Danville-Pittsylvania Regional Industrial Facility Authority

CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA

AGENDA

TUESDAY, OCTOBER 11, 2011

12:00 NOON

DANVILLE REGIONAL AIRPORT
EASTERN CONFERENCE ROOM
424 AIRPORT DRIVE, DANVILLE, VIRGINIA

COUNTY OF PITTSYLVANIA MEMBERS

COY E. HARVILLE, CHAIRMAN
HENRY A. "HANK" DAVIS, JR.
FRED M. INGRAM, ALTERNATE

CITY OF DANVILLE MEMBERS

SHERMAN M. SAUNDERS, VICE CHAIRMAN
T. DAVID LUTHER
FRED O. SHANKS, III, ALTERNATE

STAFF

JOSEPH C. KING, CITY MANAGER, DANVILLE
WILLIAM D. SLEEPER, PITTSYLVANIA COUNTY ADMINISTRATOR
CLEMENT & WHEATLEY, ATTORNEY FOR AUTHORITY
SUSAN M. DEMASI, AUTHORITY SECRETARY
BARBARA A. DAMERON, 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 FOR THE SEPTEMBER 12, 2011 MEETING**

5. **VIRGINIA FREEDOM OF INFORMATION ACT TRAINING SESSION PRESENTED BY MARIA J.K. EVERETT, EXECUTIVE DIRECTOR AND SENIOR ATTORNEY, VIRGINIA FREEDOM OF INFORMATION ADVISORY COUNCIL**

6. **NEW BUSINESS**

   A. Update on transportation plans for the Authority's Mega Park site – Greg Sides, Assistant County Administrator

   B. Presentation of information on walking trail corridor at the Authority's Cane Creek site – Greg Sides, Assistant County Administrator and Karen Cross, Director of Outdoor Recreation, Danville Parks & Recreation

   C. Consideration of Resolution No. 2011-10-11-6C, authorizing the issuance of Revenue Bonds (Berry Hill Project), Series 2011 in a principal amount not to exceed $13,700,000, authorizing the execution and delivery of all Bond Documents in connection therewith including without limitation the Indenture, the Bonds, the Support Agreements, the Assignment Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the Continuing Disclosure Agreement, and authorizing other matters in connection therewith. – Barbara A. Dameron, CPA, Authority Treasurer, and Joseph Mason, Davenport & Co. LLC

   D. Financial Report as of September 30, 2011 – Barbara A. Dameron, CPA, Authority Treasurer

7. **CLOSED SESSION**

   A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the community; and as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of leasing to such prospective business, (i) the house known as the Lake House and (ii) the apartments, located on a portion of real property in Pittsylvania County, Virginia, at the Authority's Cane Creek site (a portion of GPINs 2347-46-0892 and 2347-35-9903); and the lease, for an initial term of five (5) months, shall be for the purpose of a temporary employee dormitory and no other purpose, where discussion in an open meeting would adversely affect the bargaining position r negotiating strategy of the Authority.

B. As permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with and briefing by legal counsel pertaining to actual litigation regarding Nancy Barbour Smith, *et al.* v. Pittsylvania County Board of Supervisors (Case No. CL10000088-00), where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.

C. Confirmation of Motion and Vote to Reconvene in Open Meeting.

D. Motion to Certify Closed Meeting.

8. ACTION ON MATTERS CONSIDERED IN CLOSED SESSION:

A. Consideration of Resolution No. 2011-10-11-8A authorizing the lease (i) the house known as the Lake House and (ii) the apartments, located on a portion of real property in Pittsylvania County, Virginia, at the Authority's Cane Creek site (a portion of GPINs 2347-46-0892 and 2347-35-9903); and the lease shall be for the purpose of a temporary employee dormitory and no other purpose. **[RESOLUTION WILL BE DISTRIBUTED AFTER RETURNING TO OPEN SESSION.]**

9. COMMUNICATIONS FROM:

Henry A. "Hank" Davis, Jr.
Coy E. Harville
Fred M. Ingram
T. David Luther
Sherman M. Saunders
Fred O. Shanks, III
Staff

10. ADJOURN

AGENDA
ITEM NUMBER 4

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
September 12, 2011

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:17 p.m. on the above date in the Conference Room located at the Danville Regional Airport, 424 Airport Drive. Present were City of Danville Members Vice-Chairman Sherman Saunders and alternate Fred Shanks; City of Danville member David Luther was absent; Pittsylvania County Members present were Chairman Coy Harville; Pittsylvania County members Henry A. "Hank" Davis, Jr., and alternate Fred Ingram were absent.

City/County staff members attending were: City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Assistant County Administrator for Planning & Development Gregory Sides, Danville Economic Development Consultant Linwood Wright, Pittsylvania County Economic Development Director Ken Bowman, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Also present were Danville Community College President Dr. B. Carlyle Ramsey, Danville Community College Vice President of Financial Administrative Services Scott Barnes, Vice President of Work Force Services Jeff Arnold and Troy Simpson, faculty member from Danville Community College involved with teaching and program development.

Chairman Harville called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF AUGUST 8, 2011 MINUTES

Upon **Motion** by Mr. Shanks and **second** by Mr. Saunders, Minutes of the August 8, 2011 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

CONSIDERATION OF CONCEPT FOR PROPOSED EXPANSION OF THE REGIONAL CENTER FOR ADVANCED TECHNOLOGY & TRAINING (RCATT), WHICH IS LOCATED IN THE AUTHORITY'S CYBER PARK SITE [NO WRITTEN RESOLUTION]

Danville Community College President Carlyle Ramsey introduced Scott Barnes, Jeff Arnold and Troy Simpson, faculty and staff from DCC. President Ramsey provided a handout to the RIFA board and staff and reviewed the Concept for the proposed expansion of RCATT. President Ramsey thanked the City and County for their past and future support of RCATT. He discussed the opportunities and challenges with respect to the expansion including doubling the capacity of the welding and precision machining programs, increasing the

number of graduates for current and future employers and providing a competitive edge in economic development with neighboring communities.

President Ramsey noted that should they get the endorsement of RIFA, they would talk to some funders to do a feasibility study by a local firm. That document would be submitted to RIFA, the Virginia Community College System and a state building authority. The project has to be approved by the State Board for Community Colleges. The cost of the expansion is estimated to be $6.5M-$7M, with the equipment. President Ramsey stated that their pledge to RIFA is that the additional facility, if approved, is going to enable local economic developers to compete very favorably with competitors.

Mr. Troy Simpson noted he has been with DCC for 21 years and was a graduate of the program. RCATT's capacity right now is 26 students in both first and second year of program and there is a waitlist. The demand for skills has shifted from manual to CNC machine skills and the current facility has run out of space, with at times only one machine for 26 students. Mr. Simpson also discussed his placement of students to different companies including companies in Lynchburg, and the increased demand for skilled machinists. Mr. Simpson noted that the degree is a Diploma in Precision Machine and Technology with 81 credits; graduates of the program generally start at $15.00 to $18.00 per hour.

Mr. Shanks asked President Carlyle to summarize his request to RIFA. President Carlyle stated that they are requesting that this authority endorse the project only on the assumption that if the project needs any additional land, which would not exceed three acres, that they would be able to obtain that land. They are not asking RIFA for any money and they have talked with Dave Marshall and others on the Commission, and they are going to the Commission, but they are not going to ask for allocations from either jurisdiction. President Ramsey noted that they will look at some other private sources of funding, and are not going to County or City for site development or any other part of it.

Board members and Mr. Ramsey discussed the property surrounding RCATT, the ownership of the surrounding property and well as what steps need to be taken in the future.

Mr. Shanks **moved** that RIFA resolve to authorize the Chairman of RIFA to sign a letter of support for a feasibility study for the facility that is to be sought by RCATT and paid for by RCATT. The Motion was **seconded** by Mr. Saunders.

VOTE: 3-0
AYE: Harville, Saunders and Shanks (3)
NAY: None (0).

FINANCIAL REPORT AS OF AUGUST 31, 2011

Authority Treasurer Barbara Dameron presented a brief financial report as of August 31, 2011. Ms. Dameron noted that there were very few transactions last month, with a few in general expenditures, primarily some general legal fees and utilities. No new expenditures in

the Mega Park. In Cain Creek, Lots 3 and 9, RIFA paid $364,000 to Haymes Brothers. On the budget side, the budget was increased to reflect the Change order No. 2 for $156,700 and the Authority realized about $38,000 in rent.

Mr. Saunders **moved** approval of the Financial Report as of August 31, 2011. The Motion was **seconded** by Mr. Shanks and carried by the following vote

VOTE: 3-0
AYE: Harville, Saunders and Shanks (3)
NAY: None (0).

County Supervisor Dan Sleeper stated that on Lots 3 and 9, they had previously decided to go back to the EDA to see if they could move over to Lot 10, but had some problems with it and decided to finish Lots 3 and 9, as is. The EDA wanted RIFA to upfront the money and apply back to EDA for a new grant with new environmental, engineering, and preliminary reports and that would take too much time. Lot 10 will be something to come back to later.

CLOSED MEETING

At 12:50 p.m. Mr. Harville requested a Motion to go into Closed Meeting as permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the community; and as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of leasing to such prospective business, that certain real property located in the Authority's Cain Creek site (a portion of GPINs 2347-46-0892 and 2347-35-9903), commonly known as the Lake House and apartments, 390 Cedar Lane in Pittsylvania County, Virginia, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

Mr. Shanks **made** a Motion to go into Closed Meeting. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 3-0
AYE: Harville, Saunders and Shanks (3)
NAY: None (0).

Upon unanimous vote at 1:07 p.m., the Authority returned to open meeting and Mr. Shanks **moved** adoption of the following Resolution:

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

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

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open 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. Saunders and carried by the following vote:

VOTE: 3-0
AYE: Harville, Saunders and Shanks (3)
NAY: None (0).

COMMUNICATIONS

Mr. Harville noted that with respect to the tour that RIFA attended at Wythe County, Mr. Harville asked if a letter from RIFA on RIFA letterhead would be appropriate to thank Mr. Hawthorne. Mr. King noted that a letter would be appropriate and Mr. Harville asked the Authority Secretary consult with the City Manager to draw up a thank you letter to Mr. Hawthorne.

Upon **Motion** by Mr. Shanks an **second** by Mr. Saunders, the meeting was adjourned at 1:13 p.m.

_____
Chairman

_____
Clerk to the Authority

DRAFT

AGENDA
ITEM NUMBER 6C

Date: **September 28, 2011**

To: **Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) Board Members**

From: **Barbara A. Dameron**

Subject: **Authorizing the issuance of Revenue Bonds and all bond documents to finance land acquisition for the Berry Hill Mega Site.**

The attached resolution authorizes RIFA to issue fixed rate revenue bonds in an amount not to exceed $13,700,000 to finance the acquisition of land for the Berry Hill Mega Site. Staff and financial advisors with Davenport and Company estimate the actual bond issuance principal amount will be $11,400,000. The RIFA Board is asked to approve the following documents in regards to the issuance of bonds:

a) Support Agreement between Danville-Pittsylvania Regional Industrial Facility Authority and the City of Danville, Virginia
b) Support Agreement between Danville-Pittsylvania Regional Industrial Facility Authority and Pittsylvania County
c) Assignment Agreement
d) Trust Indenture between Danville-Pittsylvania Regional Industrial Facility Authority and U.S. Bank National Association
e) Preliminary Official Statement
f) The Bond Form
g) Bond Purchase Agreement
h) Continuing Disclosure Agreement

Resolution No. 2011-10-11-6C

RESOLUTION OF THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY AUTHORIZING THE ISSUANCE OF ITS REVENUE BONDS (BERRYHILL PROJECT), SERIES 2011 IN A PRINCIPAL AMOUNT NOT TO EXCEED $13,700,000, AUTHORIZING THE EXECUTION AND DELIVERY OF ALL BOND DOCUMENTS IN CONNECTION THEREWITH INCLUDING WITHOUT LIMITATION THE INDENTURE, THE BONDS, THE SUPPORT AGREEMENTS, THE ASSIGNMENT AGREEMENT, THE BOND PURCHASE AGREEMENT, THE PRELIMINARY OFFICIAL STATEMENT AND THE CONTINUING DISCLOSURE AGREEMENT, AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

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 has agreed to issue up to $13,700,000 in Revenue Bonds (Berryhill Project), Series 2011 (the "Bonds"), and use the proceeds thereof to finance, as part of the development of an industrial park, land acquisition and related capital expenditures (collectively, the "Project") and pay costs of issuance.

The Bonds will be issued pursuant to the terms of a Trust Indenture, dated as of November 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds will be payable from (i) payments from the City of Danville, Virginia (the "City") pursuant to a Support Agreement, dated as of November 1, 2011 (the "City Support Agreement"), between the City and the Authority and assigned to the Trustee, (ii) payments from Pittsylvania County, Virginia (the "County") pursuant to a Support Agreement, dated as of November 1, 2011 (the "County Support Agreement"), between the County and the Authority and assigned to the Trustee (the County Support Agreement and the City Support Agreement being collectively referred to herein as the "Support Agreements"), (iii) grant funds received from the Virginia Tobacco Indemnification and Community Revitalization Commission for the payment of debt service on the Bonds that have been assigned to the Trustee pursuant to an Assignment Agreement, dated as of November 1, 2011 (the "Assignment Agreement"), among the City, the County, the Authority and the Trustee, and (iv) certain funds held under the Indenture.

The Bonds will be initially purchased by Davenport & Company LLC, as underwriter (the "Underwriter"), pursuant to a Bond Purchase Agreement, dated the date of its execution and delivery (the "Bond Purchase Agreement"), between the Authority and the Underwriter. The Bonds will be offered for sale pursuant to a Preliminary Official Statement, dated the date of its distribution (the "Preliminary Official Statement").

The Indenture, the Bonds, the Support Agreements, the Assignment Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the Continuing Disclosure Agreement, dated the date of its execution and delivery (the "Continuing Disclosure Agreement"), executed by the Authority, the City and the County, were made available to the Authority at this meeting.

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 financing of the Project will be in the public interest, will enhance the economic base for the City and the County, will benefit the inhabitants of the

County and the City, will increase commerce, and will promote the safety, health, welfare, convenience and prosperity of the County and the City and their citizens.

2. The Authority hereby approves the issuance of the Bonds substantially upon the terms set forth therein and in the Indenture and agrees that the Bonds will be purchased by the Underwriter. The Bonds may be issued in more than one series and from time to time. As of the date of this Resolution, (A) the final principal amount of the Bonds has not been determined, (B) the Underwriter has not proposed the final interest rate or rates to be payable on the Bonds, (C) the Underwriter and the Authority have not agreed upon the final price at which the Authority will sell the Bonds to the Underwriter, (D) the optional redemption provisions of the Bonds have not been determined and (E) the final maturity date of the Bonds has not been established. The Chairman and Vice Chairman of the Authority, either of whom may act, are each hereby authorized to approve (i) the final principal amount of the Bonds, so long as the aggregate principal amount of the Bonds does not exceed $13,700,000, (ii) the actual interest rate or rates to be payable on the Bonds, so long as the interest rate on the Bonds does not exceed seven percent (7.00%) per year, (iii) the final sales price of the Bonds to the Underwriter (exclusive of original issue discount and premium), which shall not be less than ninety-eight percent (98.00%) of the aggregate principal amount of the Bonds, (iv) the optional redemption provisions, so long as optional redemptions of the Bonds are either not permitted at all or will be permitted only on or after November 1, 2016 and at a declining redemption premium (if any) thereafter not in excess of two percent (2%) per annum and (v) the final maturity date, so long as such date is no later than November 1, 2021. In furnishing the approvals required by the preceding sentence, the Chairman and Vice Chairman are each authorized to rely upon schedules provided by the Underwriter. Such approvals shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by the Authority.

3. The Indenture, the Bonds, the Support Agreements, the Assignment Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement (together, the "Authority Documents") and the Preliminary Official Statement are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof and therein and changes to reflect the final terms of the Bonds as described in paragraph 2 above) as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval thereof shall be evidenced conclusively by the execution and delivery of the Bonds and the Authority Documents containing such changes, insertions or omissions.

4. The execution of the Bonds and their delivery against payment therefor, the amount of such payment to be disbursed in accordance with the terms of the Indenture, are hereby authorized and directed. The execution, delivery and performance by the Authority of the Authority Documents are hereby authorized and directed.

5. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each authorized and directed to execute the Authority Documents on behalf of the Authority, and, if required or requested, the Secretary and the Assistant Secretary of the Authority, either of whom may act, are each authorized and directed to affix the seal of the Authority to the Authority Documents and to attest such seal. The signatures of the Chairman or Vice Chairman and the Secretary or Assistant Secretary and the seal of the Authority on the Bonds may be by facsimile.

6. Each officer of the Authority is authorized and directed to execute and deliver on behalf of the Authority such instruments, documents or certificates and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Authority Documents, and each officer of the Authority is further authorized and directed to execute and deliver on behalf of the Authority such instruments, documents or certificates.

All of the foregoing previously done or performed by such officers of the Authority are in all respects approved, ratified and confirmed.

7. The Authority determines that the issuance of the Bonds in accordance with the terms of the Authority Documents and all actions of the Authority contemplated thereunder will be in the furtherance of the purposes for which the Authority was organized.

8. The Chairman and Vice Chairman of the Authority are each authorized to deem the Preliminary Official Statement to be in final form as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12. The delivery of the Preliminary Official Statement to the Underwriter shall be conclusive evidence that it has been deemed final as of its date by the Authority, except for the omission of such pricing and other information. The use and distribution of the Preliminary Official Statement are hereby authorized.

The appropriate officers, agents and staff of the Authority are hereby authorized and directed to assist with the preparation of a final Official Statement, appropriately dated, in the form of the Preliminary Official Statement, with appropriate completions, insertions, omissions and changes as shall be necessary to accurately describe, among other things, the Bonds, the security therefor, and the Authority Documents. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each authorized and directed to execute and deliver the final Official Statement on behalf of the Authority. The use and distribution of such final Official Statement are hereby approved.

9. All other actions hereafter taken by the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the financing of the Project are hereby ratified, approved and confirmed.

10. 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 October 11, 2011, 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 ____ day of October, 2011.

_____

Susan M. DeMasi, Secretary, Danville-Pittsylvania Regional Industrial Facility Authority

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034002.000002

SUPPORT AGREEMENT

between

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

and

CITY OF DANVILLE, VIRGINIA

Dated as of November 1, 2011

NOTE: THIS SUPPORT AGREEMENT HAS BEEN ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF, U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF NOVEMBER 1, 2011, WITH THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY.

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THIS **SUPPORT AGREEMENT** dated as of the 1st day of November, 2011, by and between the **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a political subdivision of the Commonwealth of Virginia (the "Authority"), and the **CITY OF DANVILLE, VIRGINIA,** a political subdivision of the Commonwealth of Virginia (the "City"), provides:

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created pursuant to Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"); and

WHEREAS, the Act authorizes the Authority to borrow money to pay the costs of real estate and all improvements located in industrial parks intended to be occupied by manufacturing, warehousing, distribution, office or other commercial enterprises; and

WHEREAS, in order to further the purposes of the Act, the Authority proposes to undertake, as part of the development of an industrial park, the financing of land acquisition and related capital expenditures, including necessary expenses incidental thereto (collectively, the "Project"), and to obtain the funds therefor by the issuance of the Bonds (as hereinafter defined); and

WHEREAS, the City and Pittsylvania County, Virginia (the "County") agree with the need for the Project and agree that it will facilitate the development of the industrial park, and thus promote commerce and the prosperity of the citizens of the City and the County; and

WHEREAS, to finance the Project, the Authority has determined to issue pursuant to the terms of a Trust Indenture, dated as of November 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), its Revenue Bonds (Berryhill Project), Series 2011 in an amount not to exceed $13,700,000 (the "Bonds") and to use the proceeds thereof to finance costs incurred in connection with the Project for the benefit of the City and the County; and

WHEREAS, such Bonds will be secured by a pledge of the revenues and receipts received by the Authority from payments made by the City pursuant to this Support Agreement and by the County pursuant to a separate support agreement; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this Support Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Support Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

Unless otherwise defined in this Support Agreement, all words used herein shall have the meanings assigned to such terms in the Indenture. In addition to the words defined in the recitals hereto, the following words as used in this Support Agreement shall have the following meanings unless a different meaning clearly appears from the context:

"Additional Payment(s)" shall mean such payment or payments made by the City pursuant to Section 4.1(b) and (c) and Section 5.1.

"Annual Budget" shall mean the budget by that name referred to in Section 4.4.

"Annual Payment(s)" shall mean the payments made by the City under this Support Agreement as set forth in Section 4.1(a), which such payments are equal to one-half of the payments of principal and interest due on all Outstanding Bonds in each Fiscal Year.

"Basic Documents" shall mean the Indenture, this Support Agreement and the Bond Purchase Agreement.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated the date of its execution and delivery, between the Authority and the Underwriter.

"County Support Agreement" shall mean the Support Agreement, dated as of November 1, 2011, between the County and the Authority, as the same may be supplemented, amended or modified.

"Debt Service Reserve Fund Payment(s)" shall mean the payments made by the City under this Support Agreement as set forth in Section 4.1(d), which such payments are equal to one-half of the deficiency in the Debt Service Reserve Fund Requirement.

"Event of Default" shall mean the events enumerated in Section 7.1.

"Fiscal Year" shall mean the twelve-month period beginning July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the City.

"Support Agreement" shall mean this Support Agreement, as such Support Agreement may be supplemented, amended or modified.

"Underwriter" shall mean Davenport & Company LLC.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this Support Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Support Agreement.

(d) The headings herein and Table of Contents to this Support Agreement herein are solely for convenience of reference and shall not constitute a part of this Support Agreement nor shall they affect its meaning, construction or effect.

(e) All references herein to payment of Bonds are references to payment of principal of and premium, if any, and interest on the Bonds.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Authority.

The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Documents and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Documents;

(c) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Documents will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the Authority, or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(d) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the

Basic Documents, except that no representation is made as to the applicability of any Federal or state securities laws; and

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Basic Documents, (3) the validity or enforceability of the Basic Documents or the Authority's performance of its obligations thereunder, (4) the title of any officer of the Authority executing the Basic Documents, or (5) the ability of the Authority to issue and sell its Bonds and undertake the Project.

Section 2.2. Representations by City.

The City makes the following representations:

(a) The City is a political subdivision of the Commonwealth of Virginia;

(b) The City has full power and authority to enter into the Basic Documents to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Documents;

(c) The City is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(d) The City is not in default under or in violation of, and the execution, delivery and compliance by the City with the terms and conditions of the Basic Documents to which it is a party will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the City or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the City or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the City with the terms and conditions of the Basic Documents to which it is a party; and

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the City pending or, to the knowledge of the City, threatened with respect to (1) the authority of the City to execute and deliver the Basic Documents to which it is a party, (2) the validity or enforceability of such Basic Documents or the City's performance of its obligations thereunder, or (3) the title of any officer of the City executing such Basic Documents.

(g) The Project has been determined to be essential to the City's economic development and future revenue growth, and the City Council anticipates that the Project will continue to be essential to the City's economic development and future revenue growth during the term of this Support Agreement.

ARTICLE III

AGREEMENT TO ISSUE BONDS

Section 3.1. Agreement to Issue Bonds.

The Authority hereby agrees, simultaneously with the execution and delivery hereof, to proceed with the issuance and sale of the Bonds, bearing interest, maturing and having the other terms and provisions set forth in the Indenture. The proceeds of the Bonds will be used to finance the costs of the Project. Subject to the limitation of Section 4.4, the City agrees to make all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments when and as the same shall become due and payable.

Section 3.2. Limitation of Authority's Liability.

Anything contained in this Support Agreement to the contrary notwithstanding, any obligation the Authority may incur in connection with the issuance of the Bonds for the payment of money shall not be deemed to constitute a debt or general obligation of the Authority within any constitutional or statutory limitations, but shall be a limited obligation payable solely from the revenues and receipts derived by it pursuant to this Support Agreement and the County Support Agreement.

Section 3.3. Compliance with Indenture.

If the City is not in default under this Support Agreement, the Authority, at the request of the City, shall take (a) if the Bonds are then redeemable under the Indenture, all steps that may be necessary to effect redemption thereunder and (b) any other action required by the Indenture. By its execution of this Support Agreement, the City acknowledges its approval of all the terms and conditions set forth in the Indenture.

ARTICLE IV

PAYMENT OBLIGATIONS

Section 4.1. Amounts Payable.

(a) (1) Subject to the limitation of Section 4.4, the City shall pay to the Authority or its assignee the Annual Payments. The Annual Payments shall be payable without notice or demand at the principal corporate trust office of the Trustee. In the event of an acceleration of Bonds under the Indenture, the City agrees to pay to the Trustee, subject to the limitation of Section 4.4, an amount equal to all Annual Payments payable or to become payable under this Support Agreement to enable the Trustee to pay, together with amounts payable under the County Support Agreement, in full the principal of and interest on all Bonds then Outstanding, to

the extent moneys are available therefor. The City shall receive a credit against its obligation to make the next succeeding Annual Payment due under this Support Agreement in an amount equal to any amounts on deposit in the Bond Fund and any interest income derived from the investment thereof held by the Trustee in the Bond Fund, provided that such amounts will be available to apply to the next succeeding Annual Payment on the Bonds then Outstanding.

(2) The Authority, in conjunction with the County and the City, will determine, as part of its budget process, by March 15 of each year the Annual Payment to be requested from, and paid (subject to the limitation of Section 4.4) by, the City for the immediately succeeding fiscal year. In calculating such payments, the Authority shall use the principal amount (if any) due on the Bonds in the succeeding fiscal year. In determining the interest component of the Annual Payment, the Authority shall calculate interest at a rate equal to the actual fixed rate or fixed rates on the Bonds.

(b) Subject to the limitation of Section 4.4 and subject to the terms of a more specific agreement as to compensation entered into by the City, the County and/or the Authority and the Trustee, the City agrees to make Additional Payments to pay to the Trustee until payment in full of all Bonds then Outstanding one-half of its reasonable fees for (i) services rendered and for expenses reasonably incurred by the Trustee under the Indenture and (ii) any cost or expense necessary to cancel and discharge the Indenture upon payment of all Bonds then Outstanding.

(c) Subject to the limitation of Section 4.4, the City agrees to make Additional Payments to pay one-half of (1) any expenses incurred by the Authority (including reasonable attorney's fees and expenses) in connection with (A) its obligations under this Support Agreement and the other Basic Documents, (B) the issuance of the Bonds and (C) any prepayment or redemption of the Bonds and (2) all other amounts which the City agrees to pay under the terms of this Support Agreement, but not including Annual Payments and Debt Service Reserve Fund Payments.

(d) If at any time the City becomes aware, through notification by the Trustee or otherwise, that funds have been withdrawn from the Debt Service Reserve Fund to make any payment of principal of or interest on the Bonds, the City Council hereby directs the City Manager to request an appropriation from the City Council in the amount of the Debt Service Reserve Fund Payment. The City Council shall consider such request at its next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. The City Council also directs the City Manager to notify the Trustee and the Authority promptly after such meeting as to whether the amount so requested was appropriated. If the City Council shall fail to make such appropriation, the amount of such requested appropriation shall be added by the City Manager to the Annual Payment for the City's next fiscal year.

Section 4.2. Payments Assigned.

The Authority and the City acknowledge and agree that this Support Agreement and all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments (except the rights of the Authority to receive payment of its expenses, to receive notices and to give consents) are assigned by the Indenture to the Trustee. The City consents to such assignment and agrees to pay to the Trustee all amounts payable by the City that are so assigned.

Section 4.3. Obligation Unconditional.

Except as otherwise provided in this Support Agreement, including the limitation in Section 4.4, the obligations of the City to make all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments and to observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional, irrespective of any right of setoff, recoupment or counterclaim the City may otherwise have against the Authority, and the City shall not suspend or discontinue any such Annual Payment, Debt Service Reserve Fund Payment or Additional Payment or fail to observe and perform any of its covenants, conditions and agreements hereunder.

Section 4.4. Appropriations of Annual Payments, Debt Service Reserve Fund Payments and Additional Payments.

While recognizing that it is not empowered to make any binding commitment to make Annual Payments, Debt Service Reserve Fund Payments and Additional Payments beyond the current Fiscal Year, the City Council in authorizing the execution of this Support Agreement has stated its intent to make annual appropriations sufficient to make the Annual Payments, Debt Service Reserve Fund Payments and Additional Payments, and as such it is hereby recognized by the parties hereto that this Support Agreement, to the extent permitted by law, creates strictly a moral obligation of the City to pay such amounts.

Notwithstanding anything in this Support Agreement to the contrary, the City's obligations to pay the cost of performing its obligations under this Support Agreement and the Indenture, including its obligations to pay all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments, shall be subject to and dependent upon appropriations being made from time to time by the City Council for such purpose; provided, however, that the City Manager or other officer charged with the responsibility for preparing the City's Annual Budget shall include in the budget for each Fiscal Year as a single appropriation the amount of all Annual Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of this Support Agreement, the City Manager or other officer charged with the responsibility for preparing the City's Annual Budget shall deliver to the Trustee and the Authority within 10 days after the adoption of the Annual Budget for each Fiscal Year, but not later than the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Annual Payments and Additional Payments which will come due during such Fiscal Year has been appropriated by the City Council in such budget. If any adopted Annual Budget does not include an appropriation of funds sufficient to pay both Annual Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the City Council shall take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to appropriate such funds. If, by the beginning of the Fiscal Year, the City Council has not appropriated funds for the payment of both Annual Payments and estimated Additional Payments coming due for the then current Fiscal Year, the City Manager or other officer charged with the responsibility for preparing the City's Annual Budget shall give written notice to the City Council of the consequences of such failure to appropriate, including the obligation of the Trustee to accelerate the Annual Payments in accordance with Article VIII, and request the City Council to consider a supplemental appropriation for such purposes.

