have the funds to do something to bring utilities, for example, to the Southern Virginia Megasite, then there is nothing contractually requiring them to do so. With respect to the City and County, the jurisdiction in which the project is located essentially has first say on how to put that utility in place. Essentially that is what this agreement says.

Mr. Shanks stated he believed the County incurred the expense of the utilities in Cane Creek and Mr. Harden noted for the water and sewer. Mr. Guanzon explained that is where the due to/due from analysis comes into place to make sure it is close to even as far as contributions are concerned. An example of this is Kent Shelton's service for supervision of some of the work at the Megasite; staff has that as the City's contribution because they are the ones bearing the expense as they have the direct contract with Mr. Shelton.

Mr. Shanks questioned how would it work with the Tobacco Commission allocations, each locality is responsible and Mr. Guanzon explained staff has been trying to be more specific; if the contract is signed by RIFA, then RIFA was responsible. There have been items in the past where the City or County took it upon themselves and by agreement, said they would take care of those together as part of the obligations. When staff gets the grant agreement from the Tobacco Commission, they have been tightening up to make it clear that it was a RIFA project, or having to use an allocation from the City or the County.

Mr. Guanzon stated when he first started as counsel for RIFA, they did a clean up for this Cost Revenue and Sharing Agreement. The City Manager and County Administrator at the time, wrote letters to each other confirming how those contributions would be done so they could get to that due to/due from. Moving forward, since the last five to seven years, staff has been very precise on how to calculate every expenditure, where it is coming from, whose it is, and

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in the resolutions, they also make sure they indicate in the budget item where the money is coming from.

Mr. Guanzon noted this item was for informational purposes only. As RIFA is developing lots that might be for sale and may receive some cash up front, he wanted to make that everyone knows what the money can be used for and what the expectation is.

6. CLOSED SESSION

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

At 12:41 p.m. Mr. Warren **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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

B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code §2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

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

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

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

D. On **Motion** by Mr. Saunders and **second** by Mr. Warren and by unanimous vote at 1:45 p.m., the Authority returned to open meeting.

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E. Mr. Saunders **moved** for adoption of the following Resolution:

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

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

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

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

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

7. COMMUNICATIONS

Board Members thanked staff for the work they do.

Meeting adjourned at 1:49 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	05/13/2019
Subject:	Refinancing of Cane Creek Series 2016 Revenue Refunding Bonds
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

The Cane Creek Series 2016 Revenue Refunding Bonds have a balance due of \$2,545,000 on August 1, 2019. Patrick Dixon, Senior Vice President with Wells Fargo Bank, has offered an option to refinance this balance.

BACKGROUND

In 2005, RIFA issued the Cane Creek Series 2005 Variable Rate Bonds in an amount of \$7,300,000. In 2013, RIFA issued the Cane Creek Series 2013 Fixed Rate Revenue Refunding Bonds in the amount of \$5,595,000 with the same amortization schedule as the Series 2005 Bonds for a three-year term through August 1, 2016, at which time there was a balance due of \$4,600,000.

In lieu of renewing the Letter of Credit, RIFA issued the Cane Creek Series 2016 Fixed Rate Revenue Refunding Bonds in the amount of \$3,700,000 with the same amortization schedule as the Series 2013 Bonds for a three-year term through August 1, 2019, at which time there is a balance due of \$2,545,000. It was intended that prior to the expiration of this three-year term on August 1, 2019, the agreement would be renegotiated or other financing sought.

Patrick Dixon, Senior Vice President with Wells Fargo Bank, has offered an option to refinance \$2,545,000 of this balance. This would be for a term of approximately five and one-half years with a fixed interest rate not to exceed the Wells Fargo Cost of Funds Rate plus 1.51%. Based on April 30, 2019 interest rates, this fixed rate would be 3.95%. The actual fixed rate will be set 2-3 days before closing. The amortization schedule will remain unchanged and still be based on the Series 2005 principal payment schedule. This will be the final refinancing of these bonds as the debt will be paid in full at the end of this term.

Wells Fargo is requesting the credit commitment be accepted by the RIFA Board now in order to enable closing by July 1, 2019. Pittsylvania County's Board of Supervisors and Danville's City Council will be asked to renew the existing Support Agreements at their future meetings prior to closing. The Support Agreements keep the substance of the existing Moral Obligations that are intact currently, but are revised for this new loan.

RECOMMENDATION

Staff recommends the RIFA Board approve the attached Summary of Preliminary Terms and Conditions, approving the refinancing of the Cane Creek Revenue Refunding Bonds with a fixed interest rate as indicated and an amount not to exceed \$2,545,000.

ATTACHMENTS

1. Resolution
2. Wells Fargo's Summary of Preliminary Terms and Conditions

RESOLUTION AUTHORIZING THE TREASURER OF THE AUTHORITY TO PURSUE AND TO NEGOTIATE THE TERMS AND CONDITIONS OF AN ISSUANCE OF ITS REVENUE REFUNDING BOND (CANE CREEK PROJECT), SERIES 2019 IN AN AMOUNT NOT TO EXCEED \$2,545,000; AND TO AUTHORIZE THE EXECUTION AND DELIVERY OF THE SUMMARY OF PRELIMINARY TERMS AND CONDITIONS DATED MAY 1, 2019, WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, IN ORDER TO REFINANCE THE PRIOR \$3,700,000 REVENUE REFUNDING BOND (CANE CREEK PROJECT), SERIES 2016

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 (the “**Act**”). In furtherance of the Act’s purposes, the Authority issued its \$7,300,000 Revenue Bonds (Cane Creek Project), Series 2005 (the “**2005 Bonds**”), and used the proceeds thereof to finance, as part of the development of its Cane Creek Centre project located in Pittsylvania County and Danville, Virginia, as an industrial park, land acquisition, roads, wetland, remediation, lot clearing and other related capital expenditures, including necessary expenses incidental thereto (collectively, the “**Project**”) and pay costs of issuance; and

WHEREAS, the Authority refinanced the 2005 Bonds through the issuance of its \$5,595,000 Revenue Refunding Bond (Cane Creek Project), Series 2013 (the “**2013 Bond**”); and

WHEREAS, the Authority refinanced the 2013 Bonds through the issuance of its \$3,700,000 Revenue Refunding Bond (Cane Creek Project), Series 2016 (the “**2016 Bond**”); and

WHEREAS, the Authority now wishes to refinance the 2016 Bond by issuing its Revenue Refunding Bond (Cane Creek Project), Series 2019 in an amount not to exceed \$2,545,000 (the “**2019 Bond**”) pursuant to the Summary of Preliminary Terms and Conditions, dated as of May 1, 2019 (the “**Preliminary Term Sheet**”), between the Authority and Wells Fargo Bank, National Association (the “**Bank**”), a copy of which is attached hereto as **Exhibit A**, incorporated herein by this reference; and

WHEREAS, the 2019 Bond would be payable from (i) payments from the City of Danville, Virginia (the “**City**”), a political subdivision of the Commonwealth of Virginia, and member locality of the Authority, pursuant to a Support Agreement, to be dated on or before July 1, 2019, between the City and the Authority and assigned to the Bank and (ii) payments from Pittsylvania County, Virginia (the “**County**”), a political subdivision of the Commonwealth of Virginia, and member locality of the Authority, pursuant to a Support Agreement, to be dated on or before July 1, 2019, between the County and the Authority and assigned to the Bank. The 2019 Bond would be purchased by the Bank for its own portfolio pursuant to the terms of the Agreement.

After careful consideration and in furtherance of the public purposes for which the Authority was created, **NOW, THEREFORE, BE IT RESOLVED, THAT:**

1. It is hereby found and determined that the refinancing of the 2016 Bond and the Project will be in the public interest, will benefit the inhabitants of the County and the City, will increase commerce, will promote the safety, health, welfare, convenience and prosperity of the

Resolution No. 2019-05-13-5A

County and the City and their citizens and in the furtherance of the purposes for which the Authority was created.

2. The Authority hereby authorizes the Treasurer of the Authority to execute and to deliver the Preliminary Term Sheet and to pursue and to negotiate the terms and conditions of the issuance of the 2019 Bond consistent with the Preliminary Term Sheet and the refinancing of the 2016 Bond. As of the date of this Resolution, the final principal amount of the 2019 Bond, the 2019 Bond's principal amortization and the fixed rate of interest on the 2019 Bond have not been determined. Each of the Treasurer, Chairman and Vice Chairman of the Authority, any of whom may act independently of the others, is hereby authorized to approve (i) the final principal amount of the 2019 Bond, so long as the aggregate principal amount of the 2019 Bond does not exceed \$2,545,000, (ii) the final amortization, so long as the same is determined based upon an amortization period extending no later than January 1, 2025 but with a maturity date for the 2019 Bond of no later than August 1, 2026 and (iii) the final interest rate on the 2019 Bond, so long as the interest rate does not exceed 4.950% per annum. The scope of this Resolution shall not include the approval of the forms of the 2019 Bond, any associated financing agreement with the Bank or other closing document; the form of the same shall be subject to approval by the Authority through other resolution by the Authority.

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

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CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on May 13, 2019, and that such Resolution has not been repealed, revoked, rescinded or mended, 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 13th day of May 2019.

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

(SEAL)

EXHIBIT A

(Preliminary Terms and Conditions – May 1, 2019)



Proposal
Direct Purchase of Taxable Fixed Rate Bonds
Danville-Pittsylvania Regional Industrial Authority

Summary of Preliminary Terms and Conditions (“Term Sheet”)
(For Discussion Purposes Only – Not a Commitment to Lend)

Date: May 1, 2019

TRANSACTION SUMMARY:

Obligor: Danville-Pittsylvania Regional Industrial Facility Authority (the “Obligor” or “Authority”).

Issue: **The Authority’s Revenue Refunding Bond (Cane Creek Project) Series 2019 (the “Bonds”).**

Par Amount: \$2,545,000

Facility And Purpose: **The Bonds will be issued to refund the Authority’s outstanding Revenue Refunding Bond (Cane Creek Project) Series 2016 (the “Prior Bonds”) that were issued pursuant to the Financing Agreement dated as of August 1, 2016 (the “Prior Financing Agreement”) between the Authority and the Bank.**

Purchaser/Bank: Wells Fargo Bank, N.A. (the “Bank”)

Financing Documents: The Bonds will be issued pursuant to Financing Agreement (the “**Financing Agreement**”) that will have the same terms as the Prior Financing Agreement and will be supported by Support Agreement and related loan documentation that is the substantially the same as that currently in place with respect to the Prior Bonds all modified to reflect the terms stated herein.

The Bonds will be purchased by the Bank pursuant to the Financing Agreement. The Bonds, the Financing Agreement, the City Support Agreement, and the County Support Agreement together with the related loan documentation referenced above are herein collectively referred to (along with any amendment, supplement or restatement of any or all of the foregoing) as the “**Financing Documents.**”

Tax Treatment: Interest on the Bonds shall be included in gross income for federal income tax purposes.



Security: As more specifically described in the Financing Agreement as amended and restated. The Bond will be secured by a pledge of the revenues and receipts received by the Authority from payments made by the County pursuant to the County Support Agreement and by the City pursuant to the City Support Agreement.

INTEREST RATES AND OTHER KEY PROVISIONS:

Indicative Fixed Rate:

Tenor	Indicative Fixed Rate*
Five years and five months, starting August 1, 2019	3.95%

*Please note that this is an indicative rate only, as of April 30, 2019 market close. The Bank Cost of Funds Rate will adjust based on movements in the LIBOR swap market while the Spread to Bank Cost of Funds Rate may increase or decrease to **neutralize the Bank’s return based on movements in the LIBOR** swap market. The actual Fixed Rate shall be determined on the Rate Set Date.

Rate Set Date: The fixed rate will be set 2-3 business days prior to the Closing Date or at a mutually-agreeable date subject to documentation.

Closing Date: July 1, 2019

Final Maturity Date: January 1, 2025

Unpaid principal and interest owed on the Bonds shall be due and payable in full on the Final Maturity Date.

Amortization:

Year	Principal Amount
2020	\$425,000
2021	\$445,000
2022	\$465,000
2023	\$490,000
2024	\$515,000
2025	\$205,000 *
Total	\$2,545,000



Scheduled Principal Payments will occur annually on January 1 beginning January 1, 2020.

*Note the Series 2005 Bonds had an original maturity date of 8/1/2026. The Authority made an early repayment of the 2026 amount due and a partial repayment of the 2025 amount due. The balance due in 2025 is included in the table above.

Day Count
Computation Basis: 30/360

Payment of
Interest: Interest on the Bonds shall be payable semi-annually on each January 1 and July 1, commencing July 1, 2019.

Optional Redemption/
Conversion: The Bonds are subject to optional redemption or conversion at **any time at a “make-whole” price.**

Default Rate: The greatest of:
(i) **The Bank’s** Prime Rate plus 4.00%;
(ii) the Federal Funds rate plus 5.00%; or
(iii) 10.00%.

DOCUMENTATION AND COVENANTS:

Conditions Precedent
to Closing: The Bank will purchase the Bonds pursuant to the Financing Agreement, which agreement will contain conditions and covenants and other provisions that would be usual and customary for this type of financing including without limitation:

1. Absence of any material adverse change in the business condition, operations, performance of the Obligor since release of the audited financial statements dated June 30, 2018;
2. Absence of any change in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of **the transaction, to be determined in the Bank’s sole discretion**;
3. Disclosure of any pending or threatened litigation (with such pending or threatened litigation acceptable to the Bank);
4. Payment of accrued fees and expenses;



5. Execution and delivery of the Financing Documents and all certificates, authorizations and opinions requested in form and substance satisfactory to the Bank,;
6. Receipt of any necessary governmental and regulatory approvals or consents;
7. Receipt of Opinion of Obligor Counsel acceptable to the Bank and Bank Counsel;
8. Receipt of Organizational Documents; and
9. The Bank shall have reviewed to its satisfaction any additional documentation and financial information it finds relevant.

Representations and Warranties:

As set forth in the Prior Financing Agreement as amended and extended, including acknowledgement by the Obligor, the City and the County that each are in compliance, in all material respects, with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

Reporting Requirements:

As set forth in the Prior Financing Agreement.

EVENTS OF DEFAULT:

Events of Default: As set forth in the Prior Financing Agreement.

Remedies Upon Event of Default:

As set forth in the Prior Financing Agreement.

OTHER FEES AND EXPENSES:

Bank Counsel Fee: Estimated at \$10,000 plus fees and expenses. Fees and expenses payable to Bank counsel may be increased if the transaction is not closed within 60 days, the security and/or structure of the transaction changes materially, or if other complexities develop once documentation has commenced.

Other Fees and Expenses:

Obligor shall pay to the Bank an amendment fee for each amendment to the Financing Documents in a minimum amount of \$2,500 plus associated legal expenses.

Increased Costs and
Capital Adequacy;
Taxes:

As set forth in the Prior Financing Agreement and which is customary for facilities of this type, including, without limitation, provisions concerning increased costs, taxes, changes in capital adequacy, capital requirements and other requirements of law (provided that (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, and guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (b) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a change in requirement of law, regardless of the date enacted, adopted, issued or implemented) or their interpretation, illegality, unavailability, and reserves without proration or offset and payments free and clear of withholding or other taxes.

GOVERNING LAW/JURY TRIAL/VENUE:

Governing Law: This term sheet and the Financing Documents shall be governed by the laws of the Commonwealth of Virginia.

Jury Trial: To the extent permitted by law, the Obligor agrees to binding arbitration and to waive a jury trial in any proceeding involving the Bank.

MISCELLANEOUS:

Bank Contacts: Patrick K. Dixon
Senior Vice President
10 S. Jefferson Street
Roanoke, VA 24011
540-853-7313
Patrick.dixon@wellsfargo.com

Bank Counsel
Contacts: Paul M. Smith
Kutak Rock LLP
Suite 800
2300 Main Street
Kansas City, MO 64108
T. 404.222.4619
F. 404.222.4654
E. paul.smith@kutakrock.com



- Indemnification:** The proposed Facility will include customary indemnification of the Bank in all cases except where the Bank has proven to have been guilty of gross negligence or willful misconduct.
- Future Modifications:** The terms, conditions and pricing are subject to revision in the event that (i) the Facility amount changes, (ii) the transaction deviates materially from what was initially described, (iii) the proposed financing does not close (other than as a result of action/inaction by the Bank) within 60 days of the execution of the Term Sheet or (iv) events occur resulting in a material disruption of the market.
- No Advisory or Fiduciary Role:** The Obligor acknowledges and agrees that: (i) Wells Fargo Bank, N.A. has not assumed any advisory or fiduciary responsibility to the Obligor with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Wells Fargo Bank, N.A. or its affiliates have provided other services or are currently providing other services to the Obligor on other matters); (ii) the only obligations Wells Fargo Bank, N.A. has to the Obligor with respect to the transaction contemplated hereby expressly are set forth in this term sheet and the Term Loan Agreement; and (iii) the Obligor has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.
- Confidentiality:** This Term Sheet is confidential and proprietary and may not be disclosed without our written consent, except to your professional advisors in connection with the Facility who agreed to be bound by such confidentiality requirements, or as may be required by law.

AGREEMENT BY THE OBLIGOR:

This Term Sheet is not a commitment. It represents willingness by the Bank to seek credit approval for a proposed transaction based upon the terms and conditions outlined in this Term Sheet, subject to documentation acceptable to the Bank.

We anticipate the credit process will take approximately 15 business days from receipt of this document and possession of all materials necessary to undertake a full credit analysis.



Please evidence your acceptance hereof by signing and returning a copy to the Bank.

Unless this term sheet is earlier rescinded, it shall expire automatically without further action or notice by the Bank on 30 days from the date hereof unless a signed counterpart of this Term Sheet shall have been delivered to the Bank.

ACCEPTED AND AGREED TO:

BY: _____ DATE: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	05/13/2019
Subject:	Resolution No. 2019-05-13-5B
From:	Matthew D. Rowe, Director of Economic Development Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2019-05-13-5B, approving the proposed site and floor plan for BGF Industries.

ATTACHMENT

Resolution 2019-05-13-5B

Exhibits

Resolution No. 2019-05-13-5B

A RESOLUTION APPROVING THE PROPOSED SITE PLAN AND FLOOR PLAN TO THE SITE IN THE AUTHORITY'S CYBER PARK IN DANVILLE, VIRGINIA, THAT WILL BE OCCUPIED BY BGF INDUSTRIES, INC., A DELAWARE CORPORATION

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 (Virginia Code §§ 15.2-6400 *et seq.*) as amended; and

WHEREAS, the Authority adopted Resolution 2018-11-13-5B (“A Resolution Approving that Certain Local Performance Agreement with BGF Industries, Inc., a Delaware Corporation, and Others, under which the Authority Would Provide an Industrial Enhancement Grant in the Amount of \$245,000 and Land in the Authority’s Cyber Park Project in Danville, Virginia, for a Ground Lease for New Corporate Headquarters and Research Center; and Would Apply for and Disburse certain State Grants and State Loan, in Exchange for Capital Investments of at least \$7,000,000 and Creation of 65 Full-Time Jobs with an Average Yearly Base Wage of at least \$75,000 and other Capital Investments in the Cyber Park Project”); and

WHEREAS, the Authority made that certain Declaration of Restrictive Covenants for the Cyber Park, dated September 20, 2004, and recorded in the Clerk’s Office of the Circuit Court of the City of Danville, Virginia (the “**Clerk’s Office**”), on April 7, 2005, as Instrument No. 05-1671, at page 107, as amended by that certain Amendment to Declaration of Restrictive Covenants for the Cyber Park, dated May 14, 2012, and recorded in the Clerk’s Office on May 15, 2012, as Instrument No. 12-1656, at Page 98 (collectively, the “**Restrictive Covenants**”); and

WHEREAS, BGF Industries, Inc., a Delaware corporation (“**BGF**”), has submitted a site plan and a floor plan for the construction of a new manufacturing facility, to contain approximately 25,600 square feet, to be located in the Authority’s Cyber Park project in Danville, Virginia (the “**New Facility**”), as shown on **Exhibit A**, attached hereto and incorporated herein by this reference; and

WHEREAS, the Authority desires to approve that site plan and floor plan for the New Facility, contingent on the same being in compliance with the applicable provisions of the Zoning Code of Danville, Virginia, as indicated in writing by the Danville City Planning Division, and with the applicable requirements of the Restrictive Covenants as indicated in writing by the Danville City Planning Division acting on behalf of the Authority; and

WHEREAS, the Authority has determined that the approval of the site drawings and plans for the New Facility is in support of Resolution 2018-11-13-5B and is in furtherance of the Authority’s purpose of developing and enhancing its Cyber Park project.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the site plan and the floor plan for the New Facility, contingent on the same being in compliance (i) with the applicable provisions of the

Resolution No. 2019-05-13-5B

Zoning Code of Danville, Virginia, as indicated by the Danville City Planning Division, and (ii) with the applicable requirements of the Restrictive Covenants as indicated by the Danville City Planning Division acting on behalf of the Authority, both of which shall be submitted in writing to the Authority's Secretary.