If at any time the Annual Payments as determined pursuant to Section 4.1(a)(2) are insufficient to make one-half of the payments of principal and interest due on all Outstanding Bonds, the Authority (or the Trustee as assignee of the Authority) shall notify the City Manager (or other officer charged with the responsibility for preparing the City's Annual Budget) of the amount of such insufficiency, and the City Manager shall submit to the City Council at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation in the amount necessary to cover such insufficiency.

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1. Prepayment and Redemption.

The City shall have the option to prepay any Annual Payments at the times and in the amounts as necessary to enable the Authority to exercise its option to cause the Bonds to be redeemed as set forth in such Bonds. Such prepayments of Annual Payments shall be made at the times and in the amounts as necessary to accomplish the optional redemption of the Bonds as set forth in such Bonds. Upon the exercise of such option, the City shall also pay as Additional Payments, the amounts necessary to pay one-half of the premium, if any, due on such Bonds on the date or dates of their redemption.

The City shall direct the Authority to send to the Trustee notice of any redemption of the Bonds at least 30 days prior to the latest date that notice of redemption may be given pursuant to the Indenture, such notice to the Trustee to specify the redemption date, the principal amount of the Bonds to be redeemed, the premium, if any, and the section of the Indenture pursuant to which such redemption is to be made. The City shall send to the County a copy of the direction given to the Authority.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.1. Limitation of Liability of Directors, etc. of Authority and City.

No covenant, agreement or obligation contained in this Support Agreement shall be deemed to be a covenant, agreement or obligation of any past, present or future member, officer, director, employee or agent of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer thereof executing this Support Agreement shall be liable personally on this Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No member, director, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Support Agreement or the Act or any of the transactions contemplated hereby provided that he or she acts in good faith.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any past, present or future Council member, officer, employee or agent of the City in his or her individual capacity, and neither the members of the Council nor any officer of the City executing this Support Agreement shall be liable personally on this Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No Council member, officer, employee or agent of the City shall incur any personal liability with respect to any action taken by him or her pursuant to this Support Agreement or any of the transactions contemplated hereby, provided that he or she acts in good faith.

Section 6.2. Use of Proceeds.

The Authority and the City shall use the proceeds of the Bonds to finance the Project and pay the costs of issuance of the Bonds.

Section 6.3. Maintenance of Existence of Authority.

Except for the assignment of its rights under this Support Agreement to the Trustee pursuant to the Indenture, the Authority agrees that it will not assign, transfer or convey its interest in this Support Agreement or any of the revenues to be derived therefrom. The Authority further agrees that, until the Bonds have been paid in full, the Authority will not (a) dissolve or otherwise dispose of all or substantially all of its assets, (b) consolidate with or merge into any authority, corporation, association or other body, (c) permit any other authority, corporation, association or other body to consolidate with or merge into it, (d) act jointly with any other authority, corporation, association or other body (other than the City, the County and the Trustee) with respect to the transactions contemplated by this Support Agreement and the Indenture, or (e) take any action or refrain from taking any action which would (i) permit any of the foregoing to be required by operation of law or (ii) which would permit it, or require it by operation of law, to avoid its obligations under this Support Agreement or the Indenture or any other agreement contemplated hereby; provided, however, that nothing contained in this Section shall prevent the consolidation of the Authority with, or the merger of the Authority into, or the transfer of the interest of the Authority in this Support Agreement as an entirety to, any public corporation whose property and income are not subject to taxation and which has the corporate authority to carry out the transactions contemplated by this Support Agreement and the Indenture, but only on the condition that (A) reasonable prior notice of such consolidation, merger or transfer is given to the City, the County and the Trustee, and (B) upon any such consolidation, merger or transfer, the obligation of the Authority to make due and punctual payment of the principal of and redemption premium, if any, and interest on the Bonds according to their tenor and to perform and observe all of the agreements and conditions of this Support Agreement and the Indenture shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the interest of the Authority in this Support Agreement shall be transferred as an entirety.

Section 6.4. City Covenants. To assist the Authority in complying with certain of its obligations under the Basic Documents, the City agrees to provide, in accordance with the specifications provided in the Bond Purchase Agreement, (a) notice of any material litigation with respect to the City, (b) copies to the Underwriter of (1) the City's 2012 Fiscal Year budget,

(2) the City's financial statements within 180 days of the end of each of the City's Fiscal Years and (3) future budgets within 30 days of approval, and (c) any notices of any defaults with respect to any general obligation indebtedness or moral obligations of the City. The City also agrees to provide such information as maybe reasonably requested by the Underwriter for the Bonds or by Bond Counsel in order to comply with any applicable securities disclosure requirements or other applicable laws and regulations

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default.

(a) Each of the following events shall be an Event of Default:

(1) Default in the due and punctual payment of an Annual Payment when the same becomes due and payable and continuation of such failure for a period of five days; or

(2) Failure of the City to pay when due any other payment due under this Support Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the City to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the City is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder, the City shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; swarms of boll weevils and plagues of locusts; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The City shall remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City, and the City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the City not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, (1) failure by the City to pay when due any payment required to be made under this Support Agreement or (2) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Support Agreement, either of which results from failure of the City to appropriate moneys for such purposes, as described in Section 4.4, shall not constitute an

Event of Default. Upon any such failure to appropriate, the provisions of Article VIII shall be applicable.

Section 7.2. Remedies.

Whenever any Event of Default shall have happened and is continuing, the Authority may take any one or more of the following remedial steps, without further demand or notice: (a) declare immediately due and payable the entire unpaid principal balance of the Annual Payments due and thereafter to become due through and including the final installment payment of principal on any Bonds then Outstanding or (b) take whatever action at law or in equity may appear necessary or desirable to collect the Annual Payments, Debt Service Reserve Fund Payments and Additional Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Support Agreement. Any amounts received by the Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited in the Bond Fund and credited to the next Annual Payment to the extent such Annual Payments have not been paid in full. This provision shall survive termination of this Support Agreement.

Section 7.3. Reinstatement after Event of Default.

Notwithstanding the exercise by the Authority of any remedy granted by Section 7.2, if all overdue Annual Payments, together with any interest thereon, and all Additional Payments shall have been made, and payment on the Bonds has not been accelerated or such acceleration has been waived pursuant to the Indenture, then the City's default under this Support Agreement shall be waived without further action by the Authority. Upon such payment and waiver, this Support Agreement shall be fully reinstated and all Annual Payments will be due and payable in accordance with the previously determined schedule.

Section 7.4. No Remedy Exclusive.

No remedy conferred by this Support Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.5. No Additional Waiver Implied by One Waiver.

Failure by the Authority at any time to require performance by the City of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

Section 7.6. Attorneys' Fees and Other Expenses.

Subject to the limitation in Section 4.4, the City shall on demand pay to the Authority and the Trustee one-half of the reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Annual Payments, Debt Service Reserve Fund Payments or Additional Payments, or the enforcement of any other obligation of the City, or its agents, upon an Event of Default.

ARTICLE VIII

REMEDY FOR NONAPPROPRIATION

Section 8.1. Remedy for Nonappropriation.

If by June 15 of any year, the City Council has failed to appropriate moneys sufficient for the payment of Annual Payments and estimated Additional Payments for the following Fiscal Year, the City Manager shall give notice to the Authority, the Trustee and the Underwriter of such failure to appropriate within 5 Business Days thereafter, and if no such appropriation has been made by the beginning of such Fiscal Year, the Trustee as assignee on behalf of the Authority shall declare immediately due and payable the entire unpaid principal and interest of all Annual Payments due and thereafter to become due through and including the final payment of principal and interest on any Bonds then Outstanding.

Nothing contained in this Section shall be construed as affecting or superseding in any manner the provisions of Section 4.4.

ARTICLE IX

INDENTURE; AMENDMENTS; ASSIGNMENT

Section 9.1. Indenture; Covenants.

(a) Contemporaneously with the execution of this Support Agreement, the Authority has entered into the Indenture with the Trustee. The City shall not be obligated to take any notice of any sale, assignment, reassignment, pledge, mortgage, transfer or other disposition of any interest in this Support Agreement by the Authority, unless such sale, assignment, reassignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with Section 6.3 hereof.

(b) Subject to Section 4.4, the City covenants to take whatever action may be necessary for the Authority to comply with the Authority's covenants under the Indenture.

(c) The City agrees, for the benefit of the holders of the Bonds, to do and perform all acts and things contemplated in the Indenture to be done or performed by it. The Authority agrees that it shall not execute or permit any amendment or supplement to the Indenture which affects any right, power or authority of the City under this Support Agreement or requires a revision of this Support Agreement without the prior written consent of the City.

Section 9.2. Amendments.

This Support Agreement shall not be supplemented, amended or modified by the parties hereto prior to the payment of all Outstanding Bonds, without the consent of the Trustee.

Section 9.3. Assignment.

Simultaneously with the execution of this Support Agreement, the Authority has entered into the Indenture by which the Authority has assigned all of its rights in and to this Support Agreement (except its rights to receive payment of its expenses, to receive notices and to give consents) to the Trustee for the benefit of the holders of the Bonds. The City (a) consents to such assignment, (b) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Trustee to effect such assignment, (c) agrees to make all payments due to the Authority under this Support Agreement directly to the Trustee (except the Authority's rights to receive payment of its expenses, to receive notices and to give consents), subject to Section 4.4, and (d) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Support Agreement to the Authority shall include the Trustee for the benefit of the Bondholders and their successors and assigns, whether or not specific reference is otherwise made to the Trustee, unless the context requires otherwise.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices.

Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the City, at 427 Patton Street, Danville, Virginia 24541 (Attention: City Manager), (b) if to the Authority, c/o the City as Fiscal Agent, at 427 Patton Street, Danville, Virginia 24541 (Attention: City Manager) and (c) if to the Trustee, 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219 (Attention: Corporate Trust Department). The City, the Authority and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 10.2. Severability.

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

Section 10.3. Limited Liability of City.

Notwithstanding any provision hereof to the contrary, the obligations of the City under this Support Agreement are not general obligations of the City, nor shall they be deemed to be a

lending of the credit of the City to the Authority or to any other person or entity and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City. The obligations of the City hereunder are payable solely from amounts that are subject to annual appropriation. No officer, official, employee or agent of the City shall be personally liable on the City's obligations hereunder. The Authority shall not be liable under any circumstances for the actions of the City, as agent for the Authority, or for any actions of the City with respect to the Basic Documents. The Authority shall not be liable under any circumstances for the actions of the Trustee under the Basic Documents.

Section 10.4. Successors and Assigns.

This Support Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. The Trustee and the Underwriter are intended to be, and each shall be, a third party beneficiary of this Support Agreement.

Section 10.5. Counterparts.

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

Section 10.6. Governing Law.

This Support Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 10.7. Term of Agreement.

This Support Agreement shall commence on the date of issuance of the Bonds and will terminate on the date that no Bonds are Outstanding under the Indenture.

IN WITNESS WHEREOF, the parties have caused this Support Agreement to be duly executed and effective as of the 1st day of November, 2011, by their duly authorized representatives.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By:_____
Chairman

CITY OF DANVILLE, VIRGINIA

By:_____

Its:_____

Seen and agreed to:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

Its _____

RECEIPT

Receipt of the foregoing original counterpart of the Support Agreement dated as of November 1, 2011, between the Danville-Pittsylvania Regional Industrial Facility Authority and the City of Danville, Virginia, is hereby acknowledged.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

Its _____

1897360v4

SUPPORT AGREEMENT

between

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

and

COUNTY OF PITTSYLVANIA, VIRGINIA

Dated as of October 1, 2011

NOTE: THIS SUPPORT AGREEMENT HAS BEEN ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF, U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF OCTOBER 1, 2011, WITH THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY.

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THIS **SUPPORT AGREEMENT** dated as of the 1st day of October, 2011, by and between the **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a political subdivision of the Commonwealth of Virginia (the "Authority"), and the **COUNTY OF PITTSYLVANIA, VIRGINIA,** a political subdivision of the Commonwealth of Virginia (the "County"), provides:

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created pursuant to Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"); and

WHEREAS, the Act authorizes the Authority to borrow money to pay the costs of real estate and all improvements located in industrial parks intended to be occupied by manufacturing, warehousing, distribution, office or other commercial enterprises; and

WHEREAS, in order to further the purposes of the Act, the Authority proposes to undertake, as part of the development of an industrial park, the financing of land acquisition and related capital expenditures, including necessary expenses incidental thereto (collectively, the "Project"), and to obtain the funds therefor by the issuance of the Bonds (as hereinafter defined); and

WHEREAS, the County and the City of Danville, Virginia (the "City") agree with the need for the Project and agree that it will facilitate the development of the industrial park, and thus promote commerce and the prosperity of the citizens of the City and the County; and

WHEREAS, to finance the Project, the Authority has determined to issue pursuant to the terms of a Trust Indenture, dated as of October 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), its Revenue Bonds (Berryhill Project), Series 2011 in an amount not to exceed $13,700,000 (the "Bonds") and to use the proceeds thereof to finance costs incurred in connection with the Project for the benefit of the City and the County; and

WHEREAS, such Bonds will be secured by a pledge of the revenues and receipts received by the Authority from payments made by the County pursuant to this Support Agreement and by the City pursuant to a separate support agreement; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this Support Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Support Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

Unless otherwise defined in this Support Agreement, all words used herein shall have the meanings assigned to such terms in the Indenture. In addition to the words defined in the recitals hereto, the following words as used in this Support Agreement shall have the following meanings unless a different meaning clearly appears from the context:

"Additional Payment(s)" shall mean such payment or payments made by the County pursuant to Section 4.1(b) and (c) and Section 5.1.

"Annual Budget" shall mean the budget by that name referred to in Section 4.4.

"Annual Payment(s)" shall mean the payments made by the County under this Support Agreement as set forth in Section 4.1(a), which such payments are equal to one-half of the payments of principal and interest due on all Outstanding Bonds in each Fiscal Year.

"Basic Documents" shall mean the Indenture, this Support Agreement and the Bond Purchase Agreement.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated the date of its execution and delivery, between the Authority and the Underwriter.

"City Support Agreement" shall mean the Support Agreement, dated as of October 1, 2011, between the City and the Authority, as the same may be supplemented, amended or modified.

"Debt Service Reserve Fund Payment(s)" shall mean the payments made by the County under this Support Agreement as set forth in Section 4.1(d), which such payments are equal to one-half of the deficiency in the Debt Service Reserve Fund Requirement

"Event of Default" shall mean the events enumerated in Section 7.1.

"Fiscal Year" shall mean the twelve-month period beginning July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the County.

"Support Agreement" shall mean this Support Agreement, as such Support Agreement may be supplemented, amended or modified.

"Underwriter" shall mean Davenport & Company LLC.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this Support Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Support Agreement.

(d) The headings herein and Table of Contents to this Support Agreement herein are solely for convenience of reference and shall not constitute a part of this Support Agreement nor shall they affect its meaning, construction or effect.

(e) All references herein to payment of Bonds are references to payment of principal of and premium, if any, and interest on the Bonds.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Authority.

The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Documents and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Documents;

(c) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Documents will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the Authority, or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(d) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the

Basic Documents, except that no representation is made as to the applicability of any Federal or state securities laws; and

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Basic Documents, (3) the validity or enforceability of the Basic Documents or the Authority's performance of its obligations thereunder, (4) the title of any officer of the Authority executing the Basic Documents, or (5) the ability of the Authority to issue and sell its Bonds and undertake the Project.

Section 2.2. Representations by County.

The County makes the following representations:

(a) The County is a political subdivision of the Commonwealth of Virginia;

(b) The County has full power and authority to enter into the Basic Documents to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Documents;

(c) The County is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(d) The County is not in default under or in violation of, and the execution, delivery and compliance by the County with the terms and conditions of the Basic Documents to which it is a party will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the County or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the County or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the County with the terms and conditions of the Basic Documents to which it is a party; and

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to the knowledge of the County, threatened with respect to (1) the authority of the County to execute and deliver the Basic Documents to which it is a party, (2) the validity or enforceability of such Basic Documents or the County's performance of its obligations thereunder, or (3) the title of any officer of the County executing such Basic Documents.

(g) The Project has been determined to be essential to the County's economic development and future revenue growth, and the Board of Supervisors anticipates that the Project will continue to be essential to the County's economic development and future revenue growth during the term of this Support Agreement.

ARTICLE III

AGREEMENT TO ISSUE BONDS

Section 3.1. Agreement to Issue Bonds.

The Authority hereby agrees, simultaneously with the execution and delivery hereof, to proceed with the issuance and sale of the Bonds, bearing interest, maturing and having the other terms and provisions set forth in the Indenture. The proceeds of the Bonds will be used to finance the costs of the Project. Subject to the limitation of Section 4.4, the County agrees to make all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments when and as the same shall become due and payable.

Section 3.2. Limitation of Authority's Liability.

Anything contained in this Support Agreement to the contrary notwithstanding, any obligation the Authority may incur in connection with the issuance of the Bonds for the payment of money shall not be deemed to constitute a debt or general obligation of the Authority within any constitutional or statutory limitations, but shall be a limited obligation payable solely from the revenues and receipts derived by it pursuant to this Support Agreement and the City Support Agreement.

Section 3.3. Compliance with Indenture.

If the County is not in default under this Support Agreement, the Authority, at the request of the County, shall take (a) if the Bonds are then redeemable under the Indenture, all steps that may be necessary to effect redemption thereunder and (b) any other action required by the Indenture. By its execution of this Support Agreement, the County acknowledges its approval of all the terms and conditions set forth in the Indenture.

ARTICLE IV

PAYMENT OBLIGATIONS

Section 4.1. Amounts Payable.

(a) (1) Subject to the limitation of Section 4.4, the County shall pay to the Authority or its assignee the Annual Payments. The Annual Payments shall be payable without notice or demand at the principal corporate trust office of the Trustee. In the event of an acceleration of Bonds under the Indenture, the County agrees to pay to the Trustee, subject to the limitation of Section 4.4, an amount equal to all Annual Payments payable or to become payable under this Support Agreement to enable the Trustee to pay, together with amounts payable under the County Support Agreement, in full the principal of and interest on all Bonds then Outstanding, to

the extent moneys are available therefor. The County shall receive a credit against its obligation to make the next succeeding Annual Payment due under this Support Agreement in an amount equal to any amounts on deposit in the Bond Fund and any interest income derived from the investment thereof held by the Trustee in the Bond Fund, provided that such amounts will be available to apply to the next succeeding Annual Payment on the Bonds then Outstanding.

(2) The Authority, in conjunction with the County and the City, will determine, as part of its budget process, by March 15 of each year the Annual Payment to be requested from, and paid (subject to the limitation of Section 4.4) by, the County for the immediately succeeding fiscal year. In calculating such payments, the Authority shall use the principal amount (if any) due on the Bonds in the succeeding fiscal year. In determining the interest component of the Annual Payment, the Authority shall calculate interest at a rate equal to the actual fixed rate or fixed rates on the Bonds.

(b) Subject to the limitation of Section 4.4 and subject to the terms of a more specific agreement as to compensation entered into by the City, the County and/or the Authority and the Trustee, the County agrees to make Additional Payments to pay to the Trustee until payment in full of all Bonds then Outstanding one-half of its reasonable fees for (i) services rendered and for expenses reasonably incurred by the Trustee under the Indenture and (ii) any cost or expense necessary to cancel and discharge the Indenture upon payment of all Bonds then Outstanding.

(c) Subject to the limitation of Section 4.4, the County agrees to make Additional Payments to pay one-half of (1) any expenses incurred by the Authority (including reasonable attorney's fees and expenses) in connection with (A) its obligations under this Support Agreement and the other Basic Documents, (B) the issuance of the Bonds and (C) any prepayment or redemption of the Bonds and (2) all other amounts which the County agrees to pay under the terms of this Support Agreement, but not including Annual Payments and Debt Service Reserve Fund Payments.

(d) If at any time the County becomes aware, through notification by the Trustee or otherwise, that funds have been withdrawn from the Debt Service Reserve Fund to make any payment of principal of or interest on the Bonds, the Board of Supervisors hereby directs the County Administrator to request an appropriation from the Board of Supervisors in the amount of the Debt Service Reserve Fund Payment. The Board of Supervisors shall consider such request at its next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. The Board of Supervisors also directs the County Administrator to notify the Trustee and the Authority promptly after such meeting as to whether the amount so requested was appropriated. If the Board of Supervisors shall fail to make such appropriation, the amount of such requested appropriation shall be added by the County Administrator to the Annual Payment for the County's next fiscal year.

Section 4.2. Payments Assigned.

The Authority and the County acknowledge and agree that this Support Agreement and all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments (except the rights of the Authority to receive payment of its expenses, to receive notices and to give

consents) are assigned by the Indenture to the Trustee. The County consents to such assignment and agrees to pay to the Trustee all amounts payable by the County that are so assigned.

Section 4.3. Obligation Unconditional.

Except as otherwise provided in this Support Agreement, including the limitation in Section 4.4, the obligations of the County to make all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments and to observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional, irrespective of any right of setoff, recoupment or counterclaim the County may otherwise have against the Authority, and the County shall not suspend or discontinue any such Annual Payment, Debt Service Reserve Fund Payment or Additional Payment or fail to observe and perform any of its covenants, conditions and agreements hereunder.

Section 4.4. Appropriations of Annual Payments, Debt Service Reserve Fund Payments and Additional Payments.

While recognizing that it is not empowered to make any binding commitment to make Annual Payments, Debt Service Reserve Fund Payments and Additional Payments beyond the current Fiscal Year, the Board of Supervisors in authorizing the execution of this Support Agreement has stated its intent to make annual appropriations sufficient to make the Annual Payments, Debt Service Reserve Fund Payments and Additional Payments, and as such it is hereby recognized by the parties hereto that this Support Agreement, to the extent permitted by law, creates strictly a moral obligation of the County to pay such amounts.

Notwithstanding anything in this Support Agreement to the contrary, the County's obligations to pay the cost of performing its obligations under this Support Agreement and the Indenture, including its obligations to pay all Annual Payments, Debt Service Reserve Fund Payments and Additional Payments, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose; provided, however, that the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall include in the budget for each Fiscal Year as a single appropriation the amount of all Annual Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of this Support Agreement, the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall deliver to the Trustee and the Authority within 10 days after the adoption of the Annual Budget for each Fiscal Year, but not later than the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Annual Payments and Additional Payments which will come due during such Fiscal Year has been appropriated by the Board of Supervisors in such budget. If any adopted Annual Budget does not include an appropriation of funds sufficient to pay both Annual Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the Board of Supervisors shall take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to appropriate such funds. If, by the beginning of the Fiscal Year, the Board of Supervisors has not appropriated funds for the payment of both Annual Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall give written notice to the Board of

Supervisors of the consequences of such failure to appropriate, including the obligation of the Trustee to accelerate the Annual Payments in accordance with Article VIII, and request the Board of Supervisors to consider a supplemental appropriation for such purposes.

If at any time the Annual Payments as determined pursuant to Section 4.1(a)(2) are insufficient to make one-half of the payments of principal and interest due on all Outstanding Bonds, the Authority (or the Trustee as assignee of the Authority) shall notify the County Administrator (or other officer charged with the responsibility for preparing the County's Annual Budget) of the amount of such insufficiency, and the County Administrator shall submit to the Board of Supervisors at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation in the amount necessary to cover such insufficiency.

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1. Prepayment and Redemption.

The County shall have the option to prepay any Annual Payments at the times and in the amounts as necessary to enable the Authority to exercise its option to cause the Bonds to be redeemed as set forth in such Bonds. Such prepayments of Annual Payments shall be made at the times and in the amounts as necessary to accomplish the optional redemption of the Bonds as set forth in such Bonds. Upon the exercise of such option, the County shall also pay as Additional Payments, the amounts necessary to pay one-half of the premium, if any, due on such Bonds on the date or dates of their redemption.

The County shall direct the Authority to send to the Trustee notice of any redemption of the Bonds at least 30 days prior to the latest date that notice of redemption may be given pursuant to the Indenture, such notice to the Trustee to specify the redemption date, the principal amount of the Bonds to be redeemed, the premium, if any, and the section of the Indenture pursuant to which such redemption is to be made. The County shall send to the City a copy of the direction given to the Authority.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.1. Limitation of Liability of Directors, etc. of Authority and County.

No covenant, agreement or obligation contained in this Support Agreement shall be deemed to be a covenant, agreement or obligation of any past, present or future member, officer, director, employee or agent of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer thereof executing this Support Agreement shall be liable personally on this Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No member, director, officer, employee or agent of the Authority shall incur any personal liability with respect to any other

action taken by him or her pursuant to this Support Agreement or the Act or any of the transactions contemplated hereby provided that he or she acts in good faith.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any past, present or future Board Member, officer, employee or agent of the County in his or her individual capacity, and neither the members of the Board nor any officer of the County executing this Support Agreement shall be liable personally on this Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No Board Member, officer, employee or agent of the County shall incur any personal liability with respect to any action taken by him or her pursuant to this Support Agreement or any of the transactions contemplated hereby, provided that he or she acts in good faith.

Section 6.2. Use of Proceeds.

The Authority and the County shall use the proceeds of the Bonds to finance the Project and pay the costs of issuance of the Bonds.

Section 6.3. Maintenance of Existence of Authority.

Except for the assignment of its rights under this Support Agreement to the Trustee pursuant to the Indenture, the Authority agrees that it will not assign, transfer or convey its interest in this Support Agreement or any of the revenues to be derived therefrom. The Authority further agrees that, until the Bonds have been paid in full, the Authority will not (a) dissolve or otherwise dispose of all or substantially all of its assets, (b) consolidate with or merge into any authority, corporation, association or other body, (c) permit any other authority, corporation, association or other body to consolidate with or merge into it, (d) act jointly with any other authority, corporation, association or other body (other than the City, the County and the Trustee) with respect to the transactions contemplated by this Support Agreement and the Indenture, or (e) take any action or refrain from taking any action which would (i) permit any of the foregoing to be required by operation of law or (ii) which would permit it, or require it by operation of law, to avoid its obligations under this Support Agreement or the Indenture or any other agreement contemplated hereby; provided, however, that nothing contained in this Section shall prevent the consolidation of the Authority with, or the merger of the Authority into, or the transfer of the interest of the Authority in this Support Agreement as an entirety to, any public corporation whose property and income are not subject to taxation and which has the corporate authority to carry out the transactions contemplated by this Support Agreement and the Indenture, but only on the condition that (A) reasonable prior notice of such consolidation, merger or transfer is given to the City, the County and the Trustee, and (B) upon any such consolidation, merger or transfer, the obligation of the Authority to make due and punctual payment of the principal of and redemption premium, if any, and interest on the Bonds according to their tenor and to perform and observe all of the agreements and conditions of this Support Agreement and the Indenture shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the interest of the Authority in this Support Agreement shall be transferred as an entirety.

Section 6.4. County Covenants. To assist the Authority in complying with certain of its obligations under the Basic Documents, the County agrees to provide, in accordance with the specifications provided in the Bond Purchase Agreement, (a) notice of any material litigation with respect to the County, (b) copies to the Underwriter of (1) the County's 2012 Fiscal Year budget, (2) the County's financial statements within 180 days of the end of each of the County's Fiscal Years and (3) future budgets within 30 days of approval, and (c) any notices of any defaults with respect to any general obligation indebtedness or moral obligations of the County. The County also agrees to provide such information as maybe reasonably requested by the Underwriter for the Bonds or by Bond Counsel in order to comply with any applicable securities disclosure requirements or other applicable laws and regulations.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default.

(a) Each of the following events shall be an Event of Default:

(1) Default in the due and punctual payment of an Annual Payment when the same becomes due and payable and continuation of such failure for a period of five days; or

(2) Failure of the County to pay when due any other payment due under this Support Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the County is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder, the County shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; swarms of boll weevils and plagues of locusts; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The County shall remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the County not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, (1) failure by the County to pay when due any payment required to be made under this Support Agreement or (2) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Support Agreement, either of which results from failure of the County to appropriate moneys for such purposes, as described in Section 4.4, shall not constitute an Event of Default. Upon any such failure to appropriate, the provisions of Article VIII shall be applicable.

Section 7.2. Remedies.

Whenever any Event of Default shall have happened and is continuing, the Authority may take any one or more of the following remedial steps, without further demand or notice: (a) declare immediately due and payable the entire unpaid principal balance of the Annual Payments due and thereafter to become due through and including the final installment payment of principal on any Bonds then Outstanding or (b) take whatever action at law or in equity may appear necessary or desirable to collect the Annual Payments, Debt Service Reserve Fund Payments and Additional Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Support Agreement. Any amounts received by the Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited in the Bond Fund and credited to the next Annual Payment to the extent such Annual Payments have not been paid in full. This provision shall survive termination of this Support Agreement.

Section 7.3. Reinstatement after Event of Default.

Notwithstanding the exercise by the Authority of any remedy granted by Section 7.2, if all overdue Annual Payments, together with any interest thereon, and all Additional Payments shall have been made, and payment on the Bonds has not been accelerated or such acceleration has been waived pursuant to the Indenture, then the County's default under this Support Agreement shall be waived without further action by the Authority. Upon such payment and waiver, this Support Agreement shall be fully reinstated and all Annual Payments will be due and payable in accordance with the previously determined schedule.

Section 7.4. No Remedy Exclusive.

No remedy conferred by this Support Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.5. No Additional Waiver Implied by One Waiver.

Failure by the Authority at any time to require performance by the County of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor

shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

Section 7.6. Attorneys' Fees and Other Expenses.

Subject to the limitation in Section 4.4, the County shall on demand pay to the Authority and the Trustee one-half of the reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Annual Payments, Debt Service Reserve Fund Payments or Additional Payments, or the enforcement of any other obligation of the County, or its agents, upon an Event of Default.

ARTICLE VIII

REMEDY FOR NONAPPROPRIATION

Section 8.1. Remedy for Nonappropriation.