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

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

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the approval of the site plan and the floor plan for the New Facility and the matters contemplated in this Resolution.

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on May 13, 2019, 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 13th day of May 2019.

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

(SEAL)

Exhibit A

(25K Building Exhibit and First Floor Annotation Plan)



Dewberry[®]

Dewberry Engineers Inc.
551 Piney Forest Road
Danville, VA 24540-3353
434.797.4497

DATE
05/06/2019

PROJ. NO.

SCALE
1" = 200'

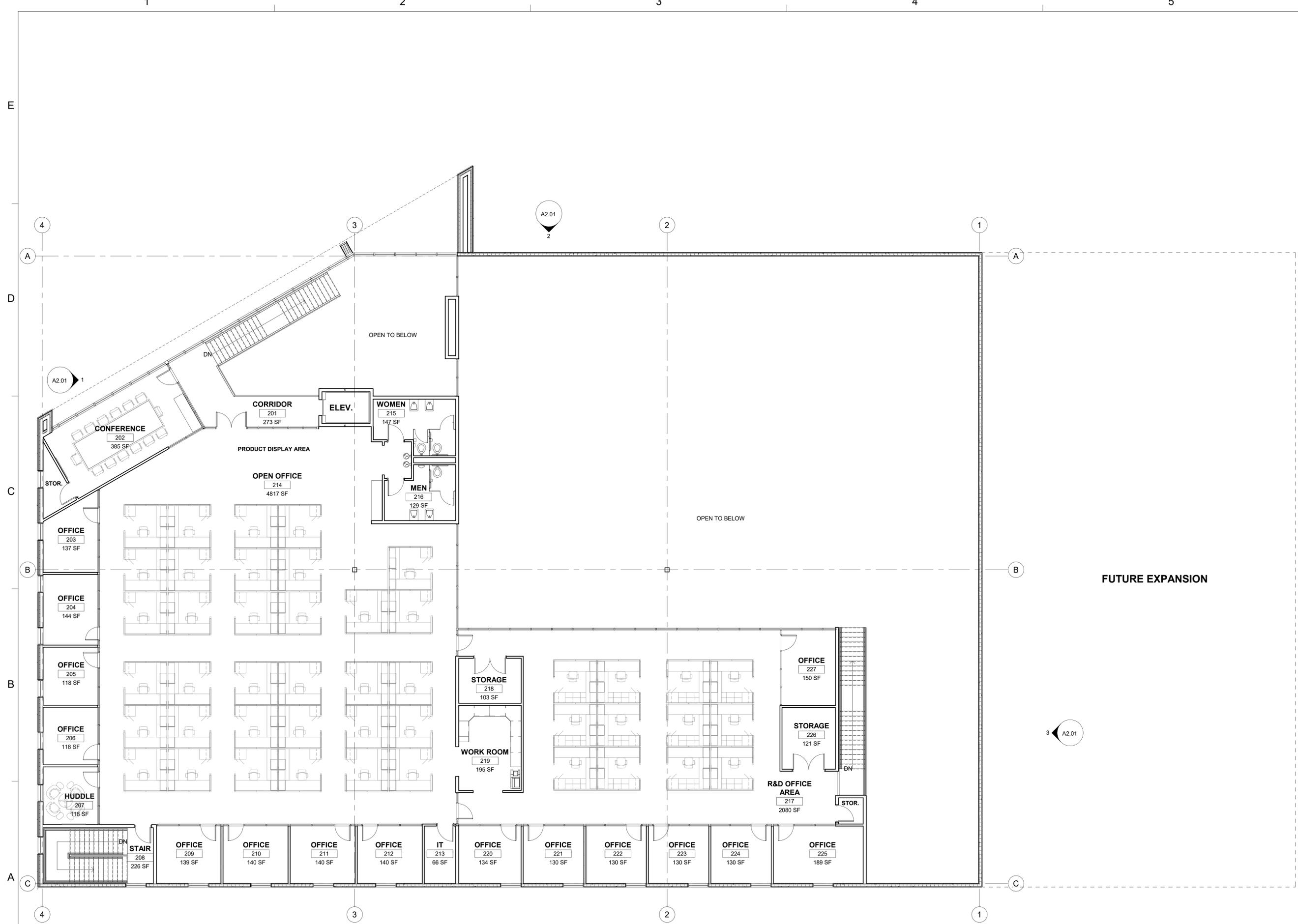
PROJECT
Cyber Park

TITLE
BGF/CMA BUILDING EXHIBIT

SHEET NO.

EX - 1

26 of 59

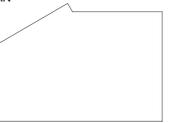


1 PROPOSED SECOND FLOOR PLAN (11,400 SF)
Scale: 1/8" = 1'-0"

SEAL

PRELIMINARY DOCUMENTS
NOT FOR CONSTRUCTION

KEY PLAN



SCALE

REVISIONS

NO.	DESCRIPTION	DATE

DRAWN BY _____ ANS
APPROVED BY _____ LWH
CHECKED BY _____ ANS
DATE _____ May 7, 2019

TITLE
PROPOSED SECOND FLOOR PLAN

PROJECT NO. 50112982

A1.02

SHEET NO.

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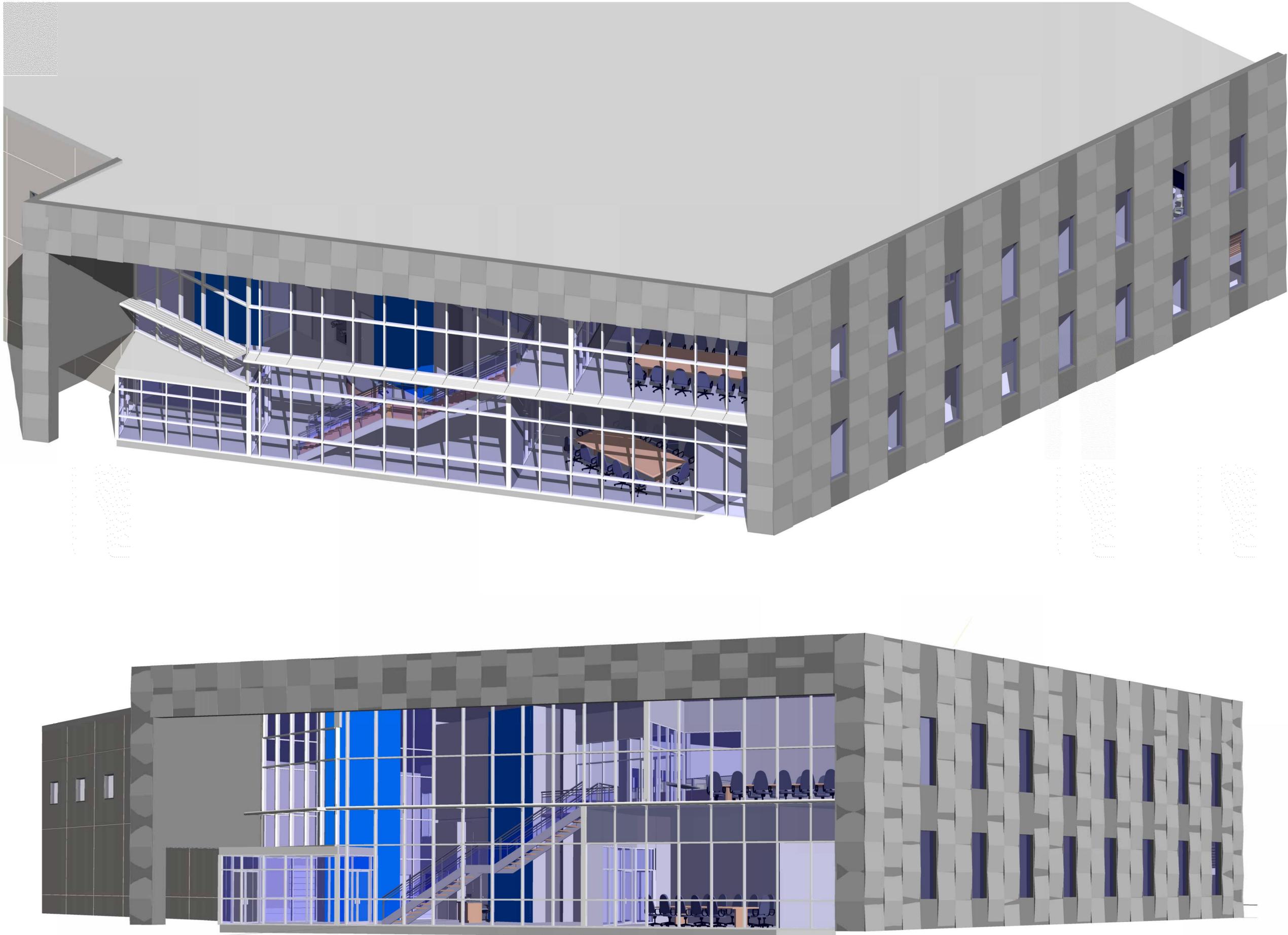
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29 of 69

Dewberry Engineers Inc.

551 Piney Forest Road
Danville, VA 24540
434.797.4497 Phone
434.797.4341 Fax

BGF INDUSTRIES

Slayton Avenue
Danville, VA 24540
PRELIMINARY DRAWINGS

SEAL

PRELIMINARY DOCUMENTS
NOT FOR CONSTRUCTION

KEY PLAN



SCALE

REVISIONS

NO.	DESCRIPTION	DATE

NO. DESCRIPTION DATE

DRAWN BY _____ Author

APPROVED BY _____ Approver

CHECKED BY _____ Checker

DATE _____ May 7, 2019

TITLE

3D VIEWS

PROJECT NO. 50112982

SHEET NO.

5/7/2019 11:06:57 AM

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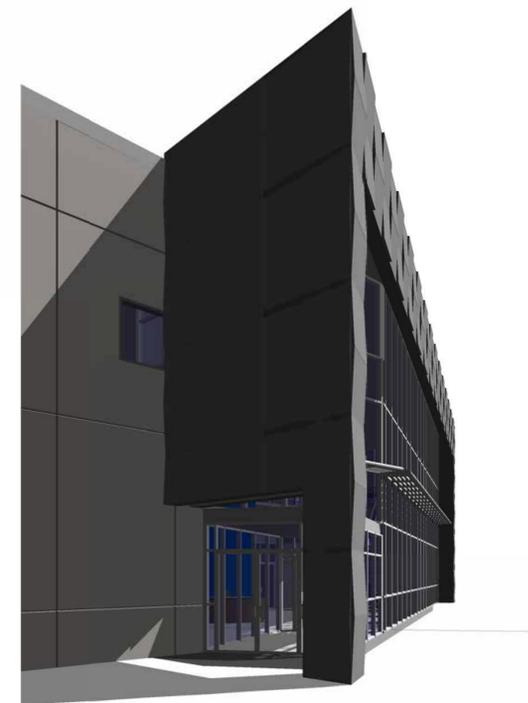
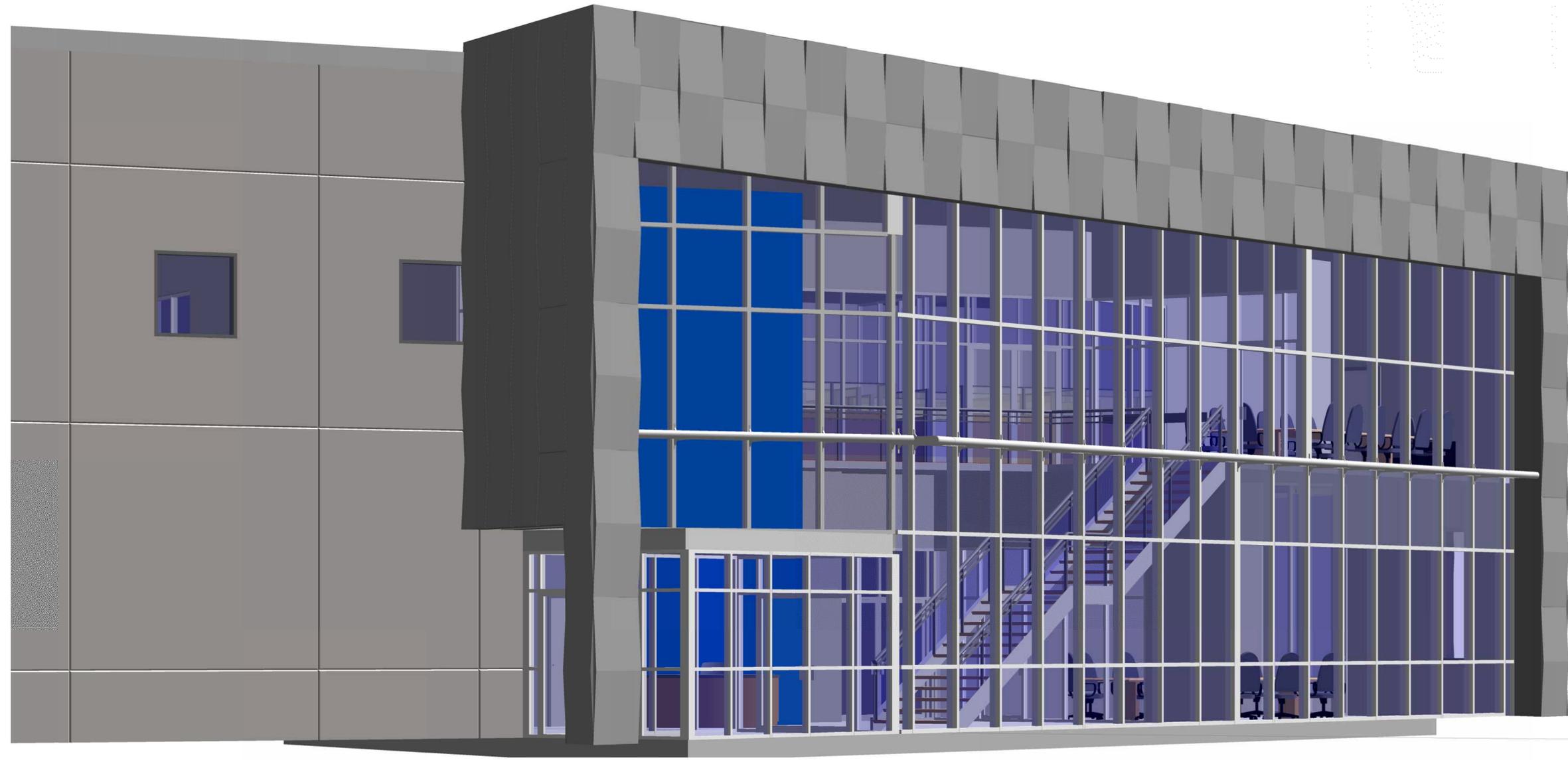
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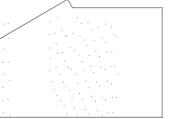
BGF INDUSTRIES

Slayton Avenue
Danville, VA 24540
PRELIMINARY DRAWINGS

SEAL

PRELIMINARY DOCUMENTS
NOT FOR CONSTRUCTION

KEY PLAN



SCALE

REVISIONS

NO.	DESCRIPTION	DATE

NO. DESCRIPTION DATE

DRAWN BY _____ Author

APPROVED BY _____ Approver

CHECKED BY _____ Checker

DATE _____ May 7, 2019

TITLE

3D VIEWS

PROJECT NO. 50112982

SHEET NO.







Tapered Series Panels can be angled in any direction with varying depths and degree of slope. This freedom to design each specific panel gives you an unlimited capacity to create a dynamic, one-of-a-kind surface on nearly any facade, without the need to modify the substrate or weather barrier.

Technical Information:

System Depth - Starting depth from 1 ¼” - 4” with taper to 1 ¼” - 4” nominal.

Taper Direction - right to left, left to right, bottom to top and top to bottom.

Material - Aluminum and VMZINC®

Material Thickness - .080” for aluminum, 1 mm and 1.5 mm for VMZINC®

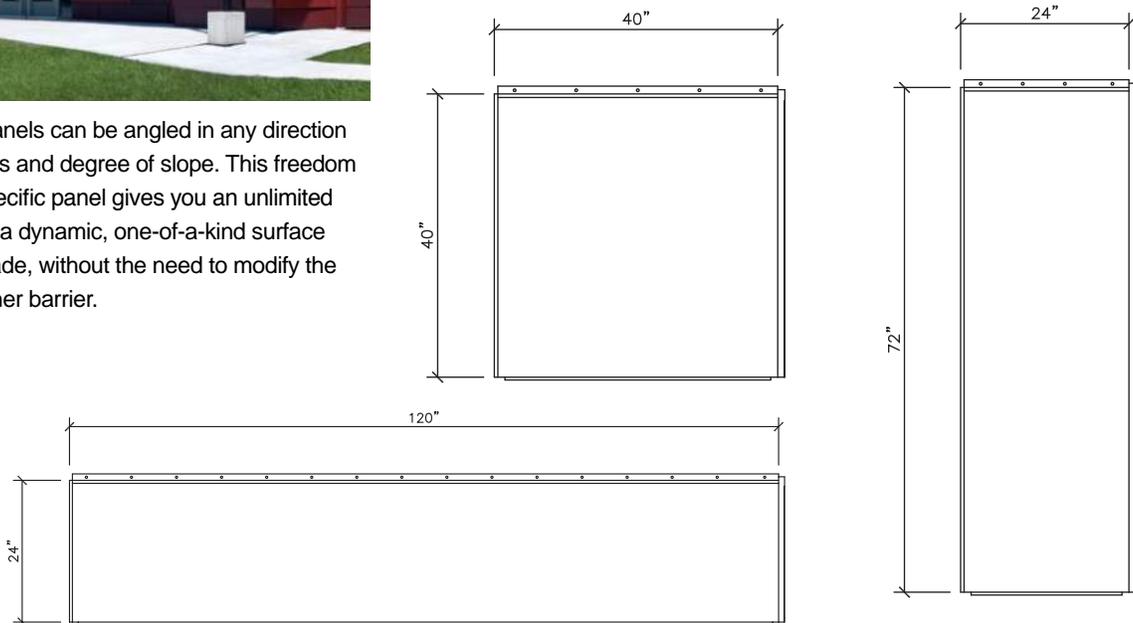
Panel Joints - ½” nominal

Finish - Available in all Dri-Design finishes and colors

Weight - Varies based on material type

Panel Size Parameters:

These are the recommended maximum size panel guides. If the panel you would like fits inside these guides, Dri-Design can easily manufacture it. For larger sizes, please contact a Dri-Design representative to discuss your specific requirements.



Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	05/13/2019
Subject:	Resolution No. 2019-05-13-5C
From:	Matthew D. Rowe, Director of Economic Development Michael C. Guanzon, Esq., Clement Wheatley

SUMMARY

The Board will be asked to approve Resolution 2019-05-13-5C, approving the purchase of 90 acres, part of 401 Buford Road, Danville, Virginia.