If by June 15 of any year, the Board of Supervisors has failed to appropriate moneys sufficient for the payment of Annual Payments and estimated Additional Payments for the following Fiscal Year, the County Administrator shall give notice to the Authority, the Trustee and the Underwriter of such failure to appropriate within 5 Business Days thereafter, and if no such appropriation has been made by the beginning of such Fiscal Year, the Trustee as assignee on behalf of the Authority shall declare immediately due and payable the entire unpaid principal and interest of all Annual Payments due and thereafter to become due through and including the final payment of principal and interest on any Bonds then Outstanding.

Nothing contained in this Section shall be construed as affecting or superseding in any manner the provisions of Section 4.4.

ARTICLE IX

INDENTURE; AMENDMENTS; ASSIGNMENT

Section 9.1. Indenture; Covenants.

(a) Contemporaneously with the execution of this Support Agreement, the Authority has entered into the Indenture with the Trustee. The County shall not be obligated to take any notice of any sale, assignment, reassignment, pledge, mortgage, transfer or other disposition of any interest in this Support Agreement by the Authority, unless such sale, assignment, reassignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with Section 6.3 hereof.

(b) Subject to Section 4.4, the County covenants to take whatever action may be necessary for the Authority to comply with the Authority's covenants under the Indenture.

(c) The County agrees, for the benefit of the holders of the Bonds, to do and perform all acts and things contemplated in the Indenture to be done or performed by it. The Authority agrees that it shall not execute or permit any amendment or supplement to the Indenture which

affects any right, power or authority of the County under this Support Agreement or requires a revision of this Support Agreement without the prior written consent of the County.

Section 9.2. Amendments.

This Support Agreement shall not be supplemented, amended or modified by the parties hereto prior to the payment of all Outstanding Bonds, without the consent of the Trustee.

Section 9.3. Assignment.

Simultaneously with the execution of this Support Agreement, the Authority has entered into the Indenture by which the Authority has assigned all of its rights in and to this Support Agreement (except its rights to receive payment of its expenses, to receive notices and to give consents) to the Trustee for the benefit of the holders of the Bonds. The County (a) consents to such assignment, (b) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Trustee to effect such assignment, (c) agrees to make all payments due to the Authority under this Support Agreement directly to the Trustee (except the Authority's rights to receive payment of its expenses, to receive notices and to give consents), subject to Section 4.4, and (d) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Support Agreement to the Authority shall include the Trustee for the benefit of the Bondholders and their successors and assigns, whether or not specific reference is otherwise made to the Trustee, unless the context requires otherwise.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices.

Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the County, at 21 North Main Street, Chatham, Virginia 24531 (Attention: County Administrator), (b) if to the Authority, c/o the City as Fiscal Agent, at 427 Patton Street, Danville, Virginia 24541 (Attention: City Manager) and (c) if to the Trustee, 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219 (Attention: Corporate Trust Department). The County, the Authority and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 10.2. Severability.

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

Section 10.3. Limited Liability of County.

Notwithstanding any provision hereof to the contrary, the obligations of the County under this Support Agreement are not general obligations of the County, nor shall they be deemed to be a lending of the credit of the County to the Authority or to any other person or entity and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County. The obligations of the County hereunder are payable solely from amounts that are subject to annual appropriation. No officer, official, employee or agent of the County shall be personally liable on the County's obligations hereunder. The Authority shall not be liable under any circumstances for the actions of the County with respect to the Basic Documents. The Authority shall not be liable under any circumstances for the actions of the Trustee under the Basic Documents.

Section 10.4. Successors and Assigns.

This Support Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. The Trustee and the Underwriter are intended to be, and each shall be, a third party beneficiary of this Support Agreement.

Section 10.5. Counterparts.

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

Section 10.6. Governing Law.

This Support Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 10.7. Term of Agreement.

This Support Agreement shall commence on the date of issuance of the Bonds and will terminate on the date that no Bonds are Outstanding under the Indenture.

IN WITNESS WHEREOF, the parties have caused this Support Agreement to be duly executed and effective as of the 1st day of October, 2011, by their duly authorized representatives.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By:_____
Chairman

COUNTY OF PITTSYLVANIA, VIRGINIA

By:_____

Its:_____

Seen and agreed to:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

Its _____

RECEIPT

Receipt of the foregoing original counterpart of the Support Agreement dated as of October 1, 2011, between the Danville-Pittsylvania Regional Industrial Facility Authority and the County of Pittsylvania, Virginia, is hereby acknowledged.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

Its_____

1897350v3

ASSIGNMENT AGREEMENT

This Assignment Agreement is made as of November 1, 2011 (the "Agreement") by and among the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority"), U.S. Bank National Association, as Trustee (the "Trustee"), the City of Danville, Virginia (the "City") and Pittsylvania County, Virginia (the "County");

WITNESSETH:

WHEREAS, the Authority is a political subdivision created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended, (the "Act"); and

WHEREAS, in order to further the purposes of the Act, the Authority proposes to undertake, as part of the development of an industrial park, the financing of land acquisition and related capital expenditures (the "Project"), and to obtain the funds therefor by the issuance of its Revenue Bonds, Series 2011 in the maximum principal amount of $13,700,000 (the "Bonds") pursuant to an Indenture of Trust, dated as of November 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the principal of and interest on the Bonds (the "Debt Service") are to be paid in part from payments allocated for such purpose by the Virginia Tobacco Indemnification and Community Revitalization Commission (the "Commission"); and

WHEREAS, the Commission has adopted a Resolution (the "Grant Resolution") stating its intent to allocate and pay the sum of $2,901,987.50 to the City and $2,901,987.50 to the County (collectively, the "Grant") for the payment of Debt Service, and the City and the County have each executed a Letter of Agreement – Grant Funds regarding their obligations under the Grant (the "Letter of Agreement");

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, and in order to induce the Authority to issue the Bonds, the parties hereto agree as follows:

1. The County and the City agree to take all actions required by the Commission in order to receive the Grant pursuant to the Grant Resolution and the Letter of Agreement; provided, however, that in the event that legal action is necessary against the Commission in order to require the Commission to fulfill its obligations under or in connection with the Grant Resolution, the City and County agree to either pursue such legal action or assign their respective rights to pursue such legal action to the Trustee and cooperate with the Trustee and pay, subject to appropriation, all fees, expenses and costs incurred by the Trustee (including, without limitation, the Trustee's reasonable attorneys fees) in connection with the same.

2. The County and the City agree that they will file the appropriate applications, requests and/or other materials with the Commission in sufficient time to obtain the Grant by such date as will enable the payment of the Debt Service on the Bonds in accordance with the Indenture.

3. The County and the City acknowledge and agree that the Grant is restricted solely to the payment of Debt Service by the terms of the Grant Resolution and may not be used for any other purpose.

4. Promptly upon the receipt of its respective portion of the Grant, the County and City shall each deposit, on behalf of the Authority, its portion of the Grant with the Trustee to be held pursuant to the Indenture.

5. The County and the City each further irrevocably pledge and assign, to the extent permitted by law, the Grant to the extent of their interest in the same to the Trustee as security for, and for payment of, the Bonds.

6. This Agreement shall be governed by the substantive law of the Commonwealth of Virginia, exclusive of its conflicts of laws provisions.

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

8. This Agreement and all the covenants, stipulations, provisions, agreements, rights and remedies contained herein shall bind and inure to the benefit of the parties hereto and their successors and assigns.

9. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

10. The City and the County shall take all such actions and execute all such documents as may be reasonably required by the Authority or the Trustee to protect or preserve the rights and benefits granted to the Trustee and the Authority hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed and delivered by its duly authorized officers all as of the 1st day of November, 2011.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By:_____
Its: _____

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:_____
Its: _____

CITY OF DANVILLE, VIRGINIA

By:_____
Its: _____

PITTSYLVANIA COUNTY, VIRGINIA

By:_____
Its: _____

1897494v5

TRUST INDENTURE

Between

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION
as trustee

Dated as of November 1, 2011

$13,700,000
Danville-Pittsylvania Regional Industrial Facility Authority
Revenue Bonds
(Berryhill Project),
Series 2011

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of November 1, 2011 (the "Indenture"), between the **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Authority"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association having a corporate trust office in Richmond, Virginia (in its capacity as trustee, the "Trustee"):

WITNESSETH:

WHEREAS, the Authority is a political subdivision created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"); and

WHEREAS, the Authority is authorized and empowered under and pursuant to the provisions of the Act to borrow money to pay the costs of real estate and all improvements located in industrial parks intended to be occupied by manufacturing, warehousing, distribution, office or other commercial enterprises; and

WHEREAS, in order to further the purposes of the Act, the Authority proposes to finance, as part of the development of an industrial park, land acquisition and related capital expenditures (collectively, the "Project"), as well as other necessary expenses incidental thereto, and to obtain funds therefor by the issuance of the Bonds (hereinafter defined) pursuant to this Indenture; and

WHEREAS, the Authority intends to assign to the Trustee as security for the Bonds that may be issued hereunder certain of the Authority's rights hereunder; and

WHEREAS, the execution and delivery of this Indenture and the issuance, sale and delivery of the Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by a resolution duly adopted by the Authority; and

WHEREAS, such Bonds and the Trustee's certificate of authentication to be endorsed thereon are to be in substantially the form attached hereto as Exhibit A, with appropriate variations, omissions and inserts as are permitted or required by this Indenture; and

WHEREAS, the Bonds are limited obligations of the Authority payable solely from the revenues and receipts described herein, and neither the faith and credit nor the taxing powers of the Authority or the Commonwealth of Virginia (the "Commonwealth") or any political subdivision thereof are pledged to the payment of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal limited obligations of the Authority according to the import thereof, and to constitute this Indenture a valid assignment and pledge of revenues to the payment of the principal of and premium, if any, and interest on the Bonds, in accordance with the provisions hereof, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Registered Owners, and also for and in consideration of the sum of One Dollar to the Authority in hand paid by the Trustee at or before the execution and delivery of this Indenture, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, delivered, secured and accepted by the Registered Owners, and in order to secure the payment of the Bonds at any time issued and outstanding hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained;

THE AUTHORITY DOES HEREBY PLEDGE AND ASSIGN, and grant a security interest unto the Trustee and its successors and assigns for the benefit of the Registered Owners in all right, title and interest of the Authority presently owned or hereafter acquired in and to the following (collectively, the "Trust Estate"):

A. All money, securities and investments at any time on deposit in, in transit to or credited to any account or fund created hereunder, including without limitation the Project Fund, the Bond Fund and the Debt Service Reserve Fund;

B. The Revenues (as hereinafter defined);

C. The right and interest of the Authority in and to the Support Agreements;

D. The right and interest of the Authority in and to the Assignment Agreement;

E. All other property of any kind mortgaged, pledged or hypothecated by the Authority or by anyone on its behalf or with its consent at any time as and for additional security under this Indenture in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of this Indenture.

and it is so mutually agreed and covenanted by and between the parties hereto for the equal and proportionate benefit and security of the Registered Owners without preference, priority or distinction as to lien or otherwise, except as hereinafter provided, of any one Bond over any other Bond, by reason of priority in the issue, sale or negotiation thereof or otherwise, for the benefit of the Registered Owners and as security for the fulfillment of the obligations of the Authority hereunder;

TO HAVE AND TO HOLD the same forever, subject, however, to the exceptions, reservations and matters therein and herein recited but IN TRUST, nevertheless, for the benefit and security of the Registered Owners from time to time of the Bonds delivered hereunder and issued by the Authority and outstanding;

PROVIDED, HOWEVER, that if the principal of, premium, if any, and interest on, the Bonds and any other obligations arising hereunder shall have been paid to the Registered Owners, then this Indenture and all covenants, agreements and other obligations of the Authority hereunder shall cease, terminate and be void, and thereupon the Trustee shall cancel and

discharge this Indenture and execute and deliver to the Authority such instruments in writing as shall be required to evidence the discharge hereof; and

PROVIDED, FURTHER, that the Trustee undertakes or assumes no obligations of the Authority as set forth in this Indenture;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the Bonds issued and secured hereunder are to be issued and delivered and the Trust Estate pledged and assigned is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the Registered Owners, as follows:

ARTICLE I

Definitions and Rules of Construction

Section 1.01. Definitions. As used in this Indenture, the following terms shall have the following meanings unless the context otherwise requires:

"Act" means Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended.

"Assignment Agreement" means the Assignment Agreement, dated as of November 1, 2011, among the County, the City, the Authority and the Trustee, pursuant to which the City and the County have assigned to the Trustee their rights to receive certain funds from the Virginia Tobacco Indemnification and Community Revitalization Commission, as the same may be amended or supplemented from time to time.

"Authority" means the Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision and public body corporate and politic of the Commonwealth.

"Authorized Representative" shall mean any person or persons designated to act on behalf of the Authority by certificate signed by its Chairman and filed with the Trustee.

"Basic Documents" means this Indenture, the Support Agreements, the Assignment Agreement and the Continuing Disclosure Agreement.

"Bond" or "Bonds" mean the Danville-Pittsylvania Regional Industrial Facility Authority Revenue Bonds (Berryhill Project), Series 2011, in an aggregate principal amount not to exceed $13,700,000.

"Bond Counsel" means an attorney or firm of attorneys (designated by the Authority and acceptable to the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Fund" means the trust fund created by Section 5.05 hereof.

"Bond Resolution" means the resolution adopted by the Authority on October 11, 2011 with respect to the issuance and sale of the Bonds.

"Business Day" means a day on which banks located in Richmond, Virginia, are not required or authorized by law or executive order to remain closed.

"City" means the City of Danville, Virginia.

"City Support Agreement" means the City Support Agreement, dated as of November 1, 2011, between the City and the Authority, pursuant to which the City has agreed to pay, subject to annual appropriation, fifty percent (50%) of the debt service on the Bonds and fifty percent (50%) of all other annual costs incurred in connection with the Bonds, as such agreement may be amended or supplemented from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable regulations, proposed regulations, procedures and rulings thereunder.

"Commonwealth" means the Commonwealth of Virginia.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement dated as of the date of the issuance of the Bonds among the City, the County and the Authority, as such agreement may be amended or supplemented from time to time.

"County" means Pittsylvania County, Virginia

"County Support Agreement" means the County Support Agreement, dated as of November 1, 2011, between the County and the Authority, pursuant to which the County has agreed to pay, subject to annual appropriation, fifty percent (50%) of the debt service on the Bonds and fifty percent (50%) of all other annual costs incurred in connection with the Bonds, as such agreement may be amended or supplemented from time to time.

"Debt Service Reserve Fund" means the Debt Service Reserve Fund established in Section 5.07.

"Debt Service Reserve Fund Requirement" means $2,000,000, of which $1,000,000 is to be provided by the City and $1,000,000 is to be provided by the County.

"Event of Default" means a default in the payment of principal of (whether at maturity or otherwise), premium, if any, or interest on any Bond.

"Holder," "Bondholder" or "Registered Owner" means the registered owner of any Bond as reflected on the record books maintained by the Trustee.

"Indenture" means this Trust Indenture as it may be amended or supplemented from time to time.

"Interest Payment Date" means each November 1 and May 1, commencing May 1, 2012 to and including the final maturity date and any redemption dates.

"Letter of Representations" means the Blanket Issuer Letter of Representations dated June 12, 2002, from the Authority to the Securities Depository and any amendments thereto or successor agreements between the Authority and any successor Securities Depository, relating to a book-entry system to be maintained by the Securities Depository with respect to the Bonds. Notwithstanding any provision of this Indenture, the Authority may enter into any such amendment or successor agreement without the consent of Bondholders.

"Moody's" means Moody's Investors Service or its successors, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Opinion of Counsel" means an opinion of any attorney or firm of attorneys acceptable to the Trustee, who may be counsel to the Authority or the Trustee and who may be a full time employee of the Trustee.

"Outstanding", when used in reference to the Bonds, means as of a particular date, all Bonds authenticated and delivered under this Indenture except:

(a) any Bond cancelled or required to be cancelled by the Trustee on or before such date;

(b) any Bond for the payment of which cash equal to the principal amount thereof and interest thereon to its maturity date shall have theretofore been deposited with the Trustee;

(c) any Bond for the redemption of which cash or noncallable direct obligations of the United States of America, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Trustee and for which notice of redemption shall have been given in accordance with this Indenture or for which irrevocable instructions to call shall have been given to the Trustee.

(d) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to this Indenture; and

(e) any Bond deemed paid under the provisions of Section 7.01, except that any such Bond shall be considered Outstanding until its maturity date only for the purposes of actually being paid.

"Proceeds" means all receipts from the sale of the Bonds and any investments acquired with such receipts, proceeds from the liquidation of such investments and any earnings from the investments.

"Project" means land acquisition and related capital improvements for the Berryhill industrial park.

"Project Costs" means all costs incurred by the Authority in connection with the issuance of the Bonds and the financing of the Project, including without limitation, land acquisition costs, infrastructure improvements, architect and engineering fees, all fees and reasonable

expenses of the Trustee, including counsel fees, under this Indenture, and all legal fees and expenses with respect to the issuance of the Bonds or the development of the Project.

"Project Fund" means the trust fund established pursuant to Section 5.02.

"Revenues" means (a) all amounts payable to the Trustee with respect to the principal or redemption price of, or interest on, the Bonds (i) by the Authority hereunder that have been made available to the Authority under the Support Agreements and (ii) by the City and the County pursuant to the Assignment Agreement, and (b) investment income with respect to any moneys held by the Trustee in the Bond Fund.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., or its successors, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Securities Depository" means The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Bonds appointed pursuant to Section 2.11, and their successors.

"Support Agreements" means, collectively, the City Support Agreement and the County Support Agreement.

"Trustee" means U.S. Bank National Association or its successor serving as trustee under this Indenture.

"Underwriter" means Davenport & Company LLC, as the initial purchaser of the Bonds.

Section 1.02. Rules of Construction. The following rules shall apply to the construction of this Indenture unless the context otherwise requires:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references herein to particular Articles or Sections are references to Articles or Sections of this Indenture unless otherwise indicated.

(c) The headings herein are solely for convenience of reference and shall not constitute a part of this Indenture nor shall they affect its meaning, construction or effect.

ARTICLE II

Authorization, Execution, Authentication, Registration and Delivery of Bonds

Section 2.01. Authorization of Bonds. There is hereby authorized to be issued revenue bonds of the Authority in an aggregate principal amount not to exceed $13,700,000.

Section 2.02. Details of Bonds. (a) The Bonds authorized in Section 2.01 shall be designated "Danville-Pittsylvania Regional Industrial Facility Authority Revenue Bonds (Berryhill Project), Series 2011", shall be issuable as fully registered Bonds, in the denomination of $5,000, or in any integral multiple of $5,000 in excess thereof, shall be dated as of the issue date, shall be numbered R-1 upward, shall bear interest payable on the Interest Payment Dates at the rates per year and shall mature, subject to prior redemption, on November 1 in each of the years shown below:

Maturity	Principal Amount	Interest Rate
	$	%

(b) The Bonds shall bear interest (i) from their dated date, if authenticated prior to the first Interest Payment Date, or (ii) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which such Bond is authenticated (unless payment of interest is in default, in which case such Bond shall bear interest from the date to which interest has been paid). Interest on the Bonds shall be computed on the basis of a year of 360 days of twelve 30-day months.

(c) Principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America, but only from the revenues and receipts described as herein provided. Principal on the Bonds shall be payable to the Bondholders by check or draft mailed to the Bondholders at their addresses as they appear on registration books kept by the Trustee, except that upon maturity, or upon redemption prior to maturity, principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee. Interest on Bonds shall be payable to the Bondholders by check or draft mailed to the Bondholders at their addresses as they appear on registration books kept by the Trustee at the close of business on the fifteenth day of the month next preceding the applicable Interest Payment Date.

(d) If any principal of or interest on any Bond is not paid when due (whether at maturity, by acceleration or call for redemption or otherwise), then the overdue installments of principal and, to the extent permitted by law, interest shall bear interest until paid at the same rate as set forth in such Bond.

Section 2.03. Execution of Bonds. The Bonds shall be signed by the manual or facsimile signature of the Chairman or the Vice Chairman of the Authority, and the corporate seal of the Authority or a facsimile thereof shall be affixed, imprinted, lithographed or reproduced thereon and shall be attested by the manual or facsimile signature of the Secretary of the Authority. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of the Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign such Bond although at the date of delivery of such Bond such persons may not have been such officers.

Section 2.04. Authentication of Bonds. The Bonds shall bear a certificate of authentication, substantially as set forth in the form of the Bond attached as Exhibit A to this Indenture, duly executed by the Trustee. The Trustee shall authenticate each Bond with the signature of an authorized officer of the Trustee, but it shall not be necessary for the same officer to authenticate all of the Bonds. Only such authenticated Bonds shall be entitled to any right or benefit under this Indenture, and such certificate on any Bond issued under this Indenture shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions of this Indenture.

Section 2.05. Form of Bonds. The Bonds shall be substantially in the form set forth in Exhibit A to this Indenture, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 2.06. Delivery of Bonds. The Trustee shall authenticate and deliver the Bonds upon receipt of the purchase price therefor and when the following have been filed with it:

(a) Executed counterparts of this Indenture, the Support Agreements and the Assignment Agreement.

(b) A certified copy of the Bond Resolution.

(c) The written opinion of Bond Counsel, subject to customary exceptions and qualifications, that (i) the issuance of the Bonds has been duly authorized and (ii) the Bonds are valid and binding limited obligations of the Authority.

(d) An opinion of the City Attorney subject to customary exceptions and qualifications, to the effect that (i) the City Support Agreement creates a valid moral, but not legal, obligation on the part of the City to appropriate funds to pay amounts due under the Bonds in the manner and under the circumstances contemplated thereunder and (ii) the Continuing Disclosure Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the City and are enforceable against the City in accordance with their respective terms.

(e) An opinion of the County Attorney subject to customary exceptions and qualifications, to the effect that (i) the County Support Agreement creates a valid moral, but not legal, obligation on the part of the County to appropriate funds to pay amounts due under the Bonds in the manner and under the circumstances contemplated thereunder and (ii) the Continuing Disclosure Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the County and are enforceable against the County in accordance with their respective terms.

(f) A request and authorization of the Authority, signed by its Chairman or Vice Chairman, to the Trustee to authenticate and deliver the Bonds to such person or persons named therein upon payment to the Trustee for the account of the Authority of the purchase price of the Bonds.

Simultaneously with the delivery of the Bonds, the Trustee shall deposit the Proceeds in the Project Fund. In addition, the Trustee shall deposit the Debt Service Reserve Requirement received from the City and the County into the Debt Service Reserve Fund.

Section 2.07. Registration, Transfer and Exchange. The Authority shall cause books for the registration and transfer of the Bonds to be kept at the principal corporate trust office of the Trustee, and the Authority hereby appoints the Trustee as its registrar and transfer agent to keep such books and to make such registrations and transfers under such reasonable regulations as the Authority or the Trustee may prescribe.

Upon surrender for transfer or exchange of any Bond at such office, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination for the aggregate principal amount which the Registered Owner is entitled to receive, subject in each case to such reasonable regulations as the Authority or the Trustee may prescribe. All Bonds presented for transfer, exchange or payment (if so required by the Authority or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Authority and the Trustee, duly executed by the Registered Owner or by his duly authorized attorney-in-fact or legal representative.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered (including maturity date and interest rate), shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Prior to due presentment for registration of transfer of any Bond, the Trustee shall treat the Registered Owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Bondholder, except that interest payments shall be made to the persons registered as Bondholders on the registration books of the Trustee as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date.

Section 2.08. Charges for Exchange or Transfer. Any fees or costs incurred by the Authority, the Trustee or their respective agents in the exchange or registration of transfer of Bonds shall be at the expense of the Authority, except that the Trustee shall make a charge to any Bondholder requesting such exchange or registration in the amount of any tax or other governmental charge required to be paid with respect thereto.

Section 2.09. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond has been mutilated, lost, stolen or destroyed, the Authority shall execute, and the Trustee shall authenticate and deliver, a new Bond of like date and tenor in exchange and substitution for, and upon delivery to the Trustee and cancellation of, such mutilated Bond or in lieu of and in substitution for such lost, stolen or destroyed Bond; provided, however, that the Authority and the Trustee shall execute, authenticate and deliver a new Bond only if the Registered Owner thereof has paid the reasonable expenses and charges of the Authority and the Trustee in connection therewith and, in the case of a lost, stolen or destroyed Bond (a) has filed with the Authority and the Trustee evidence satisfactory to them that such Bond was lost, stolen or

destroyed and that the holder was the Registered Owner thereof and (b) has furnished to the Authority and the Trustee indemnity satisfactory to them. If any such Bond has matured, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity.

Section 2.10. Cancellation and Disposition of Bonds. All Bonds which have been paid (whether at maturity, upon acceleration or call for redemption or otherwise) or delivered to the Trustee by the Authority for cancellation shall not be reissued, and the Trustee shall cancel and, unless otherwise directed by the Authority, cremate, shred or otherwise dispose of such Bonds. The Trustee shall deliver to the Authority a certificate of any such cremation, shredding or other disposition of any Bond.

Section 2.11. Book-Entry System. The following provisions with respect to the Securities Depository shall apply to the Bonds. Initially, one Bond for each maturity of the Bonds will be issued and registered to the Securities Depository or its nominee. The Authority has entered into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Bonds.

In the event that (a) the Securities Depository determines not to continue to act as a securities depository for the Bonds by giving notice to the Authority discharging its responsibilities hereunder, or (b) the Authority in its sole discretion determines (i) that beneficial owners of Bonds shall be able to obtain certificated Bonds or (ii) to select a new Securities Depository, then the Trustee shall, at the direction of the Authority, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Exhibit A to this Indenture. In delivering certificated Bonds, the Trustee shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in this Article II.

So long as there is a Securities Depository for the Bonds (1) it or its nominee shall be the Registered Owner of the Bonds, (2) notwithstanding anything to the contrary in this Indenture, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (3) the Authority and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (4) references in this Indenture to Registered Owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds and (5) in the event of any inconsistency between the provisions of this Indenture and the provisions of the Letter of Representations such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

ARTICLE III

Redemption of Bonds

Section 3.01. Redemption Dates and Prices. The Bonds may not be called for redemption by the Authority except as provided below:

(a) Optional Redemption. [The Bonds are not subject to optional redemption.] [The Bonds maturing on or after November 1, 20__ are subject to optional redemption by the Authority on or after November 1, 20__, in whole or in part (in an integral multiple of $5,000) on any day upon payment of one hundred percent (100%) of the aggregate principal amount of the Bonds to be redeemed, plus accrued interest on the principal amount so redeemed to the redemption date.]

[(b) Mandatory Sinking Fund Redemption. The Bonds maturing on November 1, 20__ are required to be redeemed prior to maturity in part on November 1 in the years and in the principal amounts and at a price of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

Year	Amount	Year	Amount

* Final Maturity

On or before the 70th day next preceding any such mandatory sinking fund redemption date, the Authorized Representative may:

(1) deliver to the Trustee for cancellation Bonds required to be redeemed on such mandatory sinking fund redemption date in any aggregate principal amount desired; or

(2) instruct the Trustee to apply a credit against the Authority's mandatory sinking fund redemption obligation for any such Bonds that previously have been redeemed (other than through the operation of a mandatory sinking fund redemption) or purchased and canceled or surrendered for cancellation by the Trustee and not previously applied as a credit against any mandatory sinking fund redemption obligation.

Each Bond so purchased, delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount thereof against the principal amount required to be redeemed on such mandatory sinking fund redemption date. Any principal amount of Bonds so purchased, delivered or previously redeemed in excess of the principal amount required to be redeemed on

such mandatory sinking fund redemption date shall similarly reduce the principal amount of Bonds to be redeemed on the next mandatory sinking fund redemption date. Upon receipt of the Bonds so purchased, delivered or previously redeemed or instructions described in subparagraphs (1) and (2) above, the Trustee shall hold any amounts in the Bond Fund in excess of the amount necessary to fulfill the remaining mandatory sinking fund redemption requirement for the mandatory sinking fund redemption date, such excess amount to be used to redeem Bonds on the next mandatory sinking fund redemption date or on the next date on which Bonds can be redeemed pursuant to Section 3.01(a), as directed by the Authorized Representative.]

Section 3.02. Selection of Bonds to be Redeemed. If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the maturities of the Bonds to be redeemed shall be selected by the Authorized Representative. If less than all of the Bonds of any maturity are to be redeemed, the Bonds to be redeemed shall be selected by lot in such manner as the Trustee (or the Securities Depository, if the Bonds are then being held in book-entry only form) in its discretion may determine, each $5,000 portion of principal amount being counted as one Bond for this purpose. If a portion of a Bond having a principal amount of more than $5,000 shall be called for redemption, a new Bond of the applicable maturity and interest rate in principal amount equal to the unredeemed portion thereof shall be issued to the Holder upon the surrender thereof.

Section 3.03. Notice of Redemption. The Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice of any redemption to be sent by facsimile, registered or certified mail, or overnight delivery not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) to the Holder of each Bond to be redeemed at such Holder's address as it appears on the registration books maintained by the Trustee and (ii) to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system. Failure to give such notice described in clause (i), or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which no such failure has occurred. Failure to give such notice described in clause (ii), or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds.

If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the date of issue, CUSIP number and maturity date. Each notice of redemption shall specify: (1) the date fixed for redemption, (2) the principal amount of Bonds or portions thereof to be redeemed, (3) the applicable redemption price, (4) the place or places of payment, (5) that payment of the principal amount and premium, if any, will be made upon presentation and surrender to the Trustee of the Bonds to be redeemed, (6) that interest accrued to the date fixed for redemption will be paid as specified in such notice, (7) that on and after such date interest on Bonds which have been redeemed will cease to accrue, and (8) the designation, including the CUSIP numbers, if any, of the Bonds to be redeemed and, if less than the face amount of any such Bond is to be redeemed, the principal amount to be redeemed. In preparing such notice, the Trustee shall take into account, to the extent applicable, the prevailing tax-exempt securities industry standards. A notice of optional redemption may be conditioned upon the occurrence of future events, including the availability of funds to effect the redemption on the redemption date.