ATTACHMENT

Resolution 2019-05-13-5C

Exhibit A

A RESOLUTION APPROVING THAT CERTAIN CONTRACT FOR PURCHASE OF CERTAIN REAL PROPERTY CONTAINING APPROXIMATELY 90 ACRES, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, COMMONLY KNOWN AS PART OF 401 BUFORD ROAD, DANVILLE, VIRGINIA, IN SUPPORT OF THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL, AT A PURCHASE PRICE OF \$259,000.00, THE FUNDING OF WHICH SHALL DERIVE FROM TIC GRANT #2264 FROM THE VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION AND A GRANT FROM THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

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 has identified certain real property, containing approximately 90 acres located in Pittsylvania County, Virginia, commonly known as part of 401 Buford Road, Danville, Virginia, for part of its continued development of the Authority's Southern Virginia Megasite at Berry Hill project (the "SVM Project"), located in Pittsylvania County, Virginia; and

WHEREAS, the Authority desires to purchase this property owned by Kay Li Nance ("Nance"), under the following minimum business terms:

- (i) the purchase price of \$259,000.00, based on the tax assessment per acre;
- (ii) a minimum study period of 60 days in which the Authority may conduct due diligence investigations to determine the feasibility of this property for the further development of the SVM project; and
- (iii) an earnest money deposit of \$3,000.00, which is refundable should the Authority determine during the study period that this property is not suitable for the Authority's purposes;

and

WHEREAS, the Authority has reviewed and desires to enter into that certain Contract for Purchase of Unimproved Property (the "**Purchase Agreement**") with Nance as seller, for the acquisition of the property, in substantially the form shown on **Exhibit A**, attached hereto and incorporated herein by this reference; and

WHEREAS, the fiscal agent of the Authority has determined that the funding for the purchase under the Purchase Agreement is available within a line item previously approved by the Authority as "Mega Park – Funding Other Than Bond Funds", funded in part by Tobacco Commission Grant No. 2264 and a grant from the Virginia Economic Development Partnership; and

Resolution No. 2019-05-13-5C

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County and the City of Danville, and the improvement of the Authority's SVM project for the Authority to execute and deliver the Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, that

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

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

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

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on May 13, 2019, 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 13th day of May 2019.

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

(SEAL)

Exhibit A
(The Purchase Agreement)



VIRGINIA ASSOCIATION OF REALTORS®
CONTRACT FOR PURCHASE OF UNIMPROVED PROPERTY



(This is a legally binding contract. If you do not understand any part of it, please seek competent advice before signing.)

This CONTRACT FOR PURCHASE OF UNIMPROVED PROPERTY made as of March 08, 2019, between Kay Li Nance

_____ (the "Seller", whether one or more), whose address is _____, and

Danville-Pittsylvania Regional Industrial Facility Authority, Fred O. Shanks III, Chairman (for the above) (the "Purchaser", whether one or more), whose address is _____

provides: The Listing Company (who represents Seller) is United Country Jeff Davis & Assoc

Selling Company (who does OR does not represent Purchaser) is United Country Jeff Davis & Assoc

1. **REAL PROPERTY:** Purchaser agrees to buy and Seller agrees to sell the land and all improvements thereon located in the County or City of OAK RIDGE PT TR 4 107.68 AC (90+/-acres only), Virginia and described as (legal description):

and more commonly known as: 401 Buford Rd, Danville, VA 24541 (the "Property").

2. **PURCHASE PRICE:** The Purchase Price (the "Purchase Price") of the Property is \$259,000.00.

This sale shall be in gross, and the Purchase Price shown above shall be the exact sales price.
 The Purchase Price shall be adjusted at settlement to an exact purchase price of \$ _____ per (sq. ft.) (acre). The exact area to be determined by a survey to be made by a licensed surveyor and paid for by _____.

The Purchaser shall pay to the Seller at settlement the Purchase Price in cash or by cashier's certified check, subject to the prorations herein and from the following sources:

(a) ~~**THIRD PARTY FIRST TRUST:** This sale is subject to Purchaser's obtaining OR assuming a conventional OR other (describe) (_____) loan secured by a first deed of trust lien on the Property in the principal amount of \$ _____, or _____ % of the Purchase Price bearing interest at a fixed rate not exceeding _____ % per year, or at an adjustable rate with an initial rate not exceeding _____ % per year and a maximum rate during the term of the loan not exceeding _____ % per year, or at the market rate of interest at the time of settlement, amortized over a term of _____ years, and requiring not more than a total of _____ loan discount points, excluding a loan origination fee, or an assumption fee not exceeding \$ _____. (If this contract provides for the assumption of a loan: (i) the parties acknowledge that the balance set forth above is approximate and that the principal amount to be assumed will be the outstanding principal balance on the date of settlement, and (ii) Purchaser shall assume all obligations of Seller under such loan.)~~

(b) ~~**THIRD PARTY SECOND TRUST:** As set forth in paragraph 4, this sale is also subject to Purchaser's obtaining a loan secured by a second deed of trust lien on the Property in the principal amount of \$ _____, or _____ % of the Purchase Price bearing interest at a rate not exceeding _____ % per year, amortized as follows _____, and requiring not more than a total of _____ loan discount points, excluding the origination fee.~~

(c) ~~**SELLER FINANCING:** Seller agrees that \$ _____ or _____ % of the Purchase Price shall be evidenced by a note made by Purchaser payable to Seller bearing interest at a rate of _____ % per year amortized as follows _____~~

~~_____ . The note shall be secured by a deferred purchase money first OR second OR (specify priority) _____ deed of trust lien on the Property. The deed of trust and note shall provide, among other things, that: (i) the note shall be due and payable in full if the Property, or any interest therein, is transferred, sold or conveyed; (ii) Purchaser shall have the right to prepay the note at any time in whole or in part: with a premium or penalty of _____ % of the amount prepaid OR without premium or penalty; (iii) a lot release schedule shall be provided, if applicable; (iv) a late payment charge not exceeding five~~

~~percent of the payment may be assessed by seller for any payment more than seven (7) calendar days late; (v) a default under the terms of any prior financing shall constitute a default under the note and deed of trust; (vi) the note and deed of trust shall otherwise be in form satisfactory to Seller; (vii) other terms:~~

~~If this Contract provides for SELLER FINANCING, then (i) such financing shall be contingent upon review and approval by Seller of a current credit report on each Purchaser and a current personal financial statement of each Purchaser, which documents must be provided to Seller within _____ business days following execution of this Contract by both parties; (ii) Purchaser shall properly record applicable deed of trust, at its expense, at settlement, and (iii) Purchaser may not assign this Contract in whole or in part, without the prior written consent of Seller, which Seller shall be under no obligation to give. Any deed of trust securing SELLER FINANCING (i) shall contain a provision requiring the trustees under said deed of trust, without the necessity of obtaining the prior consent or joinder of the noteholder, to release land for easements and rights of ways, and/or land to be dedicated for public use from the above mentioned trust without curtailment and at no cost to Purchaser, provided such releases in their aggregate total less than _____% of the total land area originally encumbered by the deed of trust; (ii) shall provide that Purchaser shall have the right, at any time after settlement, to raze existing improvements, cut, fill, grade, erect improvements and do all other things Purchaser believes necessary in the development of the Property, with OR without obligation to make any prepayment on account of the debt secured by the deferred purchase money deed of trust.~~

(d) **OTHER FINANCING TERMS: This is a cash transaction**

3. **DEPOSIT:** Purchaser shall make a deposit of \$ 3,000.00 to be held by To be determined (the "Escrow Agent") in the form of: check cash other (the "Deposit"). Purchaser [select one]: has paid the Deposit to the Escrow Agent OR will pay the Deposit to the Escrow Agent within 7 days (the "Extended Deposit Date") after the date this Contract is fully executed by the parties. If Purchaser fails to pay the Deposit as set forth herein, then Purchaser shall be in breach of this Contract. At Seller's option and in lieu of all other remedies set forth in this Contract, Seller may terminate this Contract by written notice to Purchaser and neither party shall have any further obligation here under.

If the Escrow Agent is a Virginia Real Estate Board ("VREB") licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account by the end of the fifth business banking day following the latter of: (i) the date this Contract is fully executed by the parties, or (ii) the Extended Deposit Date. If the Escrow Agent is not a VREB licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account in conformance with applicable Federal or Virginia law and regulations. The Deposit may be held in an interest bearing account and the parties waive any claim to interest resulting from such Deposit. The Deposit shall not be released by the Escrow Agent until (i) credited toward the Purchase Price at settlement; (ii) Seller and Purchaser agree in writing as to its disposition; (iii) a court of competent jurisdiction orders a disbursement of the funds; or (iv) disbursed in such manner as authorized by the terms of this Contract or by Virginia law or regulations. Seller and Purchaser agree that Escrow Agent shall have no liability to any party for disbursing the Deposit in accordance with this paragraph, except in the event of Escrow Agent's negligence or willful misconduct.

If the Property is foreclosed upon while this Contract is pending, the terms of Section 54.1-2108.1 of the Code of Virginia shall apply to the disbursement of the Deposit. Foreclosure shall be considered a termination of this Contract by Seller and, absent any default by Purchaser, the Deposit shall be disbursed to Purchaser.

4. **FINANCING:**

~~(a) This Contract is contingent upon Purchaser obtaining and delivering to Seller a written commitment or commitments, as the case may be, for the third party financing or loan assumption required in paragraph 2. Purchaser agrees to make written application for such financing or assumption (including the payment of any required application, credit, or appraisal fees) within five (5) business days of the date of acceptance of this Contract and to diligently pursue obtaining a commitment for such financing. —~~

~~(b) If Purchaser does not obtain such written commitment and so notifies Seller or Selling Company or Listing Company in writing before 5:00 p.m. local time on _____, _____ (if no date is filled in, the date shall be the same date set forth in paragraph 7), then if Purchaser is otherwise in compliance with the terms of this Contract, this Contract shall terminate upon giving such a notice and the Deposit shall be refunded to Purchaser. If Purchaser does not obtain such a written commitment and notice thereof is not received by the deadline, or such later deadline as the parties may agree upon in writing, then Purchaser's financing contingency set out in subparagraph 4(a) above shall nonetheless continue unless —~~

~~Seller gives Purchaser written notice of intent to terminate this Contract. If Seller gives Purchaser such notice, this Contract shall terminate as of 5:00 p.m. local time on the third day following Seller's delivery of such notice to Purchaser unless before that time Purchaser has delivered to Seller a commitment in compliance with the provisions of subparagraph 4(a) above, or a removal of Purchaser's financing contingency and evidence of the availability of funds necessary to settle without such financing.~~

~~(c) If the balance of the Purchase Price in excess of the Deposit is to be paid in cash without third party or seller financing. Purchaser shall give the Seller written verification from Purchaser's bank or other sources within fifteen (15) days after the date this Contract is fully ratified that Purchaser has or can have the balance of the Purchase Price in cash not later than the settlement date. If Purchaser fails to give such verification within such time, Seller may terminate this Contract by giving Purchaser written notice thereof within ten (10) days after the date by which verification was to be given.~~

~~(d) Unless specified in a written contingency, neither this Contract nor Purchaser's financing is dependent or contingent on the sale or settlement or lease of other real property.~~

~~(e) The occurrence of any of the following shall constitute a default by Purchaser under this Contract:~~

- ~~(i) — Purchaser fails to make timely application for any financing provided for hereunder, or to diligently pursue obtaining such financing;~~
- ~~(ii) — Purchaser fails to lock in the interest rate(s) provided for hereunder and the rate(s) increase so that Purchaser no longer qualifies for the financing;~~
- ~~(iii) — Purchaser fails to comply with the lender's reasonable requirements in a timely manner;~~
- ~~(iv) — Purchaser fails to notify the lender, Seller or Listing Company promptly of any material adverse change in Purchaser's financial situation that affects Purchaser's ability to obtain the financing;~~
- ~~(v) — Purchaser does not have the down payment, closing costs or fees, or other funds required to settle as provided in this Contract;~~
- ~~(vi) — Purchaser does or fails to do any act following ratification of this Contract that prevents Purchaser from obtaining the financing; or~~
- ~~(vii) — Purchaser makes any deliberate misrepresentation, material omission, or other inaccurate submission or statement that results in Purchaser's inability to secure the financing.~~

~~(f) Purchaser does OR does not intend to occupy the Property as a primary residence.~~

~~(g) Nothing in this Contract shall prohibit Purchaser from pursuing alternative financing from the financing specified in paragraph 2. Purchaser's failure to obtain the alternative financing shall be at Purchaser's risk, and shall not relieve Purchaser of the consequences set forth in this paragraph 4 should Purchaser fail to pursue, as required in this paragraph 4, the financing set forth in paragraph 2.~~

5. **LOAN FEES:** Except as otherwise agreed upon in this Contract, Purchaser shall pay all points, loan origination fees, charges and other costs imposed by a lender or otherwise incurred in connection with obtaining the loan or loans. The amount of any contributions Seller agrees to make under this Contract toward Purchaser's loan fees shall include miscellaneous and tax service fees charged by a lender for financing described in this Contract and which by regulation or law Purchaser is not permitted to pay.

6. **TITLE INSURANCE.** Purchaser may, at Purchaser's expense, purchase owner's title insurance. Depending on the particular circumstances of the transaction, such insurance could include affirmative coverage against possible mechanics' and materialmen's liens for labor and materials performed prior to Settlement and which, though not recorded at the time of recordation of Purchaser's deed, could be subsequently recorded and would adversely affect Purchaser's title to the Property. The coverage afforded by such title insurance would be governed by the terms and conditions thereof, and the premium for obtaining such title insurance coverage will be determined by its coverage. Purchaser may purchase title insurance at either "standard" or "enhanced" coverage and rates. For purposes of owner's policy premium rate disclosure by Purchaser's lender(s), if any, Purchaser and Seller require that enhanced rates be quoted by Purchaser's lender(s). Purchaser understands that nothing herein obligates Purchaser to obtain any owner's title insurance coverage at any time, including at Settlement, and that the availability of enhanced coverage is subject to underwriting criteria of the title insurer.

7. **SETTLEMENT; POSSESSION:** Settlement shall be made at At an agreeable place on or about May 09, 2019. Possession of the Property shall be given at settlement, unless otherwise agreed in writing by the parties. At settlement, Seller will deliver the deed described in paragraph 15, an affidavit acceptable to Purchaser and Purchaser's title insurance company as to parties in possession and mechanic's liens, applicable non-foreign status and state residency certificates and applicable IRS1099 certificates.

8. **EXPENSES; PRORATIONS; ROLLBACK TAXES:**

(a) Each party shall bear its own expenses in connection with this Contract, except as specifically provided otherwise herein. Seller agrees to pay the expense of preparing the deed and the recordation tax applicable to grantors; all expenses incurred by Purchaser in connection with the purchase, including without limitation title examination, insurance premiums, survey costs, recording costs and the fees of Purchaser's attorney, shall be borne by Purchaser. All taxes, assessments, interest, rent escrow deposits, and other ownership fees, if any, shall be prorated as of the date of settlement.

(b) Rollback taxes shall be paid as follows: _____.

9. **BROKERAGE FEE; SETTLEMENT STATEMENTS:** Seller and Purchaser authorize and direct the settlement agent to disburse to Listing Company and/or Selling Company from the settlement proceeds their respective portions of the brokerage fee payable as a result of this sale and closing under the Contract. Each of Listing Company and/or Selling Company shall deliver to the settlement agent, prior to settlement, a signed written statement setting forth the fee to which such company is entitled and stating how such fee and any additional sales incentives are to be disbursed. Seller and Purchaser authorize and direct the settlement agent to provide to each of Seller, Purchaser, Listing Company and Selling Company a copy of the unified settlement statement for the transaction.
10. **BROKER INDEMNIFICATION:** ~~Seller and Purchaser agree to hold harmless Listing Company, Selling Company, the Officers, directors and employees, or any real estate broker or salesperson employed by or affiliated with the Listing Company or Selling Company for any delay, or expense caused by such delay, in settlement due to regulatory or legal requirements.~~
11. **STUDY PERIOD:** Purchaser shall have 60 days from the date this Contract is executed by both Purchaser and Seller to determine, through engineering and feasibility studies, whether Purchaser's plan of development of the Property is practical. Purchaser shall contract for such studies within ten (10) days from the date of execution, and deliver to Seller and Listing Company copies of the letter(s) ordering the studies, said letter(s) stipulating that true copies of all studies are to be sent to Seller or Listing Company, simultaneously with delivery to Purchaser. If within such study period Purchaser notifies Seller or Listing Company, in writing, that Purchaser's plan, in Purchaser's sole judgment, is not practical, Purchaser may terminate this Contract and receive a refund of the Deposit and the parties shall have no further liability or obligations hereunder, except as set forth herein. Time shall be of the essence of this provision.
12. **SOIL STUDY:** This Contract is contingent for _____ days from date of execution of this Contract by both Purchaser and Seller to allow _____ at its expense to obtain a soil study and/or percolation test, which shall lawfully allow for the erection and use of _____ on the Property. Such study or test shall be pursued diligently and in good faith and if such study or test reveals that Purchaser's intended use of the Property is not permissible or practicable, Purchaser shall have the right, upon written notice to Seller, to terminate this Contract, in which event the Deposit shall be returned to Purchaser and the parties shall have no further liability or obligations hereunder, except as set forth herein.
13. **ACCESS:** Purchaser and Purchaser's agents and engineers shall have the right to enter onto the Property at all reasonable times prior to settlement for purposes of engineering, surveying, title or such other work as is permitted under this Contract, so long as such studies do not result in a permanent change in the character or topography of the Property. Purchaser shall not interfere with Seller's use of the Property, and Purchaser, at Purchaser's expense, shall promptly restore the Property to its prior condition upon completion of Purchaser's studies or work. Purchaser to keep the Property free and clear from all liens resulting from its work, studies, investigations or other activities performed pursuant to this Contract and shall indemnify and hold Seller harmless against any loss or liability to person or property resulting from Purchaser's presence or activities on the Property. This obligation shall service settlement and transfer of title and possession to the Property.
14. **RISK OF LOSS:** All risk of loss or damage to the Property by fire, windstorm, casualty, or other cause is assumed by Seller until settlement. In the event of substantial loss or damage to the Property before settlement, Purchaser shall have the option of either (i) terminating this Contract and recovering the Deposit, or (ii) affirming this Contract, in which event Seller shall assign to Purchaser all of Seller's rights under any policy of policies of insurance applicable to the Property.
15. **TITLE:** At settlement Seller shall convey the Property to Purchaser by general warranty deed containing English covenants of title (except that conveyance from a personal representative of an estate or from a trustee or institutional lender shall be by special warranty deed), free of all encumbrances, tenancies, and liens (for taxes and otherwise), but subject to such restrictive covenants and utility easements of record which do not materially and adversely affect the use of the Property for Purchaser's intended purposes or render the title unmarketable. If the Property does not abut a public road, title to the Property must include a recorded easement providing adequate access thereto. In the event this sale is subject to a financing contingency under paragraph 2(a) or 2(b), the access to a public road must be acceptable to each lender. If the examination reveals a title defect of a character that can be remedied by legal action or otherwise within a reasonable time, then Seller, at Seller's expense, shall promptly take such action as is necessary to cure such defect. If the defect is not cured within 60 days after Seller receives notice of the defect, then Purchaser shall have the right to (i) terminate this Contract, in which event the Deposit shall be returned to Purchaser, and Purchaser and Seller shall have no further obligations hereunder, or (ii) waive the defect and proceed to settlement with no adjustment to the Purchase Price. If Seller has agreed to cure such defect, the parties agree that the settlement date prescribed in paragraph 7 shall be extended as necessary to enable Seller to cure such title defect, but not for more than 60 days unless agreed by the parties.
16. **PROPERTY OWNERS' ASSOCIATION DISCLOSURE:** The Seller represents that the Property [select one]: is OR is not located within a development which is subject to the Virginia Property Owners' Association Act (Sections 55-508

et. seq. of the Code of Virginia) (the "Act"). If the Property is within such a development, the Act requires the Seller to obtain from the property owners' association an association disclosure packet and provide it to the Purchaser, or Purchaser's authorized agent. The information contained in the association disclosure packet shall be current as of the specified date on the disclosure packet. The Purchaser may cancel this Contract (a) within 3 days after the date of this Contract, if on or before the date that the Purchaser signs this Contract, the Purchaser receives the association disclosure packet or is notified that the association disclosure packet is not available; (b) within 3 days after receiving the association disclosure packet, if the association disclosure packet is available or notice that the association disclosure packet will not be available is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United Parcel Service and a receipt obtained; or (c) within 6 days after the postmark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to the Purchaser by United States mail. The Purchaser may also cancel this Contract at any time prior to settlement if the Purchaser has not been notified that the association disclosure packet will not be available and the association disclosure packet is not delivered to the Purchaser. Notice of cancellation shall be provided to the Seller (owner) or his agent by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing; (iii) electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or (iv) overnight delivery using a commercial service or the United States Postal Service. In the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of cancellation. Such cancellation shall be without penalty, and the Seller shall cause any deposit to be returned promptly to the Purchaser, but not later than thirty days from the date of cancellation. Seller shall provide written instructions to the Association for delivery of the disclosure packet to Purchaser or Purchaser's authorized agent. The right to receive the association disclosure packet and to cancel this Contract terminates at settlement. If the Purchaser has received the association disclosure packet, the Purchaser has a right, at Purchaser's sole expense, to request an update of such disclosure packet from the property owners' association. A request for an updated disclosure packet does not extend the cancellation periods set forth above.