A second notice of redemption shall be given within sixty (60) days after the redemption date in the manner required above to the Holders of redeemed Bonds which have not been presented for payment within thirty (30) days after the redemption date. The Trustee shall incur no pecuniary liability for any delay in giving, or a failure to give, such second notice.

Section 3.04. Payment of Redeemed Bonds.

(a) If notice of redemption has been given as provided in Section 3.03, and if any conditions stated therein have been met, the Bonds called for redemption will be due and payable on the date fixed for redemption at a redemption price equal to the principal amount of the Bonds, and premium, if any, thereon, together with interest accrued to the date fixed for redemption. Payment of the redemption price will be made by the Trustee upon surrender of the Bonds.

(b) If any Bond has been duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on the Bond has been made or provided for, then, notwithstanding that the Bonds so called for redemption have not been surrendered for cancellation, interest on the Bond will cease to accrue from the redemption date, and, from and after the redemption date, the Bond will no longer be entitled to any lien, benefit or security under this Indenture, and its Registered Owner will have no rights with respect to the Bond except to receive payment of the principal of, premium, if any, and unpaid interest accrued to the date fixed for redemption on the Bond.

ARTICLE IV

Covenants and Representations

Section 4.01. Payment of Bonds. The Authority shall promptly pay or cause to be paid the principal of (whether at maturity or call for redemption or otherwise) and interest on the Bonds on the dates and in the manner provided in this Indenture and in the Bonds; provided, however, that such obligations are not general obligations of the Authority but are limited obligations of the Authority and are payable solely from the sources described in the granting clauses of this Indenture. THE BONDS AND INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY AND THE COUNTY. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONIES PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, THE CITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO.

Section 4.02. Covenants of Authority. The Authority shall faithfully observe and perform all covenants, conditions and agreements on its part contained in this Indenture, in every Bond executed, authenticated and delivered hereunder and in all proceedings of its Board of Directors pertaining thereto; provided, however, that the liability of the Authority under any such covenant, condition or agreement for any breach or default by the Authority shall be limited solely to and satisfied solely from the sources of payment described in Section 4.01.

Section 4.03. Representations by Authority. The Authority makes the following representations as the basis for its undertakings under this Indenture:

(a) The Authority was duly created by the Act. The Authority has been organized and operating since its creation, and no dissolution proceedings have been undertaken by it. The Authority is a duly created and validly existing political subdivision of the Commonwealth vested with the rights and powers conferred upon it under the Act.

(b) The Authority has complied in all material respects with the Act, and has full legal right, power and authority to: (i) adopt the Bond Resolution; (ii) issue, sell and deliver the Bonds; and (iii) carry out and consummate all other transactions contemplated by the Basic Documents and the Bonds.

(c) When authenticated and delivered in accordance with this Indenture, the Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the Authority enforceable against the Authority in accordance with their terms.

(d) The Basic Documents have been duly authorized, executed and delivered and will constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

(e) The execution and delivery of the Bonds and the Basic Documents and the compliance with the provisions thereof do not and will not conflict with or constitute on the part of the Authority a violation of, breach of, or default under any statute, ordinance, bylaw, indenture, mortgage, deed of trust, resolution, bond, note or other agreement or instrument to which the Authority is a party or by which it is bound or any judgment, decree, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of the Authority's activities or properties.

(f) No litigation or investigation by any judicial or governmental body or agency is pending or, to the best of the Authority's knowledge, threatened to (i) enjoin, restrain or otherwise affect the execution, delivery or validity of the Bonds or the Basic Documents; or (ii) challenge, contest or affect the constitution, existence or powers of the Authority with respect to the Bonds or the Basic Documents or any transactions authorized thereby or related thereto. There is no litigation or investigation by any judicial or governmental body or agency pending or, to the best of the Authority's knowledge, threatened against the Authority or any of the property or assets under the control of the Authority which involves the possibility of any judgment or liability which may adversely affect the security for the Bonds.

Section 4.04. Further Assurances. The Authority shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging and assigning to the Trustee of all the rights assigned by this Indenture and the monies pledged by this Indenture to the payment of the principal of, premium, if any, and interest on, the Bonds.

Section 4.05. Diminution of, or Encumbrance on, the Revenues. The Authority shall not create or knowingly suffer to be created any lien or security interest on the Revenues, except the pledge made pursuant to this Indenture.

ARTICLE V

Application of Proceeds; Project Fund; Bond Fund

Section 5.01. Application of Proceeds. The Trustee shall deposit the proceeds received from the sale of the Bonds, less the underwriter's discount, in the Project Fund to be used for payment of the Project Costs upon requisition by the Authority pursuant to Section 5.03 hereof.

Section 5.02. Creation of Project Fund. There is hereby established with the Trustee a separate trust fund to be designated the "Danville-Pittsylvania Regional Industrial Facility Authority Berryhill Project Fund."

Section 5.03. Payments from Project Fund. The Trustee shall use money in the Project Fund solely to pay the Project Costs or to reimburse the Authority for any Project Costs paid by it, except as provided in Section 5.04. Before any payment shall be made from the Project Fund, there shall be filed with the Trustee:

(a) A requisition, signed by the Chairman or Vice Chairman of the Authority or the Director of Finance of the Fiscal Agent of the Authority, stating:

(1) the name or names of the person, firm or corporation to whom the payment is due;

(2) the amount to be paid; and

(3) the purpose in reasonable detail for which the obligation to be paid was incurred.

(b) A certificate attached to the requisition, signed by the Chairman or Vice Chairman of the Authority or the Director of Finance of the Fiscal Agent of the Authority, stating that:

(1) no written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable under the requisition to any of the persons, firms or corporations named in it has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the requisition;

(2) the requisition contains no items representing payment on account of any percentage entitled to be retained at the date of the certificate; and

(3) the obligation stated on the requisition constitutes a part of the Project Costs, each item is a proper charge against the Project Fund, and the obligation has not been the basis for a prior requisition which has been paid.

Upon receipt of each such requisition and accompanying certificate or certificates, the Trustee shall make payment from the Project Fund in accordance with such requisition. The Trustee shall be entitled to rely without further inquiry on, and shall have no duty to check, verify or investigate, the statements and certifications made therein or included therewith.

Section 5.04. Disposition of Balance of the Project Fund. (a) If the Project has been completed or abandoned, as indicated in a certificate signed by the Authorized Representative, the Trustee shall transfer any remaining balance in the Project Fund to the Bond Fund, to be credited against required transfers thereto to pay interest on and principal of the Bonds on the next Interest Payment Date or maturity or redemption date.

(b) Similarly, upon the acceleration of the Bonds following an Event of Default, the balance of any moneys remaining in the Project Fund shall be transferred to the Bond Fund.

Section 5.05. Creation of Bond Fund. There is hereby established with the Trustee a separate trust fund to be designated the "Danville-Pittsylvania Regional Industrial Facility Authority Berryhill Bond Fund." The Trustee shall deposit in the Bond Fund the following:

(a) Any amounts required by Section 5.04 to be transferred from the Project Fund and deposited therein;

(b) All prepayments made under the Support Agreements;

(c) All payments of Annual Payments received by the Trustee under the Support Agreements; and

(d) All payments received by the Trustee pursuant to the Assignment Agreement; and

(e) Any amounts transferred from the Debt Service Reserve Fund pursuant to Section 5.07.

(f) Any other amounts authorized to be deposited in the Bond Fund.

Section 5.06. Application of Bond Fund.

(a) The Trustee will use the money deposited in the Bond Fund to pay when due the principal of and interest on the Bonds then Outstanding. Any moneys remaining in the Bond Fund after payment of interest and principal and interest on any November 1 payment date shall be held in the Bond Fund and credited equally against the Annual Payments required to be paid

by the County and the City on the next payment date or used to redeem or purchase Bonds in accordance with the redemption provisions of the Bonds.

(b) The Trustee shall give notice to the County and the City by March 15 and September 15 of each year of any credits against the next Annual Payments payment required to be paid by the County and the City resulting from transfers of money (other than Debt Service Reserve Fund monies) to the Bond Fund pursuant to this Indenture.

(c) On the twentieth day of the month immediately preceding the month in which each payment date occurs, including on the twentieth day of the month immediately preceding the month in which the final maturity of the Bonds occurs, the Trustee will determine if it has sufficient amounts on deposit in the Bond Fund and available for such purpose to make the next ensuing principal or interest payment when due. If the amounts available in the Bond Fund are insufficient for such purpose, the Trustee promptly will give notice of this fact and the amount of the deficiency to the Authority, the City and the County.

(d) On any payment date, in the event the balances in the Bond Fund are insufficient for the payment of the principal of or interest on the Bonds, the Trustee shall transfer from the Debt Service Reserve Fund such amounts as may be necessary to make such payment.

(e) When the balance in the Bond Fund is sufficient to redeem or pay at maturity all Bonds then Outstanding and to pay all interest to accrue thereon prior to redemption or maturity, the balance in the Bond Fund shall be held for redemption or payment of the Bonds at the earliest practicable date and the payment of interest thereon and for no other purpose.

Section 5.07. Creation of Debt Service Reserve Fund. (a) Upon the issuance of the Bonds, the Trustee shall deposit in the Debt Service Reserve Fund the amount equal to the Debt Service Reserve Fund Requirement. If the balance in the Debt Service Reserve Fund is ever less than the Debt Service Reserve Fund Requirement, the Authority shall make payments on the fifteenth day of each month for deposit into the Debt Service Reserve Fund in amounts necessary to restore the balance in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement in twelve (12) equal monthly installments commencing on the fifteenth day of the second month following the determination of any deficiency in the Debt Service Reserve Fund.

(b) The Trustee shall use amounts in the Debt Service Reserve Fund to make transfers to the Bond Fund to the extent necessary to pay the principal of (whether at maturity, by acceleration, call for redemption or otherwise) and interest on the Bonds as the same become due whenever moneys in the Bond Fund (except for moneys held for the payment of Bonds that have been called for redemption and not then presented for payment) are insufficient therefor. In the event the balance in the Debt Service Reserve Fund falls below the Debt Service Reserve Fund Requirement, the Trustee shall deposit funds to the Debt Service Reserve Fund to restore the balance therein to the Debt Service Reserve Fund Requirement from payments from the Authority.

(c) In the event the balance in the Debt Service Reserve Fund on any date of valuation of the investments in the Debt Service Reserve Fund required by Section 5.07(d) below

shall exceed the Debt Service Reserve Fund Requirement, the excess shall be transferred to the Bond Fund to be credited against required deposits to such Fund.

(d) The investment obligations in the Debt Service Reserve Fund shall be valued on each November 1 and on each date on which a withdrawal is made therefrom, except withdrawals of excess moneys, as described in subsection (c) above. If upon the valuation date, the balance of such investment obligations is less than the Debt Service Reserve Fund Requirement, the Trustee shall calculate the amount by which the Debt Service Reserve Fund Requirement exceeds such balance and shall immediately give the Authority notice of such deficiency and the amount necessary to cure the same.

(e) The Trustee is authorized and directed to use amounts in the Debt Service Reserve Fund as a credit against required payments from the Authority to pay principal of, premium, if any, and interest on, the Bonds during their final year of maturity.

Section 5.08. Accounts within Funds. The Trustee may, and at the direction of the Authority shall, create accounts within any fund established by this Indenture and shall deposit amounts transferred to such fund in accounts therein as directed by an Authorized Representative. In making transfers from any such fund, the Trustee shall draw on accounts therein as directed by an Authorized Representative so long as required transfers can be made consistent with such directions. Notwithstanding the name of such accounts, all accounts shall be pledged equally and ratably to the Bonds.

Section 5.09. Non-Presentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, call for redemption or otherwise), all liability of the Authority to the Registered Owner for the payment of such Bond shall be completely discharged if funds sufficient to pay such Bond and the interest due thereon to the maturity date or the redemption date, as the case may be, shall be held by the Trustee for the benefit of the Registered Owner thereof, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner, who shall thereafter be restricted exclusively to such funds for any claim under this Indenture or on such Bond.

Any monies which shall have been set aside by the Trustee for the payment of the principal of, premium, if any, and interest on, the Bonds and which shall remain unclaimed by the Registered Owner of any of the Bonds for a period of two years after the date on which such principal of, premium, if any, and interest on, the Bonds shall have become payable, shall be paid to the Authority, or to such officer, board or body as may then be entitled by law to receive the same and thereafter the Registered Owners of such Bonds shall look only to the Authority, or to such officer, board or body, as the case may be, as unsecured creditors for the payment thereof and then only to the extent of the amount so received, without any interest thereon, and the Trustee shall have no responsibility with respect to such monies.

Section 5.10. Monies to be Held in Trust. All monies required to be deposited with or paid to the Trustee for the account of any of the funds or accounts created by this Indenture shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the trust estate and be subject to the lien of this Indenture.

Section 5.11. Repayment to Authority from Funds and Accounts. After payment in full of the Bonds and the fees, charges and expenses of the Trustee and all other amounts required to be paid under this Indenture, any amounts remaining in any of the funds or accounts created by this Indenture shall be paid to or upon the order of the Authority free of the lien of this Indenture.

Section 5.12. Reports by Trustee. The Trustee shall make annual reports to the Authority of all moneys received and expended by the Trustee under this Indenture.

ARTICLE VI

Investments

Section 6.01. Investment of Funds held by Trustee. (a) At the written direction of the Authority, the Trustee shall invest and reinvest any moneys held in the Project Fund in:

(i) Bonds, notes and other evidences of indebtedness of the Commonwealth and securities unconditionally guaranteed as to payment of principal and interest by the Commonwealth which currently carry at least the third highest rating by Moody's, or S&P, or both if rated by both;

(ii) Bonds, Treasury notes and other obligations of the United States of America and securities unconditionally guaranteed as to payment of principal and interest by the United States of America;

(iii) Bonds, notes and other obligations of Federal Home Loan Banks, the Federal Intermediate Credit Banks, the Federal National Mortgage Association, the International Bank for Reconstruction and Development, the Government National Mortgage Association, Federal Banks for Cooperatives, and Federal Farm Credit Banks;

(iv) Shares of any investment company the assets of which are invested exclusively in obligations or securities specified in (ii) and (iii) above;

(v) Repurchase agreements for such obligations specified in (ii) and (iii) above subject to the limitations set forth below;

(vi) Savings accounts, time deposits, certificates of deposit or other interest bearing accounts of any commercial bank within the Commonwealth, including the Trustee, provided that (x) such funds are secured in the manner provided by the Virginia Security for Public Deposits Act or any successor provision of law, and (y) such funds are fully insured by the Federal Deposit Insurance Corporation or any successor federal agency or fully collateralized by investments described in (ii) and (iii) above;

(vii) Commercial paper with a maturity of two hundred seventy days or less, of issuing corporations organized under the laws of the United States, or of any state thereof including paper issued by banks and bank holding companies, rated by the Moody's, within its ratings of P-1 or P-2 or by S&P, within its ratings of A-1 or A-2, or by their corporate successors within the respective ratings set forth above.

A repurchase agreement pursuant to (v) above shall be made with any bank as principal, including the Trustee or an affiliate of the Trustee, within or without the Commonwealth having a combined capital, surplus and undivided profits of not less than $25,000,000 and acceptable to the Trustee, provided the bank is obligated to repurchase within one year. Such repurchase agreement shall be considered a purchase of such securities even if title and/or possession of such securities is not transferred to the Trustee so long as (1) the repurchase obligation of the bank is collateralized by the securities themselves, (2) the securities have on each day the repurchase agreement is in effect a fair market value equal to at least 100% of the amount of the repurchase obligation of the bank including interest, (3) the securities are held by a third party and segregated from securities owned generally by the third party, (4) a perfected security interest under the Uniform Commercial Code of the applicable State or book entry procedures prescribed by Federal law in such securities is created for the benefit of the Holders, and (5) if the repurchase agreement is with the bank serving as Trustee or any related party, the third party holding such securities holds them as agent for the benefit of the Holders rather than as agent for the bank serving as Trustee or any other party.

(b) At the written direction of the Authority, the Trustee shall separately invest and reinvest any moneys in the Debt Service Reserve Fund and the Bond Fund in bonds, United States Treasury notes, and other obligations of the United States of America and securities unconditionally guaranteed as to the payment of principal and interest by the United States of America.

(c) The interest accruing on the investment of monies in the Project Fund, the Debt Service Reserve Fund, the Bond Fund, and any profit realized from such investments, including realized discounts on obligations purchased, shall be retained by the Trustee in such accounts until used in accordance with the provisions of Article V hereof.

All investments held pursuant to this Section shall mature or be subject to redemption at the option of the holder at the times at which the Trustee reasonably estimates the invested monies will be needed for the purposes of the account from which the investment was made. The Authority shall keep the Trustee informed from time to time of its plans for redemption of the Bonds. Investments of monies in the Debt Service Reserve Fund shall not have a final maturity in excess of six (6) months from the date of purchase by the Trustee.

Upon the written direction of the Authority, the Trustee shall redeem or sell all or any designated part of such investments employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any loss resulting from the redemption or sale of any such investment provided the Trustee follows the directions of the Authority contained in written instructions delivered to it as specified in this Section. If the Trustee is unable, after reasonable effort and within a reasonable time after receipt of the required written direction, to make, redeem or sell any such investment, it shall notify in writing the Authority, and, thereupon, the Trustee shall be relieved of all liability or responsibility with respect thereto.

Since the investments permitted by this Section have been included at the request of the Authority and the making of such investments from time to time may be subject to the

Authority's direction, the Trustee specifically disclaims any obligation to the Holders or the Authority for any loss arising from investments pursuant to the provisions of this Section.

Section 6.02. Investments through Trustee's Bond Department. The Trustee may make investments permitted by Section 6.01 through its own trust or bond department.

Section 6.03. Valuation. For the purpose of determining the amount on deposit in any fund or account, investments shall be valued (a) at face value if such investments mature within six months from the date of valuation thereof, and (b) if such investments mature more than six months after the date of valuation thereof, at the price at which such investments are redeemable by the holder at his option if so redeemable, or, if not so redeemable, at the market value of such obligations.

The Trustee shall value the investments in the funds and accounts established under this Indenture on each November 1. In addition, the investments shall be valued by the Trustee at any time requested by the Authorized Representative on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); ***provided,*** that the Trustee shall not be required to value the investments more than once in any calendar quarter.

Notwithstanding the foregoing, investments in the Debt Service Reserve Fund shall be valued on the dates mentioned in Section 5.07(d) at the market value thereof.

ARTICLE VII

Discharge of Indenture

Section 7.01. Discharge of Indenture. If (i) all Bonds secured by this Indenture shall have been paid when due (whether at maturity or call for redemption or otherwise) or (ii)(A) irrevocable instructions to call the Bonds or pay them at maturity shall have been given by the Authority to the Trustee, or (B) notice of redemption shall have been given in accordance with this Indenture, and, with respect to items (ii)(A) and (ii)(B) above, the Trustee holds irrevocably, in trust for the purpose of paying the Bonds and the reasonable expenses of the Trustee, cash or noncallable direct obligations of, or obligations the payment of the principal of and premium, if any, and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which at maturity will be sufficient (x) if the Bonds have been called for redemption, to redeem in accordance with the relevant Sections of this Indenture all such Bonds on the date set for such redemption, (y) to pay at maturity the Bonds, and (z) to pay to the Trustee its reasonable fees and expenses and any other fees and expenses, including the costs and expenses of canceling and discharging this Indenture, then the Trustee shall cancel and discharge this Indenture and execute and deliver to the Authority such instruments in writing as shall be required to cancel the lien hereof, and assign and deliver to the Authority any property at the time subject to this Indenture which may then be in its possession, except funds or securities in which such funds are invested which are held by the Trustee for the payment of principal of, premium, if any, and interest on, the Bonds.

In the event that all of the Bonds secured by this Indenture are paid or deemed paid in the manner set forth in the immediately preceding paragraph, then the right and interest of the

Trustee in and to the trust estate created by this Indenture and all covenants, agreements and other obligations of the Authority to the Registered Owners of the Bonds will cease and be discharged and satisfied.

ARTICLE VIII

Default Provisions

Section 8.01. Events of Default. Each of the following events is an Event of Default hereunder:

(a) payment of any installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable;

(b) payment of the principal or the premium, if any, of any Bond shall not be made by the Authority when the same shall become due and payable, whether at maturity, by redemption or otherwise;

(c) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Indenture and such default shall continue for thirty (30) days (or such further time as may be granted in writing by the Trustee) after receipt by the Authority of a written notice from the Trustee specifying such default and requiring the same to be remedied; or

(d) the occurrence and continuation of any "Event of Default" under any Support Agreement.

Section 8.02. Acceleration. If an Event of Default occurs and is continuing, the Trustee may, and if requested in writing by the Holders of twenty-five percent (25%) or more in aggregate principal amount of Bonds then Outstanding, shall, by notice to the Authority, declare the entire unpaid principal of, and interest on, the Bonds due and payable. Upon any such declaration the Authority shall immediately pay to the Holders the entire unpaid principal of and accrued interest on the Bonds, but only from the revenues and receipts herein specifically pledged for such purpose.

If, after the principal of the Bonds has been so declared to be due and payable, all arrears of interest upon the Bonds are paid, any unpaid principal on the Bonds then due and payable absent acceleration is paid, and all other debts hereunder are remedied and all the reasonable charges of the Trustee and the Holders including reasonable attorneys' fees incurred in connection with such defaults are paid, then, and in every such case, a majority of Holders, by notice to the Authority and to the Trustee, may annul such declaration and its consequences, and such annulment shall be binding upon the Trustee and upon all Holders of Bonds issued hereunder. No such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Section 8.03. Remedies of Trustee. Upon the occurrence of an Event of Default, the Trustee may proceed to protect and enforce its rights and the rights of the Holders by mandamus

or other action, suit or proceeding at law or in equity for specific performance of any agreement herein contained.

Section 8.04. Right of Holders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority in aggregate principal amount of Bonds Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 8.05. Application of Monies. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Trustee and the fees of the Trustee and the expenses of the Authority in carrying out this Indenture and the payment of any Holder's expenses, including counsel fees, incurred in connection with the Event of Default, be deposited in the Bond Fund. All moneys in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First - To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, including to the extent permitted by law interest on overdue installments of interest, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

Second - To the payment to the Holders entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds that shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds at the respective rates specified therein from the respective dates on which they became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid on the Bonds, without preference or priority of principal over

interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VIII, then, subject to the provisions of Section 8.05(b), in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 8.05(a).

Whenever moneys are to be applied pursuant to the provisions of this Section 8.05, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to any Holder until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Bonds have been paid under the provisions of this Section 8.05 and all expenses and charges of the Trustee have been paid, any balance remaining in the several funds created under this Indenture shall be paid to the Authority as provided in Section 5.11.

Section 8.06. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be, for the equal benefit of the Registered Owners of the Bonds.

Section 8.07. Limitations on Suits. Except to enforce the rights given under Section 8.06, no Registered Owner of any Bond shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture, unless (i) an Event of Default has occurred and is continuing, (ii) the Registered Owners of not less than twenty-five percent in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted to it or to institute such action, suit or proceeding in its own name, (iii) they have offered to the Trustee indemnity as provided in Section 9.01(k), (iv) the Trustee has for sixty days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding, (v) no direction inconsistent with such written request has been given to the Trustee during such sixty day period by the Registered Owners of a majority in aggregate

principal amount of Bonds Outstanding, and (vi) notice of such action, suit or proceeding is given to the Trustee.

Section 8.08. Unconditional Right To Receive Principal, Premium and Interest. Nothing in this Indenture shall, however, affect or impair the right of any Holder to enforce, by action at law, payment of the principal of or interest on any Bond when due or the obligation of the Authority to pay the principal of, premium, if any, and interest on, each of the Bonds to the Registered Owners thereof at the time and place, from the source and in the manner set forth in this Indenture and in the Bonds.

Section 8.09. Termination of Proceedings. If the Trustee shall have commenced the enforcement of any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, the Authority and the Trustee shall be restored to their former positions and rights under this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.10. Waivers of Events of Default. Without the consent of the Registered Owners of all Bonds Outstanding, the Trustee shall not waive any Event of Default.

Section 8.11. Miscellaneous. No remedy conferred by this Indenture upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Holders under this Indenture or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a Waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IX

The Trustee

Section 9.01. Trustee; Appointment and Acceptance of Duties. U.S. Bank National Association, Richmond, Virginia, is hereby appointed as Trustee, paying agent and registrar for the Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Indenture as Trustee, paying agent and registrar for the Bonds by executing and delivering to the Authority a written acceptance of the provisions of this Indenture. The Trustees acceptance of the trusts and obligations imposed upon it by this Indenture shall be subject to the following terms and conditions and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers of this Indenture and perform any of its duties by or through attorneys, accountants, agents, receivers or employees and shall be entitled to act on the opinion or advice of its counsel concerning all matters of trust and the duties under this Indenture, and may be reimbursed for reasonable compensation to all such attorneys, accountants, agents, receivers and employees as may reasonably be employed in connection with this Indenture. The Trustee may act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance on such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital in this Indenture or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the filing or re-filing of any document or instrument with respect to the security for the Bonds, or for the sufficiency of the security for the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Section 6.01.

(d) The Trustee shall not be accountable for the use of the proceeds of any Bonds authenticated or delivered under this Indenture. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in the Bonds and may join in any action which any Holder may be entitled to take with like effect as if it were not the Trustee. To the extent permitted by law, the Trustee may also purchase in good faith Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Trustee.

(e) The Trustee shall be protected in acting on any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture at the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond shall be conclusive and binding on all future Registered Owners of the same Bond and on Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely on a certificate signed on behalf of the Authority by its Chairman or Vice Chairman or such other person or persons as may be designated for such purposes by resolution of the Authority, as sufficient evidence of the facts therein contained and may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; but the Trustee may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the Authority under its seal to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of its rights and obligations hereunder.

(i) Notwithstanding any other provision of this Indenture, the Trustee shall have the right, but shall not be required, to demand, as a condition of (i) any action by the Trustee in respect of the authentication of any Bonds, (ii) the withdrawal of any cash, (iii) the release of any property or (iv) any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof reasonably required by the Trustee, in addition to that required by the terms hereof.

(j) All monies received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall not be under any liability for interest on any monies received hereunder except such as may be agreed upon.

(k) Before taking any action under this Indenture, the Trustee may require that indemnity to its satisfaction be furnished to it for the reimbursement of all expenses which may be incurred by it and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful default.

Section 9.02. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment of and reimbursement for reasonable fees for its services and all expenses reasonably incurred by the Trustee hereunder, including the reasonable fees and disbursements of its counsel.

Section 9.03. Intervention by Trustee. In any judicial proceeding to which the Authority is a party and which in the opinion of the Trustee has a substantial bearing on the interests of Registered Owners of the Bonds, the Trustee may intervene on behalf of Holders and, subject to Section 9.01(k), shall do so if requested by the Registered Owners of not less than twenty-five percent in aggregate principal amount of Bonds Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 9.04. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall be and become successor Trustee hereunder and vested with all the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 9.05. Resignation by Trustee. In the event the Trustee desires to resign at any time from the trusts hereby created by this Indenture, it shall give notice to the Authority and each Registered Owner of Bonds Outstanding, but shall continue to serve as Trustee until such

time as a successor Trustee is appointed. The Trustee shall have the right to petition a court of competent jurisdiction for appointment of a successor Trustee and resignation shall become effective upon designation of such successor Trustee.

Section 9.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Authority and signed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding provided, however, that nothing contained herein shall relieve the Authority of its obligation to pay the expenses of the Trustee incurred to the date of such removal.

Section 9.07. Appointment of Successor Trustee; Temporary Trustee. In case the Trustee shall resign, be removed, be dissolved, be in course of dissolution or liquidation or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Registered Owners. In case of such vacancy the Authority, by an instrument signed by its Chairman or Vice Chairman and attested by its Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners of Bonds in the manner provided above and any such temporary Trustee so appointed by the Authority shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every such Trustee appointed pursuant to this Section shall be, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms, (i) a bank or trust company in the Commonwealth, in good standing and having a reported capital, surplus and undivided profits of not less than $50,000,000, or (ii) a subsidiary trust company under the Trust Subsidiary Act, Article 3.1, Chapter 2, Title 6.1, Code of Virginia of 1950, as amended, whose parent Virginia bank or bank holding company has undertaken to be responsible for the acts of such subsidiary trust company pursuant to the provisions of Section 6.1-32.7(a) of the Trust Subsidiary Act, or any successor provision of law, and whose capital, surplus and undivided profits, together with that of its parent Virginia bank or bank holding company, as the case may be, is not less than $50,000,000.

Section 9.08. Concerning any Successor Trustee. Every successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment, and thereafter such successor, without any further act, deed or conveyance, shall become fully vested with all the properties, rights, powers, trusts, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of the Authority or the Trustee's successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers and trusts of such predecessor under this Indenture, and every predecessor Trustee shall deliver all securities and monies held by it as Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the

successor Trustee in each recording office where this Indenture may have been filed and/or recorded.

Section 9.09. Trustee Protected in Relying on Resolutions. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property, the withdrawal of cash hereunder or the taking of any other action by the Trustee as provided hereunder, unless the Trustee has actual knowledge or notice to the contrary.

Section 9.10. Successor Trustee as Registrar, Custodian of Funds and Paying Agent. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be custodian of the several funds and accounts created under this Indenture of which it was trustee, registrar for the Bonds, and paying agent for principal of, premium, if any, and interest on, the Bonds and the successor Trustee shall become such custodian, registrar and paying agent.

ARTICLE X

Supplemental Indentures

Section 10.01. Supplemental Indentures Not Requiring Consent of Holders. The Authority may, with the consent of the Trustee but without the consent of, or notice to, any of the Registered Owners of Bonds, adopt an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer on the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Holders or the Trustee or either of them;

(c) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as required to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute;

(e) To add to the covenants and agreements of the Authority contained herein other covenants and agreements thereafter to be observed for the protection of the Holders or to surrender or to limit any right, power or authority therein reserved to or conferred upon the Authority; and

(f) To make any other changes to this Indenture which in the Trustee's opinion shall not prejudice in any material respect the rights of the Holders of the Bonds Outstanding.

Section 10.02. Supplemental Indentures Requiring Consent. Exclusive of supplemental indentures covered by Section 10.01 and subject to the terms and provisions contained in this Section, the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right from time to time, notwithstanding any other provision of this Indenture, to consent to and approve the adoption by the Authority of such other indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Indenture shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental indenture, without the consent and approval of the Registered Owners of all of the Bonds Outstanding.

If at any time the Authority shall propose to adopt any such supplemental indenture for any of the purposes of this Section, it shall inform the Trustee in writing and the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed adoption of such supplemental indenture to be mailed to each Registered Owner of Bonds Outstanding by first-class mail to the address of such Registered Owner as it appears on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any Proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Holders. If, within sixty days or such longer period as shall be prescribed by the Authority following the giving of such notice, the Registered Owners of a majority in aggregate principal amount of Bonds Outstanding shall have consented to and approved the adoption thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the Authority from adopting such supplemental indenture or from taking any action pursuant to the provisions thereof. Upon the adoption of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Bonds owned or held by or for the account of the Authority or any person controlling, controlled by or under common control with the Authority shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds provided for in this Article. At the time of any such calculation, the Authority shall furnish the Trustee a certificate of any officer of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

Notwithstanding any other provision of this Indenture, a supplemental indenture under this Article shall not become effective until the Trustee shall have consented to the adoption by the Authority of such supplemental indenture.

Anything contained in this Indenture to the contrary notwithstanding, the Authority may adopt any indenture supplemental to this Indenture upon receipt of the consent of the Registered Owners of all Bonds Outstanding and the consent of the Trustee.

Section 10.03. Opinion of Counsel Required. The Trustee shall not consent to any indenture supplemental to this Indenture unless there shall have been filed with the Trustee an Opinion of Counsel stating that such supplemental indenture is authorized or permitted by this Indenture and complies with its terms and that it will be valid and binding on the Authority in accordance with its terms.

ARTICLE XI

Miscellaneous

Section 11.01. Consents of Holders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Registered Owners of the Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument. The fact and date of the execution by any person of any such writing may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 11.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the Trustee and the Registered Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and agreements herein contained; this Indenture and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the Trustee and the Registered Owners of the Bonds.

Section 11.03. Limitation of Liability of Directors, Officers and Employees of the Authority and the Trustee. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority or the Trustee in his individual capacity, and neither the directors of the Authority or the Trustee nor any officer of either executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, agent or adviser of the Authority or the Trustee shall incur any personal liability with respect to any other action taken by him pursuant to this Indenture or the Act, provided such director, officer, employee, agent or adviser acts in good faith.

Section 11.04. Notices. Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Authority, c/o City of Danville, Virginia, as Fiscal Agent to the Authority, 427 Patton Street, Danville, Virginia 34541; or (b) if to the Trustee, 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219 (Attention: Corporate Trust Administration). The Authority and the Trustee may by notice given as provided herein, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 11.05. Successors and Assigns. This Indenture shall be binding on, inure to the benefit of and be enforceable by the Authority and the Trustee and their respective successors and assigns.

Section 11.06. Severability. If any clause, provision or section of this Indenture be held illegal or invalid by any .court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Indenture is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties hereto to the full extent permitted by law.

Section 11.07. Applicable Law. This Indenture shall be governed by the applicable laws of Virginia.

Section 11.08. Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity Agent will ask for documentation to verify its formation and existence as a legal entity. Agent may also ask to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 11.09. Counterparts. This Indenture may be executed in a number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Danville-Pittsylvania Regional Industrial Facility Authority has caused this Indenture to be executed in its name and on its behalf by its Chairman or Vice Chairman and the official seal of the Authority to be impressed hereon and attested by the Secretary or Assistant Secretary of the Authority; and U.S. Bank National Association, as Trustee has caused this Indenture to be executed in its name and on its behalf by an authorized representative, all as of the date and year first above written.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

(SEAL)

By _____
Name: _____
Title: Chairman

ATTEST:

By _____
Name: _____
Title: Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Name: _____
Title: _____

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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2011

NEW ISSUE
Book-Entry Only

Ratings: S&P: __

(See "MISCELLANEOUS – Ratings" herein)

*In the opinion of Bond Counsel, under existing law and subject to conditions described in the section herein "**TAX MATTERS,**" interest on the Bonds will be included in gross income for federal income tax purposes, but will be exempt from income taxation by the Commonwealth of Virginia and any political subdivision thereof. A Bondholder may be subject to other federal tax consequences as described in the section herein "**TAX MATTERS.**"*

$13,700,000*
Danville-Pittsylvania Regional Industrial Facility Authority
Revenue Bonds (Berryhill Project)
Series 2011

Dated: Date of Issuance
Interest Payable: May 1 and November 1

Due: November 1, as shown on inside cover
First Interest Payment: May 1, 2012

This Official Statement has been prepared by the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") to provide information on the Bonds, the security therefor, Pittsylvania County, Virginia (the "County"), the City of Danville, Virginia (the "City"), the purposes for which the Bonds are being issued and other relevant information. Selected information is presented on this cover page and on the inside cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Security	The Bonds will be limited obligations of the Authority payable from certain payments to be made by the County and the City pursuant to the Support Agreements, as defined herein, and other sources as provided herein. **The obligation of the County to make payments under the County Support Agreement will be subject to annual appropriation by the County's Board of Supervisors (the "Board"), and the Board will not be under any legal obligation to make such appropriations. The obligation of the City to make payments under the City Support Agreement will be subject to annual appropriation by the City Council (the "Council"), and the Council will not be under any legal obligation to make such appropriations.** The Bonds and the interest on them shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the Authority, the City and the County. See the section herein "**SECURITY FOR THE BONDS.**" [see p. 5]
Redemption	See the inside cover page and the section herein **"THE BONDS -- Redemption."** [see p. 3]
Issued Pursuant to	A Trust Indenture, dated as of November 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee").
Purpose	The proceeds of the Bonds will be used to finance land acquisition and related capital expenditures as part of the development of the Berryhill industrial park, as well as pay costs of issuance. See the sections herein **"INTRODUCTION"** and "**SOURCES AND USES OF FUNDS.**" [see pp. 1 and 8]
Interest Rates/Yields	See the inside cover page.
Interest Payment Dates	May 1 and November 1, beginning May 1, 2012.
Denomination	$5,000 and integral multiples thereof.
Closing/Delivery Date	On or about November __, 2011*.
Registration	The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is registered owner of the Bonds, as the nominee for DTC (a) references herein to the Bondholder or registered owner shall mean Cede & Co. and (b) principal, premium and interest shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal, premium and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only. See the section herein **"THE BONDS -- Book-Entry Only System"**. [see p.4]
Authority Counsel	Clement & Wheatley, P.C.
Underwriter's Counsel	Sands Anderson PC
Bond Counsel	Troutman Sanders LLP
Conditions Affecting Issuance	The Bonds are offered when, as and if issued, subject to, among other conditions, the approving legal opinion of Troutman Sanders LLP.

Dated: November __, 2011*

DAVENPORT & COMPANY LLC

* Preliminary, subject to change

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
$13,700,000*
Revenue Bonds (Berryhill Project), Series 2011
Dated: November __, 2011*
Due: November 1, as shown below
CUSIP Base Number:

MATURITY SCHEDULE, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Maturity*	Principal Amount*	Interest Rate	Price or Yield	CUSIP Suffix
2012	$	%	%	
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				

Optional Redemption	[The Bonds will not be subject to optional redemption.] [The Bonds maturing on or after November 1, 20__*, will be subject to redemption prior to maturity on and after November 1, 20__*, in whole or in part at any time, at the redemption prices stated herein.] See the section herein **"THE BONDS -- Redemption."**
[Mandatory Sinking Fund Redemption	Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the serial maturities are combined into one or more term bonds at the time of pricing. See the Section herein **"THE BONDS – Redemption."**]

* Preliminary, subject to change

DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY
Coy E. Harville, Chairman
Sherman M. Saunders, Vice Chairman
Henry A. "Hank" Davis Jr.
T. David Luther
Fred O. Shanks III
Fred M. Ingram

No dealer, broker, salesman or other person has been authorized by the Authority, the City or the County to give any information or to make any representations other than as contained in this Official Statement in connection with the offering of the Bonds and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract or agreement between the Authority, the City or the County and the purchasers or owners of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City or the County since the date hereof. Any statement in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any such opinion or estimate will be realized. The information set forth in this Official Statement has been obtained from the Authority, the City, the County and other sources that are believed to be reliable, but as to information from other sources, is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Authority, the City or the County.

The Underwriter (as hereinafter defined) has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in the Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The registration or qualification of the Bonds in accordance with applicable provisions of the securities laws of the states, if any, in which the Bonds have been registered or qualified and the exemption from registration or qualification in certain other states cannot be regarded as a recommendation thereof. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAS PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

$13,700,000*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
REVENUE BONDS
(BERRYHILL PROJECT)
SERIES 2011

INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover pages and the Appendices, is to furnish information in connection with the sale by the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority"), of its $13,700,000* Revenue Bonds (Berryhill Project), Series 2011 (the "Bonds"). The Bonds are being issued to provide funds to finance land acquisition and related capital expenditures as part of the development of the Berryhill industrial park, as well as pay the costs of issuing the Bonds. The Bonds are being issued pursuant to a Trust Indenture, dated as of November 1, 2011, between the Authority and U.S. Bank National Association, as Trustee (the "Trustee") and the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Code of Virginia of 1950, as amended (the "Act"). The payments of principal, interest and premium (if any) on the Bonds will be made to the Authority by Pittsylvania County, Virginia (the "County") pursuant to a Support Agreement, dated as of November 1, 2011 (the "County Support Agreement"), between the Authority and the County and by the City of Danville, Virginia (the "City") pursuant to a Support Agreement, dated as of November 1, 2011 (the "City Support Agreement" and, together with the County Support Agreement, the "Support Agreements"), between the Authority and the City, with the City and the County each being responsible for fifty percent (50%) of the debt service payments. See the section **"SECURITY FOR THE BONDS – Support Agreements."** In addition, it is expected that a portion of the debt service on the Bonds will be paid from payments allocated for such purpose by the Virginia Tobacco Indemnification and Community Revitalization Commission (the "Commission"). Such payments have been assigned by the City and the County to the Authority pursuant to the Assignment Agreement (as hereinafter defined). See the section **"SECURITY OF THE BONDS – Assignment Agreement."**

The Bonds will be limited obligations of the Authority, payable from the payments to be made by the County and the City pursuant to the Support Agreements as well as from payments under the Assignment Agreement. **The obligation of the County to make payments under the County Support Agreement will be subject to annual appropriations by the County's Board of Supervisors (the "Board"), and the Board will not be under any legal obligation to make such appropriations. The obligation of the City to make payments under the City Support Agreement will be subject to annual appropriation by the City Council (the "Council"), and the Council will not be under any legal obligation to make such appropriations.**

The Bonds and the interest on them shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any of its political subdivisions, including the Authority, the City and the County. Neither the Commonwealth nor any of its political subdivisions, including the Authority, the City and the County, shall be obligated to pay the principal of, premium, if any, and interest on the Bonds or other costs incident to them except from the revenues and receipts pledged for such purpose. The Authority has no taxing power.

Financial and other information contained in this Official Statement has been prepared by the City and the County from their respective records, except where other sources are noted. This information speaks as of its date and is not intended to indicate future or continuing trends in the financial or economic position of the City or the County.

The City

The City, situated on the Dan River, is located near the North Carolina state line in the Piedmont section of Virginia. U. S. Highways 29, 58, and 360 provide access to the City. The City is located adjacent to the southern

* Preliminary, subject to change.

part of Pittsylvania County and covers an area of approximately 44 square miles, which includes approximately 26 square miles annexed by the City on December 31, 1987. The City was founded in 1793 and incorporated in 1830. Additional information regarding the City is provided in **APPENDIX A** to this Official Statement, entitled **"CITY OF DANVILLE, VIRGINIA."** The audited financial statements for the City for the fiscal year ended June 30, 2010 are provided in **APPENDIX B** to this Official Statement.

The County

The County is located in Southwestern Virginia, in the high plateau area of the southern piedmont region. The County borders North Carolina and is adjacent to the City of Danville. Chatham, the county seat, is 140 miles from Richmond, Virginia, 68 miles from Roanoke, Virginia, 50 miles from Lynchburg, Virginia, and 96 miles from Raleigh, North Carolina. Additional information regarding the County is provided in **APPENDIX C** to this Official Statement, entitled **"COUNTY OF PITTSYLVANIA, VIRGINIA."** The audited financial statements for the County for the fiscal year ended June 30, 2010 are provided in **APPENDIX D** to this Official Statement.

Delivery

The Bonds are offered for delivery, when, as and if issued, subject to the approval of validity by Troutman Sanders LLP, Richmond, Virginia, Bond Counsel, and to certain other conditions referred to herein. Certain legal matters will be passed upon for the Authority by Clement & Wheatley, P.C. and for the Underwriter by Sands Anderson PC. It is expected that the Bonds will be available for delivery, at the expense of the Authority, in New York, New York, through the facilities of DTC, on or about November __, 2011.*

Additional Information; Applicable Documents

Any questions concerning the content of this Official Statement should be directed to the Underwriter, Davenport & Company LLC, 901 East Cary Street, Richmond, Virginia 23219 (___/___-____).

The Indenture, the Assignment Agreement, the Support Agreements and the Continuing Disclosure Agreement (as hereinafter defined) are referred to herein as the "Basic Documents." Additional information regarding certain of such documents is provided in the section below "**SECURITY FOR THE BONDS**." The County approved the Basic Documents to which it is a party by a resolution adopted by the Board on _____, 2011. The City approved the Basic Documents to which it is a party by a resolution adopted by the Council on _____, 2011. The Authority approved the issuance of the Bonds and the Basic Documents to which it is a party by a resolution adopted by the Authority on October 11, 2011.

THE BONDS

General Description

The Bonds consist of the Authority's $13,700,000* Revenue Bonds (Berryhill Project), Series 2011, with principal payments due on November 1 in the years and amounts shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each May 1 and November 1 commencing May 1, 2012 (each, an "Interest Payment Date"), until the earlier of maturity or sinking fund redemption, at the rates per year shown on the inside cover page of this Official Statement. Interest will be calculated upon the basis of a 360-day year with twelve 30-day months. The Bonds are [not] subject to optional redemption prior to maturity.

The Bonds will be issued in authorized denominations of $5,000 and multiples thereof and will be held on behalf of The Depository Trust Company, New York, New York ("DTC"), or its nominee, as securities depository. As long as the Bonds are held on behalf of DTC or its nominee, principal, premium, if any, and interest will be paid to Cede & Co., as nominee of DTC, on each maturity date, sinking fund redemption date or Interest Payment Date, as applicable. Purchases of beneficial ownership interests in the Bonds will be made only in book-entry form and individual purchasers will not receive physical delivery of bond certificates. See the section below "-- **Book-Entry Only System.**" If the book-entry system is discontinued, bond certificates will be delivered as described in the

* Preliminary, subject to change

Indenture, and Beneficial Owners, as defined below, will become registered owners of the Bonds ("Bondholders"). Interest on the Bonds shall be payable on each Interest Payment Date by check or draft mailed by the Trustee to the registered owner at his address as it appears on the fifteenth day (whether or not a business day) of the month immediately preceding each Interest Payment Date. Principal of and premium, if any, on the Bonds is payable upon presentation of the Bonds at the designated corporate trust office of the Trustee.

Principal of, premium, if any, and interest on the Bonds are payable in lawful money of the United States of America. In case the date fixed for the payment of principal of or interest on the Bonds is not a business day at the place where the designated corporate trust office of the Trustee is located, then payment of the principal, premium, if any, and interest need not be made on such day, but may be made on the next succeeding business day, and if made on such next succeeding business day, no additional interest shall accrue for the period after such date of payment.

Additional information regarding the Bonds is provided under the headings "**SECURITY FOR THE BONDS**" and "**MISCELLANEOUS.**"

Redemption

Optional Redemption. [The Bonds are ***not*** subject to optional redemption by the Authority.] [The Bonds maturing on or after November 1, 20__*, will be subject to redemption prior to maturity on and after November 1, 20__*, in whole or in part at any time, at the redemption prices stated herein.]

[**Mandatory Sinking Fund Redemption.** Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the serial maturities are combined into one or more term bonds at the time of pricing.]

[**Manner of Redemption.** If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed shall be selected by the Authority. If less than all the Bonds of any maturity are called for redemption, the Bonds to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. If a portion of a Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon surrender thereof. Interest shall cease to accrue on any Bonds duly called for redemption, on the redemption date, if payment thereof has been duly provided. During the period that DTC or the DTC nominee is the registered holder of the Bonds, the Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners of the Bonds. See the section below "**-- Book-Entry Only System.**"

If the Bonds are called for redemption, the Trustee is required to send to the registered owner of each Bond to be redeemed written notice of the call for redemption not less than 30 nor more 60 days prior to the redemption date, at such owner's address as it appears on the registration books. Failure to mail the notice or any defect in any such notice will not affect the validity of any proceedings for the redemption of any Bonds with respect to which no such failure or defect has occurred. A notice of optional redemption may be conditioned upon the occurrence of future events, including the availability of funds to effect the redemption on the redemption date. If such conditions are not satisfied, the Authority may rescind the redemption.]

Book-Entry Only System

Upon initial issuance, the Bonds will be available only in book-entry form. DTC will act as securities depository for the Bonds and the ownership of one fully-registered bond for each maturity of Bonds in the principal amount of such maturity and will be registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC, and deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales

and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, DTC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as defaults and proposed amendments to the Indenture, the Support Agreements or the other Basic Documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices (if any) shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements

as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information contained herein concerning DTC and DTC's book-entry system has been obtained from sources that the Authority, the City and the County believe to be reliable, but the Authority, the City and the County take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the holders or Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners and Cede & Co. will be treated as the only Bondholder of the Bonds for all purposes under the Indenture.

The Authority may enter into amendments to its agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds, without the consent of Beneficial Owners or Bondholders.

SECURITY FOR THE BONDS

Trust Estate

The Bonds are limited obligations of the Authority and are payable solely from and are secured by the "Trust Estate," which includes the following:

(a) All money, securities and investments at any time on deposit in, in transit to or credited to any account or fund created hereunder, including without limitation the Project Fund, the Bond Fund and the Debt Service Reserve Fund;

(b) The Revenues;

(c) The right and interest of the Authority in and to the Support Agreements;

(d) The right and interest of the Authority in and to the Assignment Agreement;

(e) All other property of any kind mortgaged, pledged or hypothecated by the Authority or by anyone on its behalf or with its consent at any time as and for additional security under the Indenture in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of the Indenture.

Support Agreements

In the County Support Agreement, the County has covenanted to pay fifty percent (50%) of the Annual Payments and Additional Payments, and in the City Support Agreement, the City has covenanted to pay fifty percent (50%) of the Annual Payments and Additional Payments. Annual Payments are to be made in amounts expected to be sufficient to enable the Authority to meet its scheduled debt service payments on the Bonds. Additional Payments include the fees and expenses of the Trustee and the expenses of the Authority, and all other amounts which the County and the City have assumed or agreed under the County Support Agreement and the City Support Agreement, respectively, to pay.

The County and the City will pay their respective portions of the Annual Payments and Additional Payments, without deduction, diminution or set-off or abatement for casualty, loss of title, condemnation or any other reason. Neither the County nor the City will be entitled to any reimbursement from the Authority or reduction or postponement of amounts payable under their respective Support Agreements if either paid for any costs of the Project in excess of the available proceeds of the Bonds. The Support Agreements will commence on the date of issuance and delivery of the Bonds and will terminate on the payment in full of the Bonds.

Pursuant to the County Support Agreement, the County has directed the County Administrator (or other officer charged with the responsibility of preparing the County's budget) to include in the budget for each of the County's fiscal years during the term of the County Support Agreement a request that the Board appropriate in such fiscal year all amounts due under the County Support Agreement during such fiscal year. If at any time during any fiscal year the amount appropriated in the budget of the County for such fiscal year is insufficient to permit the County to pay when due amounts due under the County Support Agreement, the County has directed the County Administrator (or other officer charged with the responsibility of preparing the County's budget) to submit to the Board at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit. **The Board is not required to appropriate these amounts.**

The County has covenanted in the County Support Agreement to take such action as may be necessary to include the payments due under the County Support Agreement in its annual budget, but the obligation of the County to make payments under the County Support Agreement is limited to amounts lawfully available and appropriated for such purpose. **Neither the Bonds nor the obligation of the County to make payments under the County Support Agreement constitutes a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of the County. The County is not liable to provide funds for any payments under the County Support Agreement unless and until funds have been appropriated by the Board for payment and then only to the extent of such appropriations.**

Pursuant to the City Support Agreement, the City has directed the City Manager (or other officer charged with the responsibility of preparing the City's budget) to include in the budget for each of the City's fiscal years during the term of the City Support Agreement a request that the Council appropriate in such fiscal year all amounts due under the City Support Agreement during such fiscal year. If at any time during any fiscal year the amount appropriated in the budget of the City for such fiscal year is insufficient to permit the City to pay when due amounts due under the City Support Agreement, the City has directed the City Manager (or other officer charged with the responsibility of preparing the City's budget) to submit to the Council at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit. **The Council is not required to appropriate these amounts.**

The City has covenanted in the City Support Agreement to take such action as may be necessary to include the payments due under the City Support Agreement in its annual budget, but the obligation of the City to make payments under the City Support Agreement is limited to amounts lawfully available and appropriated for such purpose. **Neither the Bonds nor the obligation of the City to make payments under the City Support Agreement constitutes a debt of the City within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of the City. The City is not liable to provide funds for any payments under the City Support Agreement unless and until funds have been appropriated by the Council for payment and then only to the extent of such appropriations.**

Assignment Agreement

The Virginia Tobacco Indemnification and Community Revitalization Commission (the "Commission") has adopted a Resolution (the "Grant Resolution") stating its intent to allocate and pay $2,901,987.50 to the City (the "City Grant") and $2,901,987.50 to the County (the "County Grant" and, together with the City Grant, the "Grant") for the payment of a portion of the debt service on the Bonds. The City and the County have each executed a Letter of Agreement – Grant Funds regarding their obligations under the Grant (the "Letter of Agreement"). The County and the City are also entering into an Assignment Agreement, dated as of November 1, 2011 (the "Assignment Agreement"), pursuant to which they are agreeing to take all actions required by the Commission in order to receive the Grant pursuant to the Grant Resolution and the Letter of Agreement and are irrevocably pledging and assigning, to the extent permitted by law, the Grant to the extent of their interest in the same to the

Trustee as security for, and for payment of, the Bonds. The Grant is restricted solely to the payment of debt service on the Bonds by the terms of the Grant Resolution and may not be used for any other purpose.

The Indenture

The Bonds are being issued pursuant to the Indenture. Under the Indenture, the Authority pledges to the payment of the Bonds the Trust Estate, including in particular the Annual Payments under the Support Agreements.

The Indenture provides that the Trustee will deposit in the Bond Fund (1) all payments of Annual Payments received by the Trustee under the Support Agreements, (2) all prepayments made under the Support Agreements, (3) excess proceeds transferred from the Project Fund, (4) all payments received by the Trustee pursuant to the Assignment Agreement, (5) funds transferred from the Debt Service Reserve Fund, and (6) any other amounts authorized to be deposited in the Bond Fund under the Indenture. The Trustee will pay from the Bond Fund the principal of and interest on the Bonds when due.

The Debt Service Reserve Fund under the Indenture is being funded on the date of the issuance of the Bonds in the amount of $2,000,000 (the "Debt Service Reserve Fund Requirement"), with the City and the County providing $1,000,000 each from their own respective funds. The Debt Service Reserve Fund is available to pay debt service on the Bonds in the event that the Trustee has insufficient monies therefor. The County and the City in their respective Support Agreements have agreed to consider appropriations to replenish their respective portions of the Debt Service Reserve Fund Requirement.

The Indenture provides that the Trustee will deposit in the Project Fund created under the Indenture (the "Project Fund") the proceeds of the Bonds. The Trustee will use money in the Project Fund solely to pay the costs of the Project and the costs of issuing the Bonds. The Trustee will make payments from the Project Fund upon receipt of requisitions signed by the Authority providing the required information with respect to the use of the amounts being requisitioned.

None of the Indenture, the Support Agreements or the Assignment Agreement grants to the Trustee a security interest in the Project.

Bondholders Remedies in the Event of Default

Events of Default. Each of the following is an Event of Default under the Indenture: (1) payment of interest on any Bond is not made when due, (2) payment of principal of or premium on any Bond is not made when due, (3) default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Indenture, subject to certain rights of the Authority to notice and an opportunity to cure, and (4) the occurrence and continuation of any "Event of Default" under any Support Agreement.

Events of Default under the City Support Agreement include (1) failure by the City to pay Annual Payments (unless the default occurs as a result of the failure of the City to appropriate amounts due under the City Support Agreement) and such failure continues for a period of five days and (2) failure by the City to pay any other amount due under the City Support Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure continues more than 30 days after notice thereof, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the City to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence (unless the default occurs as a result of the failure of the City to appropriate amounts due under the City Support Agreement).

A failure by the City to pay any amount due under the City Support Agreement or perform any covenant, condition or agreement, resulting from a failure by the City to appropriate funds for such purposes, will not be an Event of Default under the City Support Agreement.

Events of Default under the County Support Agreement include (1) failure by the County to pay Annual Payments (unless the default occurs as a result of the failure of the County to appropriate amounts due under the County Support Agreement) and such failure continues for a period of five days and (2) failure by the County to pay any other amount due under the County Support Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure continues more than 30 days after notice thereof,

or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence (unless the default occurs as a result of the failure of the County to appropriate amounts due under the County Support Agreement).

A failure by the County to pay any amount due under the County Support Agreement or perform any covenant, condition or agreement, resulting from a failure by the County to appropriate funds for such purposes, will not be an Event of Default under the County Support Agreement.

Remedies; Rights of Bondholders. Upon the occurrence and continuation of an Event of Default under the Indenture, the Trustee may, and if requested by the owners of twenty-five percent in aggregate principal amount of Bonds outstanding will, declare the entire unpaid principal of and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of and interest on the Bonds will be immediately due and payable. The Bonds are payable primarily from the Annual Payments under the Support Agreements, which Annual Payments are subject to annual appropriation by the Board and the Council, respectively.

The Trustee may, with or without the action described in the preceding paragraph, proceed to protect and enforce the rights of the owners of the Bonds in the manner it deems most expedient to the interests of such owners. All remedies under the Indenture are cumulative.

Remedies available to the Authority and the Trustee (as assignee and on behalf of the Authority) under the Support Agreements for an Event of Default thereunder include the following: (1) the Trustee may declare all unpaid Annual Payments under the particular Support Agreement to be immediately due and payable; and (2) the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect payments and other amounts then due or to become due, or to enforce performance and observance of any obligation or agreement of the County or the City, as applicable, under the applicable Support Agreement.

Other than the right of acceleration described above, no owner of any Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture, the execution of any of its trusts or any other remedy under it, unless (1) an Event of Default under the Indenture has occurred and is continuing; (2) the owners of twenty-five percent in aggregate principal amount of Bonds then outstanding have requested the Trustee in writing and offered it reasonable opportunity either to proceed to exercise the powers granted by the Indenture, or to institute such action, suit or proceeding in its own name; (3) the Trustee has been indemnified as provided by the Indenture; (4) the Trustee has failed or refused for 60 days to comply with such request; (5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of a majority in aggregate principal amount of Bonds then outstanding; and (6) notice of such action, suit or proceeding is given to the Trustee.

INVESTMENT CONSIDERATIONS

An investment in the Bonds involves various risks. Prospective investors should carefully consider the following information in conjunction with the other information contained in this Official Statement before making a decision to purchase any Bonds. Although this section does not list all of the factors to be taken into account by a prospective purchaser of the Bonds in evaluating the risk of the investment, the following factors are considered by the City and the County to be the most salient.

Limited Source of Payments

The Bonds are not general obligations of the Authority but are limited obligations payable primarily from revenues received by the Authority under the Support Agreements and the Assignment Agreement. The ability of the Authority to make timely payments of principal and interest on the Bonds depends on the ability of the County and the City to make timely payments under their respective Support Agreements. The obligations of the County and the City to make payments under their respective Support Agreements are subject to and dependent upon amounts being lawfully appropriated from time to time by the Board and the Council, respectively. **The Board and the Council, respectively, are not required to appropriate such amounts.** The obligations of the County and the City are not a debt of either of them within the meaning of any constitutional or statutory limitation. The full faith and credit and the taxing power of the County and the City are not pledged in any way to the Bonds or payments due under any of the Basic Documents. Pursuant to the Support Agreements, in the event that funds for the payment of

the Annual Payments under either Support Agreement are not available because of a failure by the County or the City (as applicable) to appropriate, no Event of Default is deemed to have occurred under that Support Agreement. For more information on the City, see "**APPENDIX A – City of Danville, Virginia**" and "**APPENDIX B -- Audited Financial Statements of for the Fiscal Year Ended June 30, 2010.**" For more information on the County, see "**APPENDIX C -- County of Pittsylvania, Virginia**" and "**APPENDIX D -- Audited Financial Statements of for the Fiscal Year Ended June 30, 2010.**"

There can be no assurance that the Commission will pay the Grant to the City and the County or, if paid, that the payment will be made in a timely fashion.