17. **CONDOMINIUM DISCLOSURE:** The Seller represents that the Property **[select one]:** is OR is not a condominium resale, which is subject to the Virginia Condominium Act (Section 55-79.39 et seq. of the Code of Virginia) (the "Condominium Act"). If the Property is a condominium resale, the Condominium Act requires the Seller to obtain from the unit owners' association a resale certificate and provide it to the Purchaser or Purchaser's authorized agent. The information contained in the resale certificate shall be current as of the specified date on the resale certificate. The Purchaser may cancel this Contract (a) within 3 days after the date of this Contract, if on or before the date that the Purchaser signs this Contract, the Purchaser receives the resale certificate; (b) within 3 days after receiving the resale certificate if the resale certificate is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United Parcel Service and a receipt obtained; or (c) within 6 days after the postmark date if the resale certificate is sent to the Purchaser by United States mail. Notice of cancellation shall be provided to the Seller (owner) or his agent by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing; (iii) electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or (iv) overnight delivery using a commercial service or the United States Postal Service. In the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of cancellation. Such cancellation shall be without penalty, and the Seller shall cause any deposit to be returned promptly to the Purchaser, but not later than thirty days from the date of cancellation. Seller shall provide written instructions to the Association for the delivery of the resale certificate to Purchaser or Purchaser's authorized agent. The right to receive the resale certificate and to cancel this Contract terminates at settlement. If the Purchaser has received the resale certificate, the Purchaser has a right, at Purchaser's sole expense, to request from the unit owners' association a resale certificate update or financial update. A request for an updated resale certificate does not extend the cancellation periods set forth above.

18. **NOTICE TO PURCHASER REGARDING SETTLEMENT AGENT AND SETTLEMENT SERVICES:** Choice of Settlement Agent: Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of Virginia provides that in loans made by lenders and secured by first deeds of trust or mortgages on real estate containing not more than four residential dwelling units, the purchaser or borrower has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's role in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, the lender for the purchaser will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party. Variation by agreement: The provisions of Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of Virginia may not be varied by agreement, and rights conferred by this chapter may not be waived. The seller may not require the use of a particular settlement agent as a condition of the sale of the property. Escrow, closing, and settlement service guidelines: The Virginia State Bar issues guidelines to help settlement agents avoid and

prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, the purchaser or borrower is entitled to receive a copy of these guidelines from his settlement agent, upon request, in accordance with the provisions of Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of Virginia.

To facilitate the settlement agent's preparation of various closing documents, including any HUD-1 or Closing Disclosure, Purchaser hereby authorizes the settlement agent to send such Closing Disclosure to Purchaser by electronic means and agrees to provide the settlement agent Purchaser's electronic mail address for that purpose only.

19. **MECHANICS LIEN NOTICE:**

(a) Virginia law (§ 43-1 et seq.) permits persons who have performed labor or furnished material for the construction, removal, repair or improvement of any building or structure to file a lien against the Property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 days from the last day of the month in which the lien or last performed work or furnished materials or (ii) 90 days from the time the construction, removal, or improvement is terminated. **AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT, LEGAL COUNSEL SHOULD BE CONSULTED.**

(b) Seller shall deliver to Purchaser at settlement an affidavit, on a form acceptable to Purchaser's lender, if applicable, signed by Seller that no labor or materials have been furnished to the Property within the statutory period for the filing of mechanics' or materialmen's liens against the Property. If labor or materials have been furnished during the statutory period, Seller shall deliver to Purchaser an affidavit signed by Seller and the person(s) furnishing the labor or materials that the costs thereof have been paid.

20. **NON-BINDING MEDIATION:** In an effort to avoid the expense and delay of litigation, the parties agree to submit any disputes or claims arising out of this Contract, including those involving the Listing Company or the Selling Company, to mediation prior to instituting litigation. Such mediation will be *non-binding*, that is, no party will be obligated to enter into any settlement arising out of mediation unless that settlement is satisfactory to that party. Any settlement the parties enter into will be binding, but if the parties are not able to reach agreement on a settlement, they may resort to arbitration or litigation as if the mediation had never taken place. The mediation will be provided by the local REALTOR® Association, if it provides such services, or by another mutually agreeable mediator or mediation service in the area. This agreement to mediate does not apply to foreclosure, unlawful detainer (eviction), mechanics lien, probate, or license law actions. Judicial actions to provide provisional remedies (such as injunctions and filings to enable public notice of pending disputes) are not violations of the obligation to mediate and do not waive the right to mediate.

21. **NOTICE TO PURCHASER(S):** Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on sexual offenders registered under Chapter 23 (Section 19.2-987 et seq.) of Title 19.2. Such information may be obtained by contacting your local police department or the Department of State Police, Central Records Exchange at (804) 674-2000 or <http://sex-offender.vsp.virginia.gov/sor/>.

22. **DEFAULT:** If Seller or Purchaser defaults under this Contract, the defaulting party, in addition to all other remedies available at law or in equity, shall be liable for the brokerage fee referenced in paragraph 9 hereof as if this Contract had been performed and for any damages and all expenses incurred by non-defaulting party, Listing Company and Selling Company in connection with this transaction and the enforcement of this Contract, including, without limitation attorneys' fees and costs, if any. Payment of a real estate broker's fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Contract shall not relieve the defaulting party of liability for the fee of Listing Company in this transaction and for any damages and expenses incurred by the non-defaulting party, Listing Company and Selling Company in connection with this transaction. In any action brought by Seller, Purchaser, Listing Company or Selling Company under this Contract or growing out of the transactions contemplated herein, the prevailing party in such action shall be entitled to receive from the non-prevailing party or parties, jointly and severally, in addition to any other damages or awards, reasonable attorneys' fees and costs expended or incurred in prosecuting or defending such action.

23. **OTHER TERMS:** (Use this space for additional terms not covered elsewhere in this Contract.)
Because Purchaser is a political subdivision of the Commonwealth of Virginia, Purchaser's obligation to proceed to Settlement is subject to appropriations.
Seller agrees to keep this Contract and the status of this Contract (collectively, "Confidential Information") confidential, unless otherwise required by law, unless Purchaser gives its prior written consent or until Settlement occurs. However, Seller may disclose the Confidential Information to Seller's listing agent and other professional advisors so long as they agree or are legally duty bound to keep the Confidential Information confidential. Seller may also disclose Confidential Information to the Settlement Agent.

24. **BROKERS; LICENSEE STATUS:**

(a) Listing Company and Selling Company may from time to time engage in general insurance, title insurance, mortgage loan, real estate settlement, home warranty and other real estate-related businesses and services, from which they may receive compensation during the course of this transaction, in addition to real estate brokerage fees. The parties acknowledge that Listing Company and Selling Company are retained for their real estate brokerage expertise, and neither has been retained as an attorney, tax advisor, appraiser, title advisor, home inspector, engineer, surveyor, or other professional service provider.

(b) Disclosure of Real Estate Board/Commission licensee status, if any is required in this transaction: _____

25. **MISCELLANEOUS:** This Contract may be signed in one or more counter parts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document. Documents delivered by facsimile machine shall be considered as originals. Unless otherwise specified herein, "days" mean calendar days. For the purpose of computing time periods, the first day shall be the day following the date this Contract is fully ratified. This Contract represents the entire agreement between Seller and Purchaser and may not be modified or changed except by written instrument executed by the parties. This Contract shall be construed, interpreted and applied according to the laws of the state in which the Property is located and shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. To the extent any handwritten or typewritten terms herein conflict with or are inconsistent with the printed terms hereof, the handwritten and typewritten terms shall control. Whenever the context shall so require, the masculine shall include the feminine and singular shall include the plural. Unless otherwise provided herein, the representations and warranties made by Seller herein and all other provisions of this Contract shall be deemed merged into the deed delivered at settlement and shall not survive settlement.

26. **ELECTRONIC SIGNATURES.** _____ / _____ **If this paragraph is initialed by both parties, then in accordance with the Uniform Electronic Transactions Act (UETA) and the Electronic Signatures in Global and National Commerce Act, or E-Sign, regarding electronic signatures and transactions, the parties do hereby expressly authorize and agree to the use of electronic signatures as an additional method of signing and/or initialing this Agreement. The parties hereby agree that either party may sign electronically by utilizing an electronic signature service.**

27. **ACCEPTANCE:** This Contract, when signed by Purchaser, shall be deemed an offer to enter into a bilateral contract. If not accepted by Seller by _____ (time), _____, _____, it shall become null and void.