Limitations on Enforceability of Remedies

The realization of any rights upon an Event of Default will depend upon the exercise of various remedies specified in the Indenture and the Support Agreements. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the legal and equitable remedies specified in the Indenture and the Support Agreements may not be readily available.

SOURCES AND USES OF FUNDS

The following table sets forth the anticipated application of the proceeds of the Bonds.

Sources of Funds	
Face Amount of Bonds	$_____
Net Original Issue [Premium] [Discount]	_____
Total Sources	$_____
Uses of Funds	
Land Acquisition	$_____
Costs of Issuance*	_____
Total Uses	$_____

* Includes an underwriter's discount. See the section "**MISCELLANEOUS -- Underwriting.**"

DEBT SERVICE REQUIREMENTS FOR THE BONDS

The following table shows the payments of principal and interest scheduled to become due on the Bonds and the schedule of aggregate Annual Payments scheduled to become due under the Support Agreements.

Bond Year Ending November 1	Principal	Interest	Total Debt Service/Annual Payments

THE AUTHORITY

The Authority is a political subdivision created and existing under the laws of the Commonwealth of Virginia pursuant to the provisions of Title 15.2, Chapter 64 of the Virginia Code of 1950, as amended (the "Act"). Pursuant to the Act, the Authority is empowered, among other things, to issue its bonds for any valid purpose; to develop, establish, construct, erect, repair, remodel, add to, extend, improve, equip, operate, regulate and maintain facilities (consisting of any structure or park, including real estate and improvements, for manufacturing, warehousing, distribution, office, or other industrial or commercial purposes, which facility need not be owned by the Authority or its member localities); to acquire, own, hold, lease, use, sell, encumber, transfer or dispose of any real or personal property or interest therein; to expend such funds as may be available to it for the purpose of developing facilities; to make loans in furtherance of its purposes; to accept funds and property from the Commonwealth, local governments and other persons; and to make loans or grants from its revenues to, and enter into cooperative arrangements with, any person, partnership, association, corporation, business or governmental entity in furtherance of the Act to promote economic and workforce development. The Bonds are limited obligations of the Authority. The Authority has no taxing power.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Troutman Sanders LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the Bonds (the "Bond Opinion"). The proposed form of the Bond Opinion is attached to this Official Statement as **APPENDIX F**. The Bond Opinion will be limited to matters relating to the authorization and validity of the Bonds and to the status of interest thereon as described below in the section **"TAX MATTERS."** Bond Counsel has not been engaged to investigate the financial resources of the County or the City or their respective abilities to provide for payment of Annual Payments under their respective Support Agreements, and the Bond Opinion will make no statement as to such matters.

Certain legal matters will be passed upon for the County by the County Attorney, J. Vaden Hunt, Esquire and for the City by the City Attorney, W. Clarke Whitfield, Jr., Esquire. Certain legal matters will be passed upon for the Authority by its counsel, Clement & Wheatley, P.C. and for the Underwriter by its counsel, Sands Anderson PC.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing law, interest, including accrued original issue discount ("OID"), on the Bonds is includable in gross income for federal income tax purposes. Further, in the opinion of Bond Counsel, interest, including accrued OID, on the Bonds is exempt from income taxation by the Commonwealth.

Original Issue Discount

The OID on the Bonds maturing in the years 20__ and 20__ (collectively, the "OID Bonds") is the excess of the stated redemption price of any OID Bond at maturity over the initial offering price to the public at which a substantial amount of the Bonds of the same maturity was sold. The "public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale or redemption of such Bonds and with respect to state and local tax consequences of owning such OID Bonds.

Original Issue Premium

Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. An owner's basis in such a Bond must be reduced by the amount of premium which

accrues while such Bond is held by the owner. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors with respect to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of owning such Bonds.

Other Tax Matters

Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than Virginia.

LITIGATION

The Authority

No litigation is pending or, to the best of the knowledge of the Authority, threatened (1) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (2) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Documents, or (3) affecting the development or operation of the Project or any portion thereof.

The City

No litigation is pending or, to the best of the knowledge of the City, threatened (1) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (2) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Documents to which the City is a party, or (3) affecting the development or operation of the Project.

During the normal course of business, the City and its employees have been named as defendants in litigation filed by parties concerning alleged personal injuries, property damages, and other causes of action, which are being vigorously defended by the City. The City believes that no losses will be incurred as a result of such litigation that would have a material adverse effect on the City's financial position.

The County

No litigation is pending or, to the best of the knowledge of the County, threatened (1) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (2) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Documents to which the County is a party, or (3) affecting the development or operation of the Project.

During the normal course of business, the County and its employees have been named as defendants in litigation filed by parties concerning alleged personal injuries, property damages, and other causes of action, which are being vigorously defended by the County. The County believes that no losses will be incurred as a result of such litigation that would have a material adverse effect on the County's financial position.

MISCELLANEOUS

Ratings

Standard & Poor's Public Finance Ratings ("Standard & Poor's") has given the Bonds the rating of ___. The Authority requested that the Bonds be rated and furnished certain information to Standard & Poor's, including certain information that may not be included in this Official Statement. Such rating is based on the credit of the County and the City and reflects only the views of Standard & Poor's. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's at 55 Water Street, New York New York 10041, telephone (212) 438-2000. Generally, rating agencies base their ratings on the information and materials so furnished to them and

on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Underwriter has undertaken no responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any downward revision in or withdrawal of a rating could have an adverse effect on the market price of the Bonds.

Underwriting

The Bonds are being purchased by Davenport & Company LLC (the "Underwriter"). The purchase contract for the Bonds (the "Bond Purchase Agreement") sets forth the obligation of the Underwriter to purchase the Bonds at an aggregate price of $_____, reflecting the par amount of the Bonds of $_____, a net original issue [premium][discount] to the public of $_____ and an underwriting discount of $_____. The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased.

The Underwriter intend to offer the Bonds to the public initially at the offering prices or yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriter) and others at prices or yields different from the public offering prices or yields stated on the inside front cover page of this Official Statement. The Underwriter may change the initial offering prices or yields from time to time.

Certificates and Opinions of Authority, City and County Officials

Concurrently with the delivery of the Bonds, the City will furnish to the Underwriter a certificate dated the date of delivery of the Bonds, signed by the appropriate City officials and stating that (1) no litigation is then pending or, to their knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Documents to which the City is a party, or (c) affecting the development or operation of the Project, and (2) the descriptions and statements in this Official Statement regarding the City, including specifically **APPENDIX A**, on the date of this Official Statement and on the date of delivery of the Bonds were and are true and correct in all material respects, did not and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in the light of the circumstances under which they were made, not misleading, and that no material adverse change has occurred in the financial condition of the City between the date of this Official Statement and the date of delivery of the Bonds other than as contemplated in this Official Statement.

Concurrently with the delivery of the Bonds, the County will furnish to the Underwriter a certificate dated the date of delivery of the Bonds, signed by the appropriate County officials and stating that (1) no litigation is then pending or, to their knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Documents to which the County is a party, or (c) affecting the development or operation of the Project, and (2) the descriptions and statements in this Official Statement regarding the County, including specifically **APPENDIX C** on the date of this Official Statement and on the date of delivery of the Bonds were and are true and correct in all material respects, did not and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in the light of the circumstances under which they were made, not misleading, and that no material adverse change has occurred in the financial condition of the County between the date of this Official Statement and the date of delivery of the Bonds other than as contemplated in this Official Statement.

Concurrently with the delivery of the Bonds, the Authority will furnish to the Underwriter a certificate dated the date of delivery of the Bonds, signed by the appropriate Authority officials and stating that (1) no litigation is then pending or, to their knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the

Indenture, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Documents, or (c) affecting the development or operation of the Project, and (2) the descriptions and statements in this Official Statement (except under the headings **"THE Bonds -- Book-Entry Only System," "TAX MATTERS,"** and **"LITIGATION"** and the information as to yields or prices on the inside cover page) on the date of this Official Statement and on the date of delivery of the Bonds were and are true and correct in all material respects, did not and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that such Authority officials did not independently verify the information indicated in this Official Statement as having been obtained or derived from sources other than the Authority and its officers but that they have no reason to believe that such information is not accurate.

The City Attorney will furnish to the Underwriter concurrently with the delivery of the Bonds an opinion dated the date of delivery of the Bonds, stating that the statements under the heading **"LITIGATION -- The City"** on the date of this Official Statement and on the date of delivery were and are true and correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in the light of the circumstances under which they were made, not misleading. The County Attorney will furnish to the Underwriter concurrently with the delivery of the Bonds an opinion dated the date of delivery of the Bonds, stating that the statements under the heading **"LITIGATION -- The County"** on the date of this Official Statement and on the date of delivery were and are true and correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in the light of the circumstances under which they were made, not misleading. Counsel to the Authority will also furnish to the Underwriter concurrently with the delivery of the Bonds an opinion dated the date of delivery of the Bonds, stating that the statements under the heading **"LITIGATION -- The Authority"** on the date of this Official Statement and on the date of delivery were and are true and correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in the light of the circumstances under which they were made, not misleading.

Continuing Disclosure

The City and the County will enter into a Continuing Disclosure Agreement with respect to the Bonds (the "Disclosure Agreement"). In the Disclosure Agreement, the City and the County have covenanted, for the benefit of the holders and Beneficial Owners of the Bonds, to provide certain financial information, including audited financial statements prepared in accordance with generally accepted accounting principles applicable to governmental entities, and operating data relating to the City and the County not later than 270 days after the end of each of the City's and the County's fiscal years, commencing with the fiscal year ending June 30, 2011 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events. See **APPENDIX E** for the form of the Disclosure Agreement. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

Neither the City nor the County has failed to comply, in all material respects, with any previous undertakings in a written contract or agreement meant to ensure compliance with Rule 15c2-12(b)(5). The Authority, the City and the County have determined that the Authority is not an "obligated person," as described in Rule 15c2-12(b)(5), with respect to the Bonds.

Relationship of Parties

Troutman Sanders LLP serves as counsel to the Underwriter, as Bond Counsel to the County and as counsel to the Trustee from time to time in unrelated matters.

Summaries and Descriptions

All summaries in this Official Statement of provisions of the statutes of the Commonwealth, including the Act, the Basic Documents and the Bonds are subject to the detailed provisions and judicial interpretations to which reference is hereby made for further information. Such summaries do not purport to be complete statements of any or all of such provisions.

This Official Statement and any advertisement of the Bonds are not to be construed as a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly identified, are set forth as such and not as representations of fact, and no representation is made that any of these estimates will be realized.

The Authority has furnished all information in this Official Statement relative to it. The City has furnished all information in this Official Statement relative to it, including the audited financial statements for the fiscal year ended June 30, 2010, and for the period then ended, as well as the report on the audited financial statements by Dixon Hughes Goodman LLC, Certified Public Accountants, Danville, Virginia, independent auditors, contained in **APPENDIX B**. The County has furnished all information in this Official Statement relative to it, including the audited financial statements for the fiscal year ended June 30, 2010, and for the period then ended, as well as the report on the audited financial statements by Robinson, Farmer, Cox Associates, A Professional Limited Liability Company, Christiansburg, Virginia, independent auditors, contained in **APPENDIX D**. Dixon Hughes Goodman LLC and Robinson, Farmer, Cox Associates will not be reviewing any matters in connection with the issuance of the Bonds.

The Authority, the County and the City have authorized the distribution of this Official Statement. The Authority has deemed this Official Statement to be "final" as of this date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information allowed to be omitted pursuant to such Rule.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By: _____
Chairman

Approved:

COUNTY OF PITTSYLVANIA, VIRGINIA

By: _____
County Administrator

Approved:

CITY OF DANVILLE, VIRGINIA

By: _____
City Manager

APPENDIX A

CITY OF DANVILLE, VIRGINIA

APPENDIX B

AUDITED FINANCIAL STATEMENTS
FOR THE CITY OF DANVILLE, VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

APPENDIX C

COUNTY OF PITTSYLVANIA, VIRGINIA

APPENDIX D

AUDITED FINANCIAL STATEMENTS
OF THE COUNTY OF PITTSYLVANIA, VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F

PROPOSED FORM OF OPINION OF TROUTMAN SANDERS LLP, AS BOND COUNSEL

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UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
REVENUE BONDS
(BERRYHILL PROJECT)
SERIES 2011

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NUMBER
_____%	November 1, ____	November __, 2011	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Authority"), for value received, promises to pay, solely from the revenues and other property pledged to the payment of this Bond, to the Registered Owner of this Bond or legal representative, the Principal Amount stated above on the Maturity Date stated above, and to pay solely from such source, interest on the unpaid principal amount of this Bond at the annual Interest Rate stated above, payable semi-annually on each May 1 and November 1, commencing on May 1, 2012, through and including the Maturity Date, all subject to prior redemption as described in this Bond. This Bond will bear interest (a) from the Dated Date stated above, if this Bond is authenticated before May 1, 2012 or (b) otherwise, from the May 1 or November 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless the payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid). The principal of and premium, if any, on this Bond will be payable at the designated corporate trust office of U.S. Bank National Association, Richmond, Virginia, as Trustee under the Indenture (as hereinafter defined), or its successor in trust (the "Trustee"). Interest on this Bond will be paid by check or draft mailed to the person registered on the April 15 or October 15, as appropriate, next preceding the interest payment date as the owner of this Bond at the address of such person on the registration books of the Authority maintained by the Trustee. Interest on this Bond will be computed on the basis of a year of 360 days and twelve 30-day months. Principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. In case the date fixed for the payment of principal of, interest on or the redemption of this Bond is a date on which banking institutions are authorized or obligated by law to close at the place where the designated corporate trust office of the Trustee is located, then payment of the principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is not such a date, and if made on such next succeeding date, no additional interest shall accrue for the period after such date of payment or redemption.

Notwithstanding any other provision hereof, this Bond is subject to book-entry in

the manner maintained by The Depository Trust Company ("DTC"), and the payment of principal, premium and interest, the providing of notices and other matters shall be made as described in the Authority's Blanket Issuer Letter of Representations to DTC.

This Bond and the issue of which it is a part and the interest on this Bond are limited obligations of the Authority and are payable solely from the Trust Estate described in the Indenture, including the revenues and other property pledged and assigned to the Trustee under the terms of the Indenture to secure payment of this Bond. The principal and interest on this Bond will not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY, THE CITY OF DANVILLE, VIRGINIA (THE "CITY") AND PITTSYLVANIA COUNTY, VIRGINIA (THE "COUNTY") ARE OBLIGATED TO PAY THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT EXCEPT FROM THE REVENUES, MONEY OR PROPERTY OF THE AUTHORITY PLEDGED FOR SUCH PURPOSE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY, THE CITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT. THE AUTHORITY HAS NO TAXING POWER.

This Bond is one of an issue of $_____ Revenue Bonds (Berryhill Project), Series 2011 (the "Bonds"), of like tenor, except as to number, denomination, rate of interest and maturity, authorized and issued by the Authority pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Code of Virginia of 1950, as amended, for the purpose of providing funds to finance (i) as part of the development of an industrial park, land acquisition and related capital expenditures, as well as other necessary expenses incidental thereto and (ii) the costs of issuing the Bonds. The Bonds are issued under and are equally and ratably secured by a Trust Indenture, dated as of November 1, 2011 (the "Indenture"), between the Authority and the Trustee. The payments on the Bonds are expected to be made from grants to the City and the County from the Virginia Tobacco Indemnification and Community Revitalization Commission and from funds provided by the County pursuant to a Support Agreement, dated as of November 1, 2011 (the "County Support Agreement"), between the Authority and the County and by the City pursuant to a Support Agreement, dated as of November 1, 2011 (the "City Support Agreement" and, together with the County Support Agreement, the "Support Agreements"), between the Authority and the City. The obligation of the County to make the annual payments under the County Support Agreement constitutes a current expense of the County, subject to annual appropriation by the County. The obligation of the City to make the annual payments under the City Support Agreement constitutes a current expense of the City, subject to annual appropriation by the City. The limited remedies available to the Trustee if funds are not appropriated by the County and the City to make payments under the Support Agreements are described in the Support Agreements. The obligation of the County to make payments under the County Support Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. The obligation of the City to make payments under the City Support Agreement does not constitute a debt of the City within the meaning of

any constitutional or statutory limitation nor a liability of or lien or charge upon funds or property of the City beyond any fiscal year for which the City has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the registered owner hereof with respect to payments to be made by the County or the City under their respective Support Agreements or with respect to the performance by the County or the City of any other covenant contained therein.

Reference is made to the Indenture and the Support Agreements for a description of the revenues and property pledged and assigned and the provisions, among other things, with respect to the nature and extent of the security, the rights and obligations of the Authority, the County, the City and the Trustee, the terms upon which the Bonds are issued and secured, the rights of the registered owners of the Bonds and the provisions for defeasance of such rights.

[The Bonds are not subject to optional redemption by the Authority.] [The Bonds may not be called for redemption by the Authority except that the Bonds maturing on or after November 1, 20__, are subject to redemption by the Authority on or after November 1, 20__ in whole or in part at any time, in any integral multiple of $5,000, upon payment of one hundred percent of the principal amount of the Bonds to be redeemed plus interest accrued and unpaid to the redemption date.]

[The Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption by the Authority, upon payment of a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, on November 1 in the years and amounts set forth below:

Year	Amount
20__	$
20__	
20__	
20__ – final maturity	

The Indenture provides for a credit against the mandatory sinking fund redemption of such Bonds in the amount of Bonds of the same maturity that have been previously redeemed or purchased and canceled or surrendered for cancellation and have not been applied previously as such a credit.]

[If less than all of the Bonds are called for redemption pursuant to an optional redemption, the maturities of the Bonds to be redeemed shall be selected by an Authorized County Representative as agent for the Authority. If less than all the Bonds of any maturity are called for redemption, the Bonds to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either case, each portion of $5,000 principal amount shall be counted as one bond for this purpose. If a portion of a Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon surrender thereof.

If the Bonds are called for redemption, the Trustee will cause a notice of

redemption to be sent by facsimile, registered or certified mail, postage prepaid, or overnight courier not less than thirty nor more than sixty days before the date fixed for redemption, to the registered owners of the Bonds to be redeemed, at their respective addresses as they last appear on the registration books maintained by the Trustee. The receipt of the notice is not a condition precedent to the redemption and failure to mail any notice to a registered owner will not affect the validity of the proceedings for the redemption of the Bonds of any other registered owners. If this Bond has been duly called for redemption and payment of the principal of, premium, if any, and unpaid interest accrued to the date fixed for redemption has been made or provided for, then, notwithstanding that this Bond has not been surrendered for cancellation, interest on this Bond will cease to accrue from such redemption date, and, from and after such redemption date, this Bond will no longer be entitled to any lien, benefit or security under the Indenture, and the registered owner of this Bond will have no rights with respect to this Bond except to receive payment of such principal of, premium, if any, and unpaid interest accrued to the date fixed for redemption on this Bond.]

The registered owner of this Bond has no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect to the Indenture, except as provided in the Indenture. Upon the occurrence of certain events or upon certain conditions, in the manner and with the effect set forth in the Indenture, the principal of all of the Bonds issued under the Indenture and then outstanding, together with any accrued interest on them, may become or may be declared due and payable before their stated maturities. Modifications or alterations in the Indenture or any supplements to it may be made only to the extent and under the circumstances provided by the Indenture.

The Bonds are issued as registered bonds without coupons in denominations of $5,000 or any integral multiple of $5,000 in excess thereof. At the designated corporate trust office of the Trustee, in the manner and subject to the limitations and conditions and upon payment of charges provided for in the Indenture, Bonds may be exchanged for an equal aggregate principal amount of Bonds of like form and maturity and of authorized denominations and bearing interest at the same rate.

The transfer of this Bond may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations and conditions provided for in the Indenture and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the Authority will execute and the Trustee will authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of like form, maturity and interest rate and of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive. The Trustee will treat the registered owner as the person exclusively entitled to payment of principal of, premium, if any, and interest on, this Bond, and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the April 15 or October 15 immediately preceding the interest payment date.

All acts and conditions required to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed.

This Bond will not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Bond.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Danville-Pittsylvania Regional Industrial Facility Authority has caused this Bond to be executed by the manual signature of its Chairman, its seal to be affixed to this Bond and attested by the manual signature of its Secretary.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By _____
Chairman

[SEAL]

ATTEST:

By _____
Secretary

AUTHENTICATION DATE: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Representative

(Form of Assignment)

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

_____

_____

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

_____

_____

(Please print or type Name and Address, including postal zip code of Transferee)

the within Bond and all rights under it, irrevocably constituting and appointing

_____, Attorney to transfer the Bond on the books kept for its registration, with full power of substitution.

Dated: _____

Signature Guaranteed

_____

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by the Securities Transfer Association, Inc.

_____

Registered Owner
NOTICE: The signature above must correspond with the name of the Registered Owner exactly as it appears on the front of this Bond.

(End of Form of Assignment)

034002.000002
2093107v1

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
$_____ Revenue Bonds
(Berryhill Project), Series 2011

BOND PURCHASE AGREEMENT

_____, 2011

Danville-Pittsylvania Regional Industrial Facility Authority
c/o City of Danville
427 Patton Street
Danville, Virginia 24541

Ladies and Gentlemen:

Davenport & Company LLC **(the "Underwriter")** offers to enter into this agreement **(this "Bond Purchase Agreement")** with the Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia **(the "Authority")**, providing for the sale by the Authority and the purchase by the Underwriter of the Authority's $_____ Revenue Bonds (Berryhill Project), Series 2011 **(the "Bonds")**. Acceptance of this offer shall be evidenced by (i) the execution and delivery to the Underwriter of this Bond Purchase Agreement by the Chairman of the Authority, (ii) the execution and delivery to the Underwriter of a Certificate of the City Manager **(the "City Certificate")** of the City of Danville, Virginia **(the "City")**, substantially in the form attached hereto as **Exhibit B** and (iii) the execution and delivery to the Underwriter of a Certificate of the County Administrator **(the "County Certificate")** of the County of Pittsylvania, Virginia **(the "County")**, substantially in the form attached hereto as **Exhibit C**. Upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriter. Capitalized terms used and not defined herein shall have the meanings given such terms in the Trust Indenture, dated as of November 1, 2011 **(the "Indenture")** between the Authority and U.S. Bank National Association, Richmond, Virginia, as trustee **(the "Trustee")**.

1. **Purpose of Financing.** The Bonds will be issued pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Code of Virginia of 1950, as amended **(the "Act")**, and the Indenture, in order to finance certain costs of the development of an industrial park, including land acquisition and related capital expenditures, including necessary expenses incidental thereto **(collectively, the "Project")** for use by the Authority, to the benefit of the City and the County, to fund a debt service reserve fund for the Bonds and to pay certain costs of issuing the Bonds. The Authority and the City will enter into a Support Agreement dated as of November 1, 2011 **(the "City Support Agreement")**, the Authority and the County will enter into a Support Agreement dated as of November 1, 2011 **(the "County Support Agreement" and, together with the City Support Agreement, the "Support Agreements")** and the Authority, the Trustee, the City and the County will enter into an Assignment Agreement dated

as of November 1, 2011 **(the "Assignment Agreement")**. The Authority has agreed to issue the Bonds and use the proceeds thereof for the Project. The City has agreed to pay Annual Payments (as defined in the City Support Agreement), subject to annual appropriation by the City Council of the City **(the "City Council")**, to the Authority in an amount equal to one-half of the estimated payments of principal and interest due on the Outstanding Bonds (as defined in the Indenture). The County has agreed to pay Annual Payments (as defined in the County Support Agreement), subject to annual appropriation by the Board of Supervisors of the County **(the "Board of Supervisors")**, to the Authority in an amount equal to one-half of the estimated payments of principal and interest due on the Outstanding Bonds (as defined in the Indenture). Furthermore, principal and interest on the Bonds is expected to be paid in part from payments allocated for such purpose by the Virginia Tobacco Indemnification and Community Revitalization Commission **(the "Commission")** pursuant to a resolution adopted by the Commission **(the "Grant Resolution")** stating the Commissions intent to allocate and pay the sum of $3,105,850 to the City and $3,105,850 to the County **(together, the "Grant")** for payment of such debt service. The terms of the Assignment Agreement shall require the County and City to each deposit, on behalf of the Authority, its portion of the Grant with the Trustee to be held pursuant to the Indenture and for the County and the City to irrevocably pledge and assign, to the extent permitted by law, the Grant to the extent of their interest in the same to the Trustee as security for, and for payment of, the Bonds. In order to assist the Underwriter in complying with Rule 15c2-12 **(the "Rule")**, promulgated by the Securities and Exchange Commission **(the "SEC")**, the Authority, the City and the County have agreed to undertake a continuing disclosure obligation with respect to the Bonds as set forth in a Continuing Disclosure Agreement dated as of _____, 2011 **(the "Continuing Disclosure Agreement")**.

The Indenture, the Support Agreements, the Assignment Agreement and the Continuing Disclosure Agreement are referred to collectively herein as the "Basic Agreements." The Basic Agreements and the Bonds shall be in the forms previously furnished or summarized to the Authority and its counsel, with such subsequent modifications as may be approved by the Authority, the city, the County and the Underwriter. The Authority, the City and the County have prepared, for the offering of the Bonds, an Official Statement, in preliminary form dated _____ __, 2011 **(the "Preliminary Official Statement"),** and in final form to be dated the date of this Bond Purchase Agreement **(the "Official Statement")**.

2. **Purchase and Terms of the Bonds.** On the basis of the representations and agreements set forth herein but subject to the terms and conditions contained herein, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell to the Underwriter, the aggregate principal amount of the Bonds indicated above at a purchase price of $_____ (representing the par amount of the Bonds less an Underwriter's discount of $_____ and [plus net original issue premium] [less net original issue discount] of $_____. The Bonds shall be dated the date of their delivery and shall be subject to redemption, shall bear interest at the rates, and shall mature in the years, as set forth in **Exhibit A** attached hereto.

3. **Bonds as Limited Obligations.** THE UNDERWRITER UNDERSTANDS THAT THE UNDERTAKINGS BY THE CITY AND THE COUNTY TO MAKE THE PAYMENTS UNDER THE SUPPORT AGREEMENTS CONSTITUTES A CURRENT EXPENSE OF THE CITY AND THE COUNTY, RESPECTIVELY, PAYABLE FROM FUNDS OF THE CITY AND THE COUNTY, RESPECTIVELY, LEGALLY AVAILABLE THEREFOR. SUCH

UNDERTAKINGS DO NOT CONSTITUTE A DEBT OF THE CITY OR THE COUNTY, RESPECTIVELY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION AND DO NOT CONSTITUTE A LIABILITY OF OR A LIEN OR CHARGE UPON THE FUNDS OR PROPERTY OF THE CITY OR THE COUNTY, RESPECTIVELY, BEYOND THE FISCAL YEAR FOR WHICH THE CITY COUNCIL OR THE BOARD OF SUPERVISORS, AS APPLICABLE, HAS APPROPRIATED FUNDS TO MAKE SUCH PAYMENTS. THE UNDERWRITER FURTHER UNDERSTANDS THAT THE AUTHORITY HAS NO OBLIGATION TO MAKE PAYMENTS ON THE BONDS EXCEPT FROM THE PAYMENTS OF RECEIVED UNDER THE SUPPORT AGREEMENTS, THE ASSIGNMENT AGREEMENT AND THE OTHER REVENUE SOURCES DESCRIBED IN THE INDENTURE, WHICH RIGHTS WILL BE ASSIGNED PURSUANT TO THE INDENTURE AND THE ASSIGNMENT AGREEMENT TO THE TRUSTEE FOR THE BENEFIT OF THE HOLDERS OF THE BONDS.

4. **Representations and Warranties of the Authority.** The Authority represents, warrants and agrees as follows:

(a) The Authority is a political subdivision of the Commonwealth of Virginia, duly organized and validly existing as a regional facility authority pursuant to the Act, and has full right, power and authority to enter into the Basic Agreements to which it is a party and this Bond Purchase Agreement, to issue, sell and deliver the Bonds as provided herein and in the Indenture and to carry out and consummate all other transactions contemplated by the Basic Agreements and this Bond Purchase Agreement.

(b) The Authority has, and at the Closing Date will have, duly authorized all actions necessary or appropriate to be taken for the Authority to (1) enter into, execute and deliver the Basic Agreements to which it is a party and this Bond Purchase Agreement, (2) to issue, sell and secure the Bonds to the Underwriter as provided herein, and (3) to consummate and carry out the other transactions contemplated by the Basic Agreements and this Bond Purchase Agreement.

(c) The Authority has authorized the taking of any and all actions as may be required by the Authority to consummate the transactions contemplated in the Basic Agreements and this Bond Purchase Agreement at duly convened public meetings, with respect to which all required notices were duly given to all members, and at which meetings a quorum was present and acting throughout.

(d) The Authority has (1) duly authorized the execution and delivery of the Basic Agreements to which it is a party and this Bond Purchase Agreement, (2) duly authorized the issuance, sale and delivery of the Bonds, and (3) taken or will take all further action necessary or appropriate to carry out the issuance, sale and delivery of the Bonds to the Underwriter.

(e) The Authority represents and warrants that based on certifications of the City (1) it deemed the Preliminary Official Statement "final" as of its date except for certain pricing and other information permitted to be omitted by Rule 15c2-12 **(the "Rule")**, promulgated by the Securities and Exchange Commission **(the "SEC")**, and (2) the Official

Statement will constitute as of its date a "final" Official Statement within the meaning of the Rule. The representations made in the previous sentence are made solely for the purpose of complying with the Rule.