WITNESS the following duly authorized signatures: (SEPARATE ALL COPIES BEFORE SIGNING BELOW)

PURCHASER:

SELLER:

_____/_____
DATE PURCHASER
Danville-Pittsylvania Regional Industrial Facility Authority

_____/_____
DATE SELLER
Kay Li Nance

_____/_____
DATE PURCHASER
Fred O. Shanks III, Chairman (for the above)

_____/_____
DATE SELLER

_____/_____
DATE PURCHASER

_____/_____
DATE SELLER

_____/_____
DATE PURCHASER

_____/_____
DATE SELLER

Receipt of deposit per paragraph 3 above is hereby acknowledged.
_____/_____

For information purposes only:

Selling Company's Name and Address:

United Country Jeff Davis & Assoc

Office Phone: _____ Fax: _____

MLS Broker Code: _____ Office ID No. _____

Agent Name: _____

Agent ID. No.: _____

Agent E-mail address: _____

Listing Company's Name and Address:

United Country Jeff Davis & Assoc

Office Phone: _____ Fax: _____

MLS Broker Code: _____ Office ID No. _____

Agent Name: _____

Agent ID. No.: _____

Agent E-mail address: _____

This Contract has been executed by Purchaser and Seller as of _____, _____.
Listing Firm _____; Selling Firm _____

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Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5D
Meeting Date:	May 13, 2019
Subject:	Financial Status Reports – April 30, 2019
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through April 30, 2019 will be provided at the meeting. The financial status reports as of April 30, 2019 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of April 30, 2019 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility
Authority

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2019
- C. SVMS at Berry Hill – Funding Other than Bond Funds
- D. SVMS at Berry Hill – Lot 4 Site Development
- E. SVMS at Berry Hill – Lot 8 Site Development
- F. SVMS at Berry Hill – Water & Sewer
- G. Rent, Interest, and Other Income Realized
- H. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of April 30, 2019

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / 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	38,756.62	33,124.38	
Land		-	2,792,945.57		-
Demolition services		71,261.62	71,261.62		-
Legal fees		-	143,998.73		-
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98		-
Other expenditures		-	345,194.30		-
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,431,638.18	\$ 33,124.38	<u>\$ 113,819.56</u>

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

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 8/1/2013 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 2019

As of April 30, 2019

	<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 FY2018	37,099.21				
Transfer to Mega Park Funding-Other Than Bonds ¹	20,000.00				
Contingency					
Miscellaneous contingency items		\$ 73,022.94	\$ 4,107.77	\$ -	\$ 68,915.17
Southern Virginia Mega Site at Berry Hill helipad		\$ 4,351.27	4,351.27		-
Total Contingency Budget		<u>77,374.21</u>	<u>8,459.04</u>	<u>-</u>	<u>68,915.17</u>
Legal		100,000.00	139,817.27	-	(39,817.27)
Accounting		21,525.00	21,525.00	-	-
Annual Bank Fees		600.00	605.00	-	(5.00)
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	2,262.26	-	1,737.74
Utilities		500.00	245.60	-	254.40
Insurance		3,000.00		-	3,000.00
Total		<u>\$ 207,099.21</u>	<u>\$ 172,914.17</u>	<u>\$ -</u>	<u>\$ 34,185.04</u>

¹ - Transfer back from Mega Park Fund-Other Funds for \$20,000 that was allocated to cover contingent liability due to Appalachian Power Company if RIFA cancels the development of Lot 8 at Berry Hill Industrial Park or delays completion of the project beyond January 31, 2019.

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of April 30, 2019

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 Comm. 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				
TIC #2264 - Phase II Land and Engineering	3,200,000.00				
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	987,879.29	2,970.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Dewberry Engineers (related to #2264)		4,500.00	-	4,500.00	
Appalachian Power Company		1,655,000.00	180,000.00	1,475,000.00	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 17,431,524.83	\$ 15,891,024.83	\$ 14,408,554.12	\$ 1,482,470.71	\$ 1,540,500.00

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
Southern Virginia Megasite at Berry Hill - Lot 4 Site Development
As of April 30, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
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.		1,688,062.81	1,530,062.81	158,000.00	
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.		77,027.64	77,027.64	-	
Banister Bend Farm, LLC - Wetland and Stream Credits		122,968.00	122,968.00	-	
DEQ - Construction Activity General Permit		9,600.00	9,600.00	-	
Haymes Brothers, Inc. - Construction on Phase 1 Graded Pad		4,250,475.11	4,243,151.21	7,323.90	
Haymes Brothers, Inc. - Phase 1 Pad A Extension/Expansion		-	-	-	
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	\$ 6,097,370.21	\$ 5,932,046.31	\$ 165,323.90	<u>\$ 1,802,985.94</u>

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

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

Southern Virginia Megasite at Berry Hill - Lot 8 Site Development

As of April 30, 2019

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funding					
<i>TIC #3358 Site Improvements for Project Lignum</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
Expenditures					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
Total	\$ 2,624,800.00	\$ 89,300.00	\$ 82,800.00	\$ 6,500.00	\$ 2,535,500.00

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of April 30, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #2641 Phase I Sanitary Sewer					
Tobacco Commission Grant 2641	\$ 4,908,240.00				
Local Match for Contractual Services	282,400.00				
Local Match for Property & Improvements	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Improvements	24,160.00				
Expenditures					
Dewberry Engineers Inc.		398,284.00	141,429.40	256,854.60	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,856,169.75	1,896,694.19	2,959,475.56	
C.W. Cauley & Son - Phase 1 Water Project		1,843,540.00	-	1,843,540.00	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		5,200.00	5,200.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Danville Register & Bee		600.00	600.00	-	
Total	\$ 7,719,327.00	\$ 7,132,864.75	\$ 2,072,994.59	\$ 5,059,870.16	\$ <u>586,462.25</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2019
As of April 30, 2019

<i>Source of Funds</i>	<u>Funding</u>		<u>Expenditures</u> <u>FY2019</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2018</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>		
<u>Carryforward</u>	\$ 738,132.03			
<u>Current Lessees</u>				
	<u>Park</u>			
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	\$ 25,412.50	\$ 202,735.42	
Mountain View Farms of Virginia, L.C.	Berry Hill	-	1,200.00	
Osborne Company of North Carolina, Inc.	Berry Hill	1,000.00	1,000.00	
<u>Total Rent</u>		<u>\$ 26,412.50</u>	<u>\$ 204,935.42</u>	
<u>Interest Received</u> ²		\$ 426.97	\$ 4,316.06	
<u>Miscellaneous Income</u>		\$ 150,000.00	\$ 1,814,245.00	
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 177,322.92	
Disbursement to Unision Tube (Enhancement Grant and DRF Grant)			\$ 1,242,500.00	
Disbursements for Harlow Fastech incentives			\$ 563,539.00	
<u>Totals</u>		<u>\$ 738,132.03</u>	<u>\$ 176,839.47</u>	<u>\$ 2,023,496.48</u>
			<u>\$ 1,983,361.92</u>	<u>\$ 778,266.59</u>
			Restricted ¹	\$ 339,107.56
			Unrestricted	\$ 439,159.03

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}
April 30, 2019*

	Unaudited FY 2019
Assets	
<i>Current assets</i>	
Cash - checking	\$ 850,644
Cash - money market	799,623
Accounts receivable	377,755
Prepays	254
<i>Total current assets</i>	2,028,276
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	153,444
Restricted cash - debt service fund CCC bonds	17,430
Restricted cash - debt service fund Berry Hill bonds	30
Restricted cash - debt service reserve fund Berry Hill bonds	994,164
Capital assets not being depreciated	24,781,371
Capital assets being depreciated, net	22,987,025
Construction in progress	9,827,751
<i>Total noncurrent assets</i>	58,761,215
Total assets	60,789,491
Liabilities	
<i>Current liabilities</i>	
Unearned income	1,475
Bonds payable - current portion	1,348,450
<i>Total current liabilities</i>	1,349,925
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	2,119,740
<i>Total noncurrent liabilities</i>	2,119,740
Total liabilities	3,469,665
Net Position	
Net investment in capital assets	54,281,401
Restricted - debt reserves	1,011,624
Unrestricted	2,026,801
Total net position	\$ 57,319,826

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 April 30, 2019 as of April 30, 2019, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
April 30, 2019*

	Unaudited FY 2019
Operating revenues	
Virginia Tobacco Commission Grants	172,108
Rental income	206,735
Other Income	1,814,245
Total operating revenues	2,193,088
Operating expenses ⁴	
Mega Park expenses ³	367,093
Cane Creek Centre expenses ³	1,260,650
Cyber Park expenses ³	798,500
Professional fees	69,556
Other operating expenses	10,686
Total operating expenses	2,506,485
Operating income (loss)	(313,397)
Non-operating revenues (expenses)	
Interest income	23,678
Interest expense	(79,066)
Total non-operating expenses, net	(55,388)
Net income (loss) before capital contributions	(368,785)
Capital contributions	
Contribution - City of Danville	320,764
Contribution - Pittsylvania County	820,764
Total capital contributions	1,141,528
Change in net position	772,743
Net position at July 1, 2018	56,547,083
Net position at April 30, 2019	\$ 57,319,826

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
April 30, 2019*

	Unaudited FY 2019
Operating activities	
Receipts from leases	\$ 225,588
Other receipts	1,814,246
Payments to suppliers for goods and services	(2,615,695)
Net cash used by operating activities	(575,861)
Capital and related financing activities	
Capital contributions	907,843
Interest paid on bonds	(112,566)
Principal repayments on bonds	(1,290,000)
Net cash provided by capital and related financing activities	(494,723)
Investing activities	
Interest received	23,678
Net cash provided by investing activities	23,678
Net increase (decrease) in cash and cash equivalents	(1,046,906)
Cash and cash equivalents - beginning of year (including restricted cash)	3,862,241
Cash and cash equivalents - through April 30, 2019 (including restricted cash)	\$ 2,815,335
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (313,397)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,171
Change in other receivables	(151,454)
Change in accounts payable	(111,381)
Change in unearned income	(1,800)
Net cash used by operating activities	\$ (575,861)

Components of cash and cash equivalents at April 30, 2019:	
American National - Checking	\$ 850,644
American National - General money market	799,623
Wells Fargo - \$7.3M Bonds CCC Debt service fund	17,430
Wells Fargo - \$7.3M Bonds CCC Project fund	153,444
US Bank - \$11.25M Bonds Berry Hill Debt service fund	30
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	994,164
	\$ 2,815,335