(f) The information in the Official Statement under the subsections entitled ["The Authority" and "Litigation"] (only as it pertains to the Authority) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority, affecting the organization and existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of payments of Basic Rent to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Basic Agreements to which it is a party, this Bond Purchase Agreement or contesting in any way the completeness or accuracy of the Official Statement, or the power of the Authority to issue the Bonds or to execute and deliver the Basic Agreements to which it is a party or this Bond Purchase Agreement, nor, to the best knowledge of the Authority, is there any basis therefor.

(h) No further consent, approval, authorization or order of any court or governmental agency or body not already obtained is required for the issuance, delivery or sale of the Bonds or, as of the date hereof, the consummation of the other transactions effected or contemplated herein or hereby by the Authority (except that no representation is given as to any action required under state securities or blue sky laws in connection with the purchase, distribution or sale of the Bonds).

(i) The Authority is not in violation of the Act or any existing law, rule or regulation applicable to it and is not, to the best of its knowledge, in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority is a party or by which it is bound or to which any of its assets are subject, which default would adversely affect the Bonds, and the execution and delivery by the Authority of the Basic Agreements to which it is a party, the Bonds, the assignment of the Authority's rights under the Ground Lease and Lease Agreement and the compliance with the terms and conditions thereof will not conflict with or result in the breach of or constitute a default under any of the foregoing.

(j) When authenticated by the Trustee and delivered to and paid for by the Underwriter in accordance with the terms of the Indenture and this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and issued.

(k) The City, as agent for the Authority, will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement, but the Authority has no obligation to inquire into or verify the propriety or need for any such amendment or supplement.

(l) Any certificate signed by any official of the Authority and delivered to the Underwriter pursuant to this Bond Purchase Agreement shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements made in such certificate.

[(m) The Authority has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.]

(n) Between the date of this Bond Purchase Agreement and the Closing Date, the Authority will not have issued any indebtedness or incurred any other obligations for borrowed money payable under the Basic Agreements or the Grant Resolution.

5. **Closing.** The delivery of the Bonds **(the "Closing")** shall be at such place and time as may be agreed to by the Authority, the City and the Underwriter (but in no event later than _____ __, 2011, unless otherwise agreed to in writing by the parties) **(the "Closing Date")**, upon payment therefor by wire transfer from the account of the Underwriter to the Authority (or payable to the Trustee on behalf of the Authority). The Bonds and the Basic Agreements shall be delivered on the Closing Date to the Richmond, Virginia, offices of Troutman Sanders LLP, bond counsel, or such other place as to which the Authority and the Underwriter may agree in writing. The Bonds shall be delivered in book-entry form, with one typewritten bond for each maturity, registered in the name of Cede & Co., nominee for DTC, as registered owner of all the Bonds, duly executed and authenticated, with CUSIP identification numbers typed thereon. Neither the failure to type CUSIP identification numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms hereof.

Neither the Bonds, any underlying security, nor the Indenture will be registered or qualified under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended. The Bonds will be offered and sold pursuant to an exemption granted by the Securities Act of 1933.

6. **Official Statement; Offering by Underwriter.** Within seven business days of the date hereof, the Authority will deliver to the Underwriter copies of the Official Statement in final form in an amount sufficient for the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board **(the "MSRB")** and Section (b)(4) of the Rule, and delivery of such copies of the Official Statement within such seven business day period shall constitute the Authority's representation that such Official Statement is complete as of the date of its delivery.

(a) The Authority will cooperate in the qualification of the Bonds for sale under the laws of such jurisdictions as the Underwriter designates and will cooperate, if necessary therefor, in the continuance of such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to qualify as a "foreign corporation" or to file any general consents to service of process under the laws of any state or to comply with any other requirements deemed by the Authority to be unduly burdensome.

(b) The Underwriter represents and warrants that it will offer the Bonds only pursuant to the Official Statement and only in states where the offer and sale of the Bonds, as applicable, are legal, either as exempt securities, as exempt transactions or as a result of due registration of the Bonds for sale in any such state. The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering prices set forth on Exhibit A and in the Official Statement, but the Underwriter reserves the right to change such prices or yields as it may deem necessary or desirable in connection with the offering and sale of the Bonds and to sell the Bonds to dealers at certain concessions to be determined by the Underwriter.

(c) Subject to subsection (a), the Authority will provide all information reasonably requested by the Underwriter necessary or desirable to register the Bonds, as applicable, under, or comply with, the blue sky laws in the states in which the Bonds, as applicable, are to be offered by the Underwriter or to ensure that the Official Statement at all times during the initial offering and distribution of the Bonds does not contain any untrue statement of a material fact and does not omit to state any material fact which should be included therein for the purpose for which the Official Statement is to be used or which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

7. **Conditions to Closing.** The Underwriter's obligations hereunder to purchase and pay for the Bonds shall be subject to the performance by the Authority of its obligations hereunder and by the City of its obligations under the applicable Basic Agreements at or prior to the Closing Date, and to the following additional conditions at the Closing Date:

(a) All official action of the Authority, the City and the County relating to the Basic Agreements and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter.

(b) At the Closing Date, the Basic Agreements shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter.

(c) Receipt by the Underwriter of original executed copies of the Basic Agreements.

(d) There being no material adverse change in the condition (financial or otherwise) of the City or the County, between the most recent dates as to which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City or the County, subsequent to the date of the Official Statement, other than as reflected in or contemplated by the Official Statement.

(e) Receipt of a copy of IRS Form 8038-G completed by the Authority with respect to the Bonds.

(f) At the Closing Date, the Authority shall have performed all of its obligations required under or specified in this Bond Purchase Agreement and the Basic Agreements to be performed on or before the Closing Date.

(g) At the Closing Date, the City and the County shall have performed all of their respective obligations required under or specified in this Bond Purchase Agreement and the Basic Agreements to be performed on or before the Closing Date.

(h) [Delivery of the Bonds to the Trustee and acknowledgment of receipt thereof.]

(i) Receipt by the Underwriter of a certificate, dated the Closing Date and signed by the Chairman of the Authority, to the effect that (i) the representations and warranties of the Authority contained herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date, and (ii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(j) Receipt by the Underwriter of a certificate, dated the Closing Date and signed by the City Manager, to the effect that (i) the representations and warranties of the City in the City Certificate, the City Support Agreement and the Assignment Agreement are true and correct as of the Closing Date as if made on the Closing Date, and (ii) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the Closing Date.

(j) Receipt by the Underwriter of a certificate, dated the Closing Date and signed by the County Administrator, to the effect that (i) the representations and warranties of the County in the County Certificate, the County Support Agreement and the Assignment Agreement are true and correct as of the Closing Date as if made on the Closing Date, and (ii) the County has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the Closing Date.

(k) Receipt by the Underwriter of a certificate executed by the Chairman of the Authority, a certificate signed by the County Administrator of the County and a certificate signed by the City Manager, satisfactory to the Underwriter that, as of the Closing Date, there is no litigation at law or in equity pending or to the knowledge of the Authority, the County or the City, as applicable, threatened against the Authority, the County or the City, as applicable (i) affecting the existence of the Authority, the County or the City, as applicable, the validity or enforceability of the Bonds, the Basic Agreements or this Bond Purchase Agreement against the Authority, the County and the City, as applicable, or the titles of the officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the pledge thereof, (iii) in any way contesting the completeness or accuracy of the Official Statement or the power of the Authority to issue the Bonds and (iv) contesting the power of the Authority, the County or the City, as applicable, to execute and deliver the Basic Agreements, the Bonds, the City Certificate, the County Certificate and the Official Statement.

(l) Receipt by the Underwriter of a certificate of an authorized officer of the Trustee, dated the Closing Date, to the effect that (i) the Trustee has been duly organized and is validly existing as a national banking association in good standing with power and authority to act as trustee for the benefit of the owners of the Bonds pursuant to the terms of the Indenture, to execute the Indenture and to consummate the transactions contemplated by the Indenture; and (ii) the Indenture has been duly authorized, executed and delivered by the Trustee and constitutes a binding agreement of the Trustee enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights from time to time in effect or by equitable principles.

(m) Delivery to the Authority of the approving legal opinion, dated the Closing Date, with respect to the Bonds, of Troutman Sanders, LLP, Richmond, Virginia, Bond Counsel, in substantially the form set forth in Appendix __ to the Official Statement.

(n) Receipt by the Underwriter of a supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, in substantially the form attached as **Exhibit D** hereto.

(o) Receipt by the Underwriter of an opinion of Sands Anderson PC, Richmond, Virginia, counsel to the Underwriter, in substantially the form attached as **Exhibit E** hereto.

(p) Receipt by the Underwriter of an opinion, dated the Closing Date and addressed to the Underwriter, of W. Clarke Whitfield, Jr., Esquire, City Attorney, in substantially the form attached as **Exhibit F** hereto.

(q) Receipt by the Underwriter of an opinion, dated the Closing Date and addressed to the Underwriter of _____, County Attorney, in substantially the form attached as **Exhibit G** hereto.

(r) Receipt by the Underwriter of an opinion, dated the Closing Date and addressed to the Underwriter, of _____, _____, Virginia, Counsel to the Authority, in substantially the form attached as **Exhibit H** hereto.

(s) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority, the County and the City at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the Authority, the County and the City.

(t) As of the Closing Date, evidence satisfactory to the Underwriter that Standard & Poor's shall have assigned a rating of "___" to the Bonds.

The Underwriter reserves the right to waive any of the conditions to its obligations contained in this Bond Purchase Agreement.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions thereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter.

If the Authority, the County or the City shall be unable to perform or fulfill the conditions to the Underwriter's obligations hereunder, or if the Underwriter's obligations hereunder shall be terminated for any reason permitted hereby, this Bond Purchase Agreement shall terminate and neither the Underwriter, the Authority, the City nor the County shall be under further obligation hereunder.

8. **Fees and Expenses**. The Authority agrees to cause to be paid the fees and disbursements of Bond Counsel, counsel to the Authority, counsel to the Underwriter, the County Attorney, the City Attorney, disbursements incurred in connection with the issuance and sale of the Bonds to the Underwriter, including Trustee fees, fees of Standard & Poor's and any other rating agency, the cost of preparing the Bonds, and the cost of printing the Official Statement, in each case from the proceeds of the Bonds or from other funds available to the Authority. The Underwriter shall pay all advertising expenses and blue sky expenses in connection with the public offering of the Bonds, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the CUSIP Service Bureau service charge for the assignment of the CUSIP numbers for the Bonds.

9. **Termination.** The Underwriter may terminate this Agreement at any time prior to the Closing Date by written notice to the Authority if between the date hereof and the Closing Date:

(a) any legislation, ordinance, rule or regulation shall have been enacted or proposed or actively considered for enactment by any governmental body, department or agency of the Commonwealth of Virginia, or any decision by any court of competent jurisdiction within the Commonwealth of Virginia shall have been rendered that in the reasonable opinion of the Underwriter materially adversely affects the market price of the Bonds;

(b) legislation is or shall be enacted by the Congress of the United States, or a decision of a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement, or a proposed stop order, ruling, regulation or official statement by or on behalf of the SEC or other agency having jurisdiction over the issuance, sale and delivery of the Bonds, or any other obligations of the Authority or any similar public body shall be issued or made to the effect that obligations of the general nature of the Bonds, or the Bonds, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or that the Indenture, or indentures of the general nature of the Indenture, are not exempt from qualification under, or other requirements of, the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, sale and delivery of the Bonds, as contemplated hereby and by the Official Statement, or of obligations of the general character of the Bonds;

(c) any event shall have occurred or shall exist that, in the reasonable opinion of the Underwriter, makes untrue or incorrect as of the Closing Date any statement or information contained in the Official Statement or is not reflected in the Official Statement but

should be reflected therein as of such time in connection with the offering and sale of the Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading as of such time;

(d) in the reasonable opinion of the Underwriter the market price of the Bonds has been materially adversely affected because (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (ii) the New York Stock Exchange, other national securities exchange or any governmental authority shall have imposed as to the Bonds or similar obligations any material restrictions not now in force, or increased materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter, (iii) a general banking moratorium shall have been established by Federal, New York or Virginia authorities, or any devaluation of the dollar shall have been proposed or effected by any governmental authority of the United States of America, or (iv) war or an outbreak or escalation of hostilities involving the United States of America (other than those as of the date hereof) or other national or international calamity shall have occurred or any conflict involving the armed forces of the United States of America shall have occurred or escalated to such a magnitude as in the reasonable opinion of the Underwriter materially adversely affects the market price of the Bonds;

(e) there shall exist any event which in the reasonable judgment of the Underwriter (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, the Authority refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market price or marketability of the Bonds; or

(f) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, the Basic Agreements or the existence or powers of the Authority, the City or the County.

10. **Amendment of the Official Statement.** From the Closing Date until twenty-five days after the end of the underwriting period (as defined below), the Authority agrees (and in the City Certificate the City has agreed and in the County Certificate the County has agreed) to notify the Underwriter of any event of which they have actual knowledge which affects the Authority, the County or the City, respectively, and which, in their judgment after reasonable inquiry, might affect the correctness or completeness of any statement of a material fact contained in the Official Statement as it relates to the Authority, the County or the City, as applicable. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement to make the statements in it, in light of the circumstances under which they were made, not misleading and the Underwriter has so advised the Authority, the Authority agrees that it will promptly prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or a supplement to the Official Statement that will amend or supplement the Official Statement in a form and manner as is

reasonably acceptable to the Underwriter. For purposes of this Bond Purchase Agreement the term "end of the underwriting period" shall be the later of the Closing or, if on or before the Closing, the Underwriter advises the County in writing that any Bonds remain for sale to the public, when the Underwriter no longer retains any Bonds for sale to the public. The Underwriter will use its best efforts to end the underwriting period as soon as possible, and if the end of the underwriting period extends beyond the Closing, the Underwriter will give the Authority, the City and the County written notice of the date on which the end of the underwriting period occurs.

11. **Continuing Disclosure.** [In order to assist the Underwriter in complying with the Rule, the Authority, the City and the County have agreed to undertake a continuing disclosure obligation, to provide while the Bonds are outstanding: (a) no later than [December 30] after the end of each fiscal year of the City and the County commencing with the fiscal year ending June 30, 2011, certain financial information and operating data, including audited financial statements, when available, for the preceding fiscal year, generally of the type and scope contained in _____ [of/to] the Official Statement, (b) timely notice of the failure of the City or the County, as applicable, to provide the required financial information and operating data and (c) timely notice of the occurrence of certain material events with respect to the Bonds. Such annual disclosure and material event notices shall be provided by, or on behalf of, the City to the MSRB, as required under the Rule. To the extent permitted by the SEC, the City may discharge its undertaking described above by transmitting those documents or notices electronically to www.disclosureusa.org or to any other site approved by the SEC.]

12. **Notices.** Any notice or other communication to be given to the Authority, the City or the Underwriter under this Agreement may be given by delivery of the same in writing (a) to the Authority, at c/o the City as Fiscal Agent, at 427 Patton Street, Danville, Virginia 24541 (Attention: City Manager); (b) to the Underwriter, at One James Center, 901 E. Cary Street, Suite 1100, Richmond, Virginia 23219-4037 (Attention: Public Finance Department); (c) to the City, at 427 Patton Street, Danville, Virginia 24541 (Attention: City Manager); and to the County at 21 North Main Street, Chatham, Virginia 24531 (Attention: County Administrator).

13. **Miscellaneous.** This Bond Purchase Agreement is made solely for the benefit of the Authority and the Underwriter (including their successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements contained herein shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds hereunder; and (c) any termination of this Bond Purchase Agreement. This Bond Purchase Agreement may not be assigned by the Authority, the City or the Underwriter.

14. **Effective Date.** This Agreement shall become effective upon the execution of this Bond Purchase Agreement and the acceptance hereof by the Authority and the Underwriter, the execution and delivery of the City Certificate by the City and the execution and delivery of the County Certificate by the County.

15. **Governing Law.** The construction and enforcement of this Bond Purchase Agreement shall be governed by the laws of the Commonwealth of Virginia, without regard for its conflicts of laws provisions.

16. **Execution in Counterparts; Facsimile Signatures**. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Bond Purchase Agreement by signing any such counterpart. The parties hereto may evidence their acceptance, execution and delivery of this Bond Purchase Agreement by facsimile signature.

17. **Severability.** In case any one or more of the provisions of this Bond Purchase Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Bond Purchase Agreement, and this Bond Purchase Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

[Remainder of this page intentionally left blank.]

Very truly yours,

DAVENPORT & COMPANY LLC

By:_____

Title:_____

Confirmed and Accepted
as of the date first above written:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By: _____
Chairman

EXHIBIT A

TERMS OF THE BONDS

Maturity (_____1)	Principal Amount	Interest Rate	Initial Offering Price

_____

Optional Redemption

The Bonds maturing on or before _____ 1, 20__, are not subject to redemption prior to maturity. The Bonds maturing on and after _____ 1, 20__, will be subject to redemption prior to maturity, at the option of the Authority, on or after _____ 1, 20__, in whole or in part (in $5,000 integrals) at any time upon payment of ___% of the principal amount of the Bonds to be redeemed, plus interest accrued to the date fixed for redemption.

Mandatory Redemption

The Bonds maturing on _____ 1, 20__, will be required to be redeemed prior to maturity, in part, on _____ 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption date:

Year	Amount	Year	Amount

The Bonds maturing on _____ 1, 20__, will be required to be redeemed prior to maturity, in part, on _____ 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption date:

Year	Amount	Year	Amount

The ___ Bonds maturing on _____ 1, 20__, will be required to be redeemed prior to maturity, in part, on _____ 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption date:

Year	Amount	Year	Amount

Extraordinary Redemption

The Bonds will be required to be redeemed prior to maturity, in whole or in part at any time, upon payment of a redemption price of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption, from and only to the extent of funds on deposit with the Trustee and available for such purpose, in the event the Authority elects not to use proceeds from any insurance recovery or condemnation award to restore the _____ or any integral portion thereof under circumstances involving (1) loss of title to all or any integral portion of the _____, (2) condemnation of all or any integral portion of the _____ or sale in lieu thereof, or (3) damage to all or any portion of the _____ resulting from fire or other casualty loss.

EXHIBIT B

Certificate of City of Danville, Virginia

_____ __, 2011

Davenport & Company LLC
One James Center
901 E. Cary Street, Suite 1100
Richmond, Virginia 23219-4037

Danville – Pittsylvania Regional Industrial Facility Authority
c/o the City of Danville as Fiscal Agent
427 Patton Street
Danville, Virginia 24541

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011 (the "Bonds")

Ladies and Gentlemen:

In order to induce the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority")**, to issue and sell the Bonds described above, and to induce Davenport & Company LLC **(the "Underwriter")** to accept delivery of and pay for the Bonds pursuant to the Bond Purchase Agreement between the Authority and the Underwriter dated the date hereof **(the "Bond Purchase Agreement")**, and in consideration of the benefits to be received by the City from the issuance of the Bonds, the City Council **(the "City Council")** of the City of Danville **(the "City")** represents, warrants and agrees as follows (capitalized terms used and not defined herein shall have the meanings given such terms in the Bond Purchase Agreement):

(a) The City is a municipal corporation and a political subdivision of the Commonwealth of Virginia.

(b) The City has full power and authority to execute this Certificate and to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such documents.

(c) The information in the Official Statement with respect to the City, including Appendix __ thereto, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) The City has deemed the Preliminary Official Statement, as to information with respect to the City, final as of its date except for omitted information permitted under paragraph (b)(1) of the Rule, and the Official Statement constitutes as of the date hereof a final Official Statement, as to information with respect to the City, within the meaning of paragraph (f)(3) of the Rule.

(e) The execution and delivery of the Basic Agreements to which it is a party, the consummation of the transactions contemplated therein and compliance by the City with the provisions thereof will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage or other agreement or instrument to which the City is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which it is subject.

(f) The City has published all notices, held all public hearings and obtained all consents and approvals of governmental or regulatory authorities that are required to be obtained by the City as a condition precedent to the execution of all documents required to effectuate the transactions described in the Official Statement.

(g) The City is not in material default in the payment of the principal of or interest on any indebtedness for borrowed money or under any instrument under and subject to which any indebtedness has been incurred and no event has occurred and is continuing that, with the lapse of time or the giving of notice or both, would constitute an event of default under any such instrument.

(h) There is no litigation at law or in equity and no proceeding before any governmental agency pending or, to the knowledge of the City, threatened against the City with respect to (a) the organization or existence of the City, (b) the City's power or financial ability to make payments of Annual Payments or Additional Payments (each as defined in the City Support Agreement), (c) the City's authority to execute and deliver the Basic Agreements to which it is a party, (d) the validity or enforceability of any of such instruments or the transactions contemplated thereby, (e) the titles of the officers who executed such instruments, or (f) any authority or proceedings relating to the execution and delivery of any of such instruments by the City, or that, in the event of an unfavorable decision, would have a material adverse effect on the financial condition of the City.

(i) From the Closing Date until twenty-five days after the end of the underwriting period (as defined in the Bond Purchase Agreement), the City agrees to notify the Authority and the Underwriter of any event of which it has actual knowledge which affects the City and which, in its judgment after reasonable inquiry, might affect the correctness or completeness of any statement of a material fact contained in the Official Statement with respect to the City.

The City acknowledges and accepts all the terms and conditions set forth in the Bond Purchase Agreement relating to the offering, sale and delivery of the Bonds.

Very truly yours,

CITY OF DANVILLE, VIRGINIA

By:_____
City Manager

EXHIBIT C

Certificate of Pittsylvania County, Virginia

_____ __, 2011

Davenport & Company LLC
One James Center
901 E. Cary Street, Suite 1100
Richmond, Virginia 23219-4037

Danville – Pittsylvania Regional Industrial Facility Authority
c/o the City of Danville as Fiscal Agent
427 Patton Street
Danville, Virginia 24541

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011

Ladies and Gentlemen:

In order to induce the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority")**, to issue and sell the Bonds described above, and to induce Davenport & Company LLC **(the "Underwriter")** to accept delivery of and pay for the Bonds pursuant to the Bond Purchase Agreement between the Authority and the Underwriter dated the date hereof **(the "Bond Purchase Agreement")**, and in consideration of the benefits to be received by the County from the issuance of the Bonds, the Board of Supervisors **(the "Board of Supervisors")** of Pittsylvania County **(the "County")** represents, warrants and agrees as follows (capitalized terms used and not defined herein shall have the meanings given such terms in the Bond Purchase Agreement):

(a) The County is a political subdivision of the Commonwealth of Virginia.

(b) The County has full power and authority to execute this Certificate and to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such documents.

(c) The information in the Official Statement with respect to the County, including Appendix __ thereto, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) The County has deemed the Preliminary Official Statement, as to information with respect to the County, final as of its date except for omitted information permitted under paragraph (b)(1) of the Rule, and the Official Statement constitutes as of the date hereof a final Official Statement, as to information with respect to the County, within the meaning of paragraph (f)(3) of the Rule.

(e) The execution and delivery of the Basic Agreements to which it is a party, the consummation of the transactions contemplated therein and compliance by the County with the provisions thereof will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage or other agreement or instrument to which the County is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which it is subject.

(f) The County has published all notices, held all public hearings and obtained all consents and approvals of governmental or regulatory authorities that are required to be obtained by the County as a condition precedent to the execution of all documents required to effectuate the transactions described in the Official Statement.

(g) The County is not in material default in the payment of the principal of or interest on any indebtedness for borrowed money or under any instrument under and subject to which any indebtedness has been incurred and no event has occurred and is continuing that, with the lapse of time or the giving of notice or both, would constitute an event of default under any such instrument.

(h) There is no litigation at law or in equity and no proceeding before any governmental agency pending or, to the knowledge of the County, threatened against the County with respect to (a) the organization or existence of the County, (b) the County's power or financial ability to make payments of Annual Payments or Additional Payments (each as defined in the County Support Agreement), (c) the County's authority to execute and deliver the Basic Agreements to which it is a party, (d) the validity or enforceability of any of such instruments or the transactions contemplated thereby, (e) the titles of the officers who executed such instruments, or (f) any authority or proceedings relating to the execution and delivery of any of such instruments by the County, or that, in the event of an unfavorable decision, would have a material adverse effect on the financial condition of the County.

(i) From the Closing Date until twenty-five days after the end of the underwriting period (as defined in the Bond Purchase Agreement), the County agrees to notify the Authority and the Underwriter of any event of which it has actual knowledge which affects the County and which, in its judgment after reasonable inquiry, might affect the correctness or completeness of any statement of a material fact contained in the Official Statement with respect to the County.

The County acknowledges and accepts all the terms and conditions set forth in the Bond Purchase Agreement relating to the offering, sale and delivery of the Bonds.

Very truly yours,

PITTSYLVANIA COUNTY, VIRGINIA

By:_____
County Administrator

{V0024291.1 005758-037602 }

Supplemental Opinion of Bond Counsel

_____ __, 2011

Davenport & Company LLC
Richmond, Virginia

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011

Ladies and Gentlemen:

Reference is made to our opinion dated today as Bond Counsel (the "Opinion") in connection with the issuance by the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority"), of its $_____ Revenue Bonds (Berryhill Project), Series 2011 (the "Bonds"), for the benefit of the Authority. We advise you that we now deliver the Opinion for your benefit as well as for the benefit of the Authority, and you are entitled to rely upon the Opinion as if it were addressed to you.

At your request, we also have examined a Bond Purchase Agreement dated _____ __, 2011 (the "Bond Purchase Agreement"), between you, the Authority and the City, certified copies of proceedings of the Authority and the City with respect to the Bond Purchase Agreement and certain sections described below of the Official Statement dated _____ __, 2011, relating to the Bonds (the "Official Statement"), as well as such agreements, instruments, opinions, certificates and other documents as we have deemed necessary for purposes of the advice contained in this letter. We have not been engaged to pass upon the accuracy or completeness of the Official Statement, and we do not assume any responsibility therefor, except only as we advise you in paragraph 2.

On the basis of the foregoing, we advise you as follows:

1. The statements relating to the Bonds, and the summaries of documents, statutes and opinions contained in the sections of the Official Statement entitled "SECTION ONE: INTRODUCTION - The Bonds" and "-Redemption," SECTION TWO: THE BONDS - Description of the Bonds," "-Redemption," "-Security and Sources of Payment for the Bonds" and "-Additional Bonds," "SECTION THREE: MISCELLANEOUS - Bonds Eligible for Investment and Security for Public Deposits," "-Tax Exemption" and "-Continuing Disclosure" and in Appendices C, D and E thereto, insofar as such statements summarize the laws of the United States and the Commonwealth of Virginia and the terms of the Bonds, the Indenture, the _____ and _____ (as such terms are defined in the Official Statement and the Opinion), are fair and accurate summaries thereof in all material respects.

2. Except as set forth in paragraph 1, we have not been retained to confirm or to verify, and do not express an opinion as to, the accuracy, completeness or fairness of any information in the Official Statement.

3. In our opinion, the initial offering, sale and delivery of the Bonds do not require the registration thereof under the Securities Act of 1933, as amended, and do not require the qualification under the Trust Indenture Act of 1939, as amended, of any "indenture," as defined therein.

We are furnishing this letter solely for your benefit. It is not to be relied upon by any other person or firm.

Very truly yours,

Opinion of Underwriter's Counsel

[Letterhead of Sands Anderson PC]

[Closing Date]

Davenport & Company LLC
One James Center
901 E. Cary Street, Suite 1100
Richmond, Virginia 23219-4037

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011

Ladies and Gentlemen:

We have acted as your counsel in connection with your purchase from the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority"),** subject to the terms and conditions set forth in the Bond Purchase Agreement, dated November __, 2011, between you and the Authority of the Authority's $_____* Revenue Bonds (Berryhill Project), Series 2011 **(the "Bonds").**

In this capacity, we have assisted in your review of the Official Statement of the Authority dated _____ __, 2011 **(the "Official Statement"),** relating to the Bonds, and used in connection with the offering and sale of the Bonds. In the course of providing such assistance, we have examined an executed copy of the Official Statement and executed or conformed copies of certain of the documents referred to therein. We have also examined certain proceedings of the Authority, the City of Danville, Virginia **(the "City")** and Pittsylvania County, Virginia **(the "County")** and the originals or copies identified to our satisfaction of such agreements, instruments, opinions, certificates and other documents as we have deemed necessary for purposes of the advice contained in this letter. We have assumed the genuineness of signatures on documents submitted to us as originals, the authenticity thereof and the conformity with the originals of any documents submitted to us as copies or specimens.

We have also reviewed the Official Statement generally and have discussed certain statements contained therein with representatives of the Authority, counsel for the Authority, representatives of the City, the City's attorney, representatives of the County, the County Attorney, bond counsel, and your representatives.

On the basis of the foregoing, we advise you as follows:

and we do not assume any responsibility of the statem Official Statement. Nothing, however, has come to our attention during the c nd discussion of the Official Statement that would cause us to believe th he date thereof or on this date, contains any untrue statement of a mate y material fact necessary to make the statements therein, in light of the circu which they were made, not misleading. Our advice in this paragraph does not apply to the financial statements and financial or statistical data contained therein, as to all of which no advice is given.

This letter is issued to and for the sole benefit of the above addressee and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressee may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this letter subsequent to its date for any reason.

Very truly yours,

EXHIBIT F

Opinion of City Attorney

[Letterhead of City Attorney]

[Closing Date]

Danville – Pittsylvania Regional Industrial Facility Authority
c/o the City of Danville as Fiscal Agent
427 Patton Street
Danville, Virginia 24541

City of Danville
427 Patton Street
Danville, Virginia 24541

Davenport & Company LLC
One James Center
901 E. Cary St. Suite 1100
Richmond, Virginia 23219-4037

Troutman Sanders LLP
Troutman Sanders Building
1001 Haxall Point
Richmond, Virginia 23219

_____, as Trustee
_____
Richmond, Virginia 23219

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011

Ladies and Gentlemen:

I am the City Attorney for the City of Danville, Virginia **(the "City")**. In connection with the issuance of the above-referenced bonds **(the "Bonds")** by the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority"),** I have examined, among other things, the following documents:

(a) the Constitution and applicable laws of the Commonwealth of Virginia;

(b) The City Charter, Chapter ____ of Acts of Assembly of ___, as amended **(the "Charter");**

(c) certified copies of resolutions adopted by the City Council on _____ __, 2011 and _____ __, 2011, authorizing, among other things, the execution and delivery of the Basic Agreements (as hereinafter defined) **(collectively, the "City Resolution")**;

(d) a copy of the Preliminary Official Statement of the Authority dated _____ __, 2011, and a copy of the Official Statement of the Authority dated _____ __, 2011 **(collectively, the "Official Statement");**

(e) a copy of the Bond Purchase Agreement, dated _____ __, 2011 **(the "Bond Purchase Agreement"),** between the Authority and Davenport & Company LLC, as underwriter **(the "Underwriter");**

(f) a Trust Indenture, dated as of _____, 2011 **(the "Indenture"),** between the Authority and _____, as trustee **(the "Trustee"),** including the form of the Bonds, pursuant to which the Bonds are to be issued and which is to be acknowledged and approved by the City;

(g) a Support Agreement, dated as of _____, 2011 **(the "City Support Agreement"),** between the City and the Authority, pursuant to which the City has agreed to make payments of _____ (subject to annual appropriation by the City Council) to the Authority;

(h) an Assignment Agreement, dated as of _____, 2011 **(the "Assignment Agreement")**, between the Authority, the County, the City and the Trustee, pursuant to which _____; and

(i) a Continuing Disclosure Agreement, dated as of _____, 2011 **(the "Continuing Disclosure Agreement Agreement")**, between the Authority, the County and the City.

In all such examinations, I have assumed that all signatures on documents and instruments examined by us are genuine, all documents submitted to us as originals are authentic and all documents submitted to us as copies conform to the originals. In addition, for purposes of this opinion, I have assumed the due authorization, execution and delivery of the above documents by all parties other than the City. I have also examined such other records and proceedings of the City and conducted such investigations as we have deemed appropriate and necessary for purposes of this opinion.

Based upon such examination, I am of the opinion that:

1. The City is a duly organized municipal corporation and political subdivision and validly existing under the Constitution and laws of the Commonwealth of Virginia and vested with all the rights, powers and privileges conferred upon cities by the Constitution and laws of the Commonwealth.

2. The City Resolution was duly adopted by the City Council and is in full force and effect.

3. The City has all necessary power and authority to enter into and perform its obligations under the Bond Purchase Agreement, the City Support Agreement, the Assignment Agreement and the Continuing Disclosure Agreement **(collectively, the "Basic Agreements")** and carry out the transactions contemplated by the City under the Basic Agreements.

4. The Basic Agreements [to which the City is a party] have been duly authorized, executed and delivered or acknowledged and consented to, as applicable, by the City, and constitute valid and binding obligations of the City enforceable against the City in accordance with their terms; except to the extent that their enforceability may be limited to or otherwise

affected by (a) bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the rights of creditors and debtors generally and (b) principles of equity, whether considered at law or in equity. The City's undertaking to make payments of _____ under the City Support Agreement is subject to and dependent upon the City Council making appropriations in amounts sufficient for such purpose. Such undertaking does not constitute a debt of the City within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the City beyond any fiscal year for which the City Council has appropriated moneys for such purpose.

5. The adoption by the City Council of the City Resolution and the execution and delivery by the City of the Basic Agreements to which it is a party and the consummation by the City of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the City, the Charter, any ordinance or resolution of the City, or any material contract, indenture or agreement to which the City is a party or by which the City is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the City's revenues, assets, properties or funds except as contemplated in the Basic Agreements.

6. There is no litigation pending or, to the best of our knowledge, threatened against the City (a) to restrain or enjoin the issuance, sale or delivery of the Bonds, or the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Agreements to which the City is a party, (c) affecting the application of proceeds of the Bonds pursuant to the Indenture [Basic Agreements], (d) adversely affecting the financial condition of the City in any material way, or (e) affecting the acquisition, construction or equipping of the Project (as defined in the Indenture).

7. No further governmental or regulatory consents, approvals, orders or authorizations are required for the adoption of the City Resolution or the execution and delivery by the City of the Basic Agreements to which it is a party or for the consummation by the City of the actions contemplated by such documents.

8. To the best of my knowledge, I have no reason to believe that the Official Statement (excluding information relating to "Yield" and CUSIP numbers on the inside cover and under the captions "The Bonds - Book-Entry Only System," "The Authority" and "Litigation" (as it pertains to the Authority or the County), in Appendices __ and __ and all financial, statistical or quantitative information), as of the date of the Official Statement and as of this date, contains an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

EXHIBIT G

Opinion of County Attorney

[Letterhead of County Attorney]

[Closing Date]

Danville – Pittsylvania Regional Industrial Facility Authority
c/o the City of Danville as Fiscal Agent
427 Patton Street
Danville, Virginia 24541

Pittsylvania County
21 North Main Street
Chatham, Virginia 24531

Davenport & Company LLC
One James Center
901 E. Cary St. Suite 1100
Richmond, Virginia 23219-4037

Troutman Sanders LLP
Troutman Sanders Building
1001 Haxall Point
Richmond, Virginia 23219

_____, as Trustee
_____
Richmond, Virginia 23219

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011

Ladies and Gentlemen:

I am the County Attorney for Pittsylvania County, Virginia **(the "County")**. In connection with the issuance of the above-referenced bonds **(the "Bonds")** by the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority")**, I have examined, among other things, the following documents:

(a) the Constitution and applicable laws of the Commonwealth of Virginia;

(b) certified copies of resolutions adopted by the Board of Supervisors of the County **(the "Board of Supervisors")** on _____ __, 2011 and _____ __, 2011, authorizing, among other things, the execution and delivery of the Basic Agreements (as hereinafter defined) **(collectively, the "County Resolution")**;

(c) a copy of the Preliminary Official Statement of the Authority dated _____ __, 2011, and a copy of the Official Statement of the Authority dated _____ __, 2011 **(collectively, the "Official Statement")**;

(d) a copy of the Bond Purchase Agreement, dated _____ __, 2011 **(the "Bond Purchase Agreement"),** between the Authority and Davenport & Company LLC, as underwriter **(the "Underwriter");**

(e) a Trust Indenture, dated as of _____, 2011 **(the "Indenture"),** between the Authority and _____, as trustee **(the "Trustee"),** including the form of the Bonds, pursuant to which the Bonds are to be issued and which is to be acknowledged and approved by the County;

(f) a Support Agreement, dated as of _____, 2011 **(the "County Support Agreement"),** between the County and the Authority, pursuant to which the County has agreed to make payments of _____ (subject to annual appropriation by the Board of Supervisors) to the Authority; and

(g) an Assignment Agreement, dated as of _____, 2011 **(the "Assignment Agreement"),** between the Authority, the County, the City and the Trustee, pursuant to which _____; and

(h) a Continuing Disclosure Agreement, dated as of _____, 2011 **(the "Continuing Disclosure Agreement Agreement"),** between the Authority, the County and the City.

In all such examinations, I have assumed that all signatures on documents and instruments examined by us are genuine, all documents submitted to us as originals are authentic and all documents submitted to us as copies conform to the originals. In addition, for purposes of this opinion, I have assumed the due authorization, execution and delivery of the above documents by all parties other than the County. I have also examined such other records and proceedings of the County and conducted such investigations as we have deemed appropriate and necessary for purposes of this opinion.

Based upon such examination, I am of the opinion that:

1. The County is a political subdivision and validly existing under the Constitution and laws of the Commonwealth of Virginia and vested with all the rights, powers and privileges conferred upon cities by the Constitution and laws of the Commonwealth.

2. The County Resolution was duly adopted by the Board of Supervisors and is in full force and effect.

3. The County has all necessary power and authority to enter into and perform its obligations under the Bond Purchase Agreement, the County Support Agreement, Assignment Agreement, and the Continuing Disclosure Agreement **(collectively, the "Basic Agreements")** and carry out the transactions contemplated by the County under the Basic Agreements.

4. The Basic Agreements [to which the County is a party] have been duly authorized, executed and delivered or acknowledged and consented to, as applicable, by the County, and constitute valid and binding obligations of the County enforceable against the County in accordance with their terms; except to the extent that their enforceability may be limited to or otherwise affected by (a) bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the rights of creditors and debtors generally and (b)

principles of equity, whether considered at law or in equity. The County's undertaking to make payments of _____ under the County Support Agreement is subject to and dependent upon the Board of Supervisors making appropriations in amounts sufficient for such purpose. Such undertaking does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys for such purpose.

5. The adoption by the Board of Supervisors of the County Resolution and the execution and delivery by the County of the Basic Agreements to which it is a party and the consummation by the County of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the Basic Agreements.

6. There is no litigation pending or, to the best of our knowledge, threatened against the County (a) to restrain or enjoin the issuance, sale or delivery of the Bonds, or the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds or the validity of the Basic Agreements to which the County is a party, (c) affecting the application of proceeds of the Bonds pursuant to the Indenture [Basic Agreements], (d) adversely affecting the financial condition of the County in any material way, or (e) affecting the acquisition, construction or equipping of the Project (as defined in the Indenture).

7. No further governmental or regulatory consents, approvals, orders or authorizations are required for the adoption of the County Resolution or the execution and delivery by the County of the Basic Agreements to which it is a party or for the consummation by the County of the actions contemplated by such documents.

8. To the best of my knowledge, I have no reason to believe that the Official Statement (excluding information relating to "Yield" and CUSIP numbers on the inside cover and under the captions "The Bonds - Book-Entry Only System," "The Authority" and "Litigation" (as it pertains to the Authority or the County), in Appendices __ and __ and all financial, statistical or quantitative information), as of the date of the Official Statement and as of this date, contains an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

EXHIBIT H

Opinion of Authority Counsel

[Letterhead of _____]

[Closing Date]

Danville – Pittsylvania Regional Industrial Facility Authority
c/o the City of Danville as Fiscal Agent
427 Patton Street
Danville, Virginia 24541

City of Danville
427 Patton Street
Danville, Virginia 24541

Davenport & Company LLC
One James Center
901 E. Cary St. Suite 1100
Richmond, Virginia 23219-4037

Pittsylvania County
21 North Main Street
Chatham, Virginia 24531

_____, as Trustee
_____
_____
Richmond, Virginia 23219

Troutman Sanders LLP
Troutman Sanders Building
1001 Haxall Point
Richmond, Virginia 23219

Danville – Pittsylvania Regional Industrial Facility Authority
$_____ Revenue Bonds (Berryhill Project), Series 2011

Ladies and Gentlemen:

We are counsel to the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority")** and in connection with the issuance of the above-referenced bonds **(the "Bonds")** by the Authority we have examined, among other things, the following documents:

(a) the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Code of Virginia of 1950, as amended **(the "Act")**;

(b) a certified copy of a resolution adopted by the Authority on _____, 2011 **(the "Resolution"),** authorizing the issuance of the Bonds and the execution and delivery of the following:

(1) a copy of the Bond Purchase Agreement, dated November __, 2011 **(the "Bond Purchase Agreement"),** between the Authority and Davenport & Company LLC, as underwriter **(the "Underwriter");**

(2) a Trust Indenture, dated as of _____, 2011 **(the "Indenture"),** between the Authority and _____ Bank, as trustee **(the "Trustee"),** including the form of the Bonds, pursuant to which the Bonds are to be issued; and

(3) a Continuing Disclosure Agreement, dated as of _____, 2011 **(the "Continuing Disclosure Agreement"),** between the Authority, the City and the County; and

(4) a Support Agreement, dated as of _____, 2011 **(the "County Support Agreement"),** between the County and the Authority, pursuant to which the County has agreed to make payments of _____ (subject to annual appropriation by the Board of Supervisors) to the Authority; and

(5) a Support Agreement, dated as of _____, 2011 **(the "City Support Agreement"),** between the City and the Authority, pursuant to which the City has agreed to make payments of _____ (subject to annual appropriation by the Board of Supervisors) to the Authority; and

(6) an Assignment Agreement, dated as of _____, 2011, between and among _____ the Authority and the Trustee, providing for _____; and

(c) executed counterparts of the documents described in (b) above (**collectively, the "Basic Agreements"**);

(d) a Preliminary Official Statement, dated _____ __, 2011, and an Official Statement, dated _____ __, 2011 **(collectively, the "Official Statement"),** of the Authority relating to the public offering of the Bonds; and

(e) such other documents, records, agreements and certificates of the Authority and other parties as we deem necessary or appropriate to enable us to render the opinions expressed below.

In all such examinations, we have assumed the genuineness of signatures on original documents of all copies submitted to us as certified or conformed copies. In addition, we have assumed the due authorization, execution and delivery of the Basic Agreements by all parties other than the Authority. Based on and subject to the foregoing, and upon such other information and documents as we consider necessary for the purpose of rendering this opinion, we are of the opinion that:

1. The Authority is duly organized, validly existing and in good standing under the Act and has all necessary power and authority to (i) issue and sell the Bonds, (ii) enter into and perform its obligations under the Basic Agreements, including the undertaking of the Project (as defined in the Indenture) financed through the issuance and sale of the Bonds, and (iii) lease the Property. The Authority has taken all necessary action required of the Authority and has complied with all provisions of the Act required of the Authority to duly authorize the issuance and sale of the Bonds.

2. The Resolution has been duly adopted by the Authority and is in full force and effect on the date hereof. The officers of the Authority executing the Basic Agreements and the Bonds have been duly elected or appointed and are qualified to serve as such officers.

3. The Basic Agreements have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the other parties thereto, are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.

4. The Bonds have been duly authorized, executed and issued by the Authority and constitute valid and binding limited obligations of the Authority, enforceable in accordance with their terms.

5. The enforceability of the obligations of the Authority under the documents described above is subject to the provisions of bankruptcy, insolvency, reorganization, moratorium or other similar laws. The enforceability of such obligations is also subject to usual equity principles, which may limit the specific enforcement of certain remedies, and any indemnity provisions in the Basic Agreements may be limited by court decisions invalidating or limiting such provisions on grounds including public policy or securities laws.

6. The execution and delivery by the Authority of the Basic Agreements and the Bonds and the performance by the Authority of the obligations thereunder will not violate any provisions of (a) the Act, (b) any Virginia constitutional or statutory provision, (c) to the best of our knowledge, any agreement or instrument by which the Authority is bound, or (d) to the best of our knowledge, any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Authority or its properties.

7. No further consent, approval, authorization or order of any governmental regulatory authority is required to be obtained by the Authority as a condition precedent to the issuance of the Bonds or the execution and delivery of the Basic Agreements.

8. To the best of our knowledge, there is no litigation at law or in equity pending or threatened against the Authority with respect to (a) its organization or existence, (b) its authority to execute or deliver the Basic Agreements or the Bonds, (c) the validity or enforceability of the Bonds or any of the Basic Agreements or the transactions contemplated thereby, (d) the titles of the officers executing the Basic Agreements and the Bonds, or (e) any authority or proceedings relating to the execution and delivery of the Basic Agreements and the Bonds on behalf of the Authority, including the Resolution, and no such authority or proceeds have been repealed, revoked, rescinded or amended.

9. Based on our participation in the preparation of the section entitled "The Authority" and that portion of the information under the section entitled "Litigation" pertaining to the Authority in the Official Statement and review and discussion of them but without independent check or verification, nothing has come to our attention which would lead us to believe that such sections contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. We express no opinion whatsoever on any information, or lack

thereof, contained in, or omitted from the Official Statement or any other matter relating to the Bonds except as specifically and expressly set forth herein.

Very truly yours,

#2094077v1

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement **(the "Disclosure Agreement")** is executed and delivered by the Danville-Pittsylvania Regional Industrial Facility Authority **(the "Authority")**, the City of Danville, Virginia **(the "City")** and Pittsylvania County, Virginia **(the "County")** as of _____, 2011 in connection with the issuance by the Authority of its $_____ Revenue Bonds (Berryhill Project), Series 2011 **(the "Bonds")** pursuant to the provisions of an Trust Indenture, dated as of _____, 2011 **(the "Indenture")** between the Authority and U.S. Bank National Association, Richmond, Virginia as the Trustee **(the "Trustee")**. In connection with the Authority's issuance of the Bonds, the Authority and the City have entered into a Support Agreement dated as of _____, 2011 **(the "City Support Agreement")**, the Authority and the County have entered into a Support Agreement dated as of _____, 2011 **(the "County Support Agreement")** and the Authority, the City, the County and the Trustee have entered into an Assignment Agreement dated as of _____, 2011 **(the "Assignment Agreement")**. In connection with their obligations under the Indenture, the Support Agreement and the Assignment Agreement, the Authority, the City and the County **(together, the "Parties")** hereby covenant and agree as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the Parties for the benefit of the holders of the Bonds and in order to assist the purchasers of the Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12 **(the "Rule")** promulgated by the Securities and Exchange Commission **(the "SEC")** by providing certain annual financial information and event notices required by the Rule **(collectively, "Continuing Disclosure")**.

Section 2. Annual Disclosure. (a) The City shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the City, prepared in accordance with generally accepted accounting principles; and

(ii) the financial information and operating data with respect to the City of the type described in the subsection entitled ["Operating Data"] of the Authority's Official Statement dated _____, 2011, relating to the Bonds and the combined budget of the City for the current fiscal year, to the extent such information is not otherwise provided.

If the financial statements filed pursuant to Section 2(a) are not audited, the City shall file such statements as audited when available.

(b) The County shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the County, prepared in accordance with generally accepted accounting principles; and

(ii) the financial information and operating data with respect to the County of the type described in the section entitled ["Tax Base Data"] of the Authority's Official

Statement dated _____, 2011, relating to the Bonds and the combined budget of the County for the current fiscal year, to the extent such information is not otherwise provided.

If the financial statements filed pursuant to Section 2(a) are not audited, the County shall file such statements as audited when available.

(c) The City shall provide annually the financial information and operating data described in subsection (a) above and the County shall provide annually the financial information and operating data described in subsection (b) above **(collectively, the "Annual Disclosure")** within 270 days after the end of the City's or County's fiscal year, commencing with the fiscal year ending June 30, 20__, to the Municipal Securities Rulemaking Board **(the "MSRB")** as described in Section 7 below.

(d) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(e) The City shall provide in a timely manner to the MSRB notice specifying any failure of the City to provide the Annual Disclosure by the date specified and the County shall provide in a timely manner to the MSRB notice specifying any failure of the County to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Authority, the City and the County shall cause to be filed with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancement reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax-exempt status of the Bonds;

(g) modifications to rights of Bondholders, if material;

(h) bond calls, if material, and tender offers;

(i) defeasance of all or any portion of the Bonds;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Authority, City or County;

(m) the consummation of a merger, consolidation, or acquisition involving the Authority, City or County or the sale of all or substantially all of the assets of the Authority, the City or the County, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional Trustee or the change of name of a trustee, if material

Section 4. Termination. The obligations of the Authority, City and County will terminate upon the redemption, defeasance or payment in full of all the Bonds.

Section 5. Amendment. The Authority, City or County may modify its obligations hereunder without the consent of Bondholders, provided that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Authority, City or County, as applicable, shall within a reasonable time thereafter send to the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Authority, City or County fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) or beneficial holder of Bonds then outstanding may, by notice to the Authority, City or County, as applicable, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Authority's, City's or County's covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Authority, City or County to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing under this Disclosure Agreement shall be made by transmitting such disclosure, notice or other information in electronic format with the MSRB through the MSRB's Electronic Municipal Market Access (EMMA) system pursuant to procedures promulgated by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB, or as otherwise allowed by the Rule.

Section 8. Additional Disclosure. The Authority, City or County may from time to time disclose certain information and data in addition to the Continuing Disclosure.

Notwithstanding anything herein to the contrary, the Authority, City or County shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its duly authorized officers all as of the ____ day of _____, 2011.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By:_____
Its: _____

CITY OF DANVILLE, VIRGINIA

By:_____
Its: _____

PITTSYLVANIA COUNTY, VIRGINIA

By:_____
Its: _____

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AGENDA
ITEM NUMBER 6D

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

Table of Contents

A. $7.3 Million Bonds

B. General Expenditures for FY 2012

C. Mega Park

D. Cane Creek Centre – Lots 3 & 9

E. Yorktowne Reimbursement

F. Rent, Interest, and Other Income Realized

G. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

$7.3 million Bonds for Cane Creek Centre - Issued in August 2005

As of September 30, 2011

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
Funds from bond issuance	$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,466.68				
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		7,600.00	7,600.00	-	
Dewberry contracts [1]		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant [4,5]		71,881.00	8,744.62	63,136.38	
Yorktowne Sound Buffer		-	-	-	
Land			2,560,921.67	-	
Demolition services			33,761.62	-	
Legal fees			48,954.23	-	
Other expenditures			9,689.70	-	
Total	$ 7,630,967.10	$ 4,095,388.50	$ 6,586,788.20	$ 63,136.38	$ 981,042.52

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*

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

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

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

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

A

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2012

As of September 30, 2011

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City Contribution	$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY11	-				
Contingency					
Bank Fees		$ 4,100.00	$ 4,071.25	$ -	$ -
Arbitrage Rebate Calculation Fees		2,000.00	$ 2,000.00		
Moody's Investor Service		-	$ 1,100.00		
Miscellaneous contingency items		15,000.00	44.16	-	-
Total Contingency Budget		21,100.00	7,215.41	-	13,884.59
Legal		90,250.00	13,230.87	-	77,019.13
Accounting		18,750.00	4,000.00	14,750.00	-
Postage & Shipping		100.00	-	-	100.00
Meals		2,800.00	445.86	-	2,354.14
Utilities		10,000.00	667.50	-	9,332.50
Insurance		7,000.00	-	-	7,000.00
Total	$ 150,000.00	$ 150,000.00	$ 25,559.64	$ 14,750.00	**$ 109,690.36**

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park

As of September 30, 2011

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property [1]	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
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	948,385.79	42,464.21	
Consulting Services - McCallum Sweeney		115,000.00	92,130.18	22,869.82	
Total	$ 14,388,399.83	$ 14,231,524.83	$ 14,166,190.80	$ 65,334.03	$ 156,875.00

[1] *This figure does not include the interest the City is losing from the uninvested funds.*

[2] *Settlement fees have been charged to general expenditures until a funding source is available*

[3] *This contract was originally for $814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. $740,000 will be covered by the FY09 Tobacco Allocation and $250,850 will be covered by the FY10 Tobacco Allocation.*

Danville-Pittsylvania Regional Industrial Facility Authority

Cane Creek Centre - Lots 3 & 9

As of September 30, 2011

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
EDA Grant Investment	$ 2,275,030.00				
Tobacco Commission FY10 Reserve Fund Allocation	426,568.00				
Local Match - RIFA [1]	142,190.00				
Expenditures					
Haymes Brothers, Inc. [2]		$ 1,392,425.00	$ 596,091.75	$ 796,333.25	
Dewberry & Davis		$ 111,600.00	$ 45,180.00	$ 66,420.00	
Advertisements for bids		-	2,383.00	-	
Total	$ 2,843,788.00	$ 1,504,025.00	$ 643,654.75	$ 862,753.25	**$ 1,337,380.00**

[1] *Bond funds are available to cover this local match.*

[2] *Please note that the expended amount does not include 5% retainage withheld that has not yet been paid by RIFA to Haymes Brothers, Inc.*

Danville-Pittsylvania Regional Industrial Facility Authority

Yorktowne Reimbursement

As of September 30, 2011

Yorktowne Reimbursement*	$ 181,339.68

*Since Yorktowne did not meet the job requirements set forth in its initial Performance Agreement executed in 2005, it is repaying incentive money to RIFA to account for the jobs not created. In accordance with the amended Performance Agreement, we received one payment from Yorktowne in the amount of $45,334.92 in November 2009. We received another payment of $136,004.76 in November 2010. No further payments are due unless Yorktowne fails to meet the new targets in the amended performance agreement. The RIFA Board approved at the March 14, 2011 meeting to retain these funds for use within RIFA. These funds are available for the RIFA Board to allocate to budgets as needed.

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized
As of September 30, 2011

Funding		**Funding**	**Expenditures**	**Unexpended / Unencumbered**
Rental Properties				
Lessee	*Property*	*Rent Received*		
Cyberpark				
Institute for Advanced Learning and Research (IALR) [1, 4]	Hawkins Research Building at 230 Slayton Ave.	$ 462,594.77		
Securitas	Gilbert Building at 1260 South Boston Rd.	11,000.00		
Cane Creek Centre				
Stephen R. & Susan G. Wilson	Hughes House at 390 Cedar Lane	2,800.00		
Douglas C. Agner	Hughes House at 390 Cedar Lane	6,000.00		
Richard A. Parker	Hughes House at 390 Cedar Lane	2,400.00		
Berry Hill Mega Park				
Guilford Whitetail Management	Kluttz Farm off State Rd. 863	11,000.00		
Oak Hill Hunt Club	Hairston Farm off State Rd. 863	8,000.00		
Patten Seed Company	30 acre tract on Stateline Bridge Rd.	6,500.00		
Browning & Associates, Ltd. [5]	4380 Berry Hill Road House	5,750.00		
Osborne Company of North Carolina, Inc.	4380 Berry Hill Road Pastureland	800.00		
Total Rent		$ 516,844.77		
Interest Received [2]		$ 23,120.33		
Expenditures				
Disbursement to IALR for SEnTeC project [1]			$ 278,812.00	
Transfer to General Expenditures budget [3]			50,000.00	
Total		$ 539,965.10	$ 328,812.00	$ 211,153.10

[1] *A portion of the rent received from the IALR for the Hawkins Research Building was Board-restricted for the SEnTeC project. RIFA disbursed $278,812.00 to the IALR to fully satisfy this commitment made by the Board at the June 11, 2008 meeting.*

[2] *Please note that this is only interest received on RIFA's general money market account.*

[3] *The RIFA Board approved to transfer $50,000 from rental income realized to the General Expenditures budget at its March 14, 2011 meeting.*

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

[5] *Please note that Browning & Associates has paid a $1,000 security deposit per the lease agreement that is not included in rental income above.*

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Assets [1, 2]
September 30, 2011*

		Unaudited FY 2012
Assets		
Current assets		
Cash - checking	$	822,796
Cash - money market		389,712
Due from other governments		205,321
Total current assets		1,417,829
Noncurrent assets		
Restricted cash - project fund		1,046,424
Restricted cash - debt service fund		618,503
Capital assets not being depreciated		24,154,661
Capital assets being depreciated, net		27,244,055
Construction in progress		1,930,750
Unamortized bond issue costs		108,781
Total noncurrent assets		55,103,174
Total assets		56,521,003
Liabilities		
Current liabilities		
Due to City of Danville		10,479,073
Bonds payable - current portion		285,000
Retainage payable		31,373
Security deposit		1,000
Total current liabilities		10,796,446
Noncurrent liabilities		
Bonds payable - less current portion		5,895,000
Total noncurrent liabilities		5,895,000
Total liabilities		16,691,446
Net Assets		
Invested in capital assets - net of related debt		38,335,320
Unrestricted		1,494,237
Total net assets	$	39,829,557

[1] Please note that 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 that 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 that these statements are for the period ended September 30, 2011 as of Septemer 28, 2011, 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 Assets
*September 30, 2011**

	Unaudited FY 2012
Operating revenues	
Virginia Tobacco Commission grants	54,554
Rental income	65,247
Other grants	-
Total operating revenues	119,801
Operating expenses [4]	
Mega Park expenses [3]	776
Cane Creek Centre expenses [3,5]	428,711
Cyber Park expenses [3]	2,000
Professional fees	10,881
Insurance	5,729
Other operating expenses	1,158
Total operating expenses	449,255
Operating loss	(329,454)
Non-operating revenues (expenses)	
Interest income	165
Interest expense	(2,042)
Total non-operating expenses, net	(1,877)
Net loss before capital contributions	(331,331)
Capital contributions	
Contribution - City of Danville	337,392
Contribution - Pittsylvania County	337,392
Total capital contributions	674,784
Change in net assets	343,453
[6] **Net assets at July 1,**	39,486,104
Net assets at September 30,	$ 39,829,557

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

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

[5] Please note that this line item includes $22,233 for fees related to the $7.3M bonds for Cane Creek.

[6] Please note that this will change once all FY2011 entries are made and may also change depending on whether there are audit adjustments for FY2011 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*September 30, 2011**

		Unaudited FY 2012
Operating activities		
Receipts from grant reimbursement requests	$	131,674
Receipts from leases		62,048
Payments to suppliers for goods and services		(687,269)
Net cash used in operating activities		(493,547)
Capital and related financing activities		
Capital contributions		674,784
Interest paid on bonds		(3,008)
Principal repayments on bonds		-
Net cash provided by capital and related financing activities		671,776
Investing activities		
Interest received		166
Net cash provided by investing activities		166
Net increase in cash and cash equivalents		178,395
Cash and cash equivalents - beginning of year (including restricted cash)		2,699,040
Cash and cash equivalents - through September 30, 2011 (including restricted	$	2,877,435
Reconciliation of operating loss before capital contributions to net cash used in operating activities:		
Operating loss	$	(329,454)
Changes in assets and liabilities:		
Change in prepaids		10,113
Change in due from other governments		77,120
Change in other receivables		3,500
Change in accounts payable		(248,126)
Change in unearned income		(6,700)
Change in security deposit		-
Net cash used in operating activities	$	(493,547)

Components of cash and cash equivalents at September 30, 2011:		
American National - Checking	$	822,796
American National - General money market		389,712
Wachovia - $7.3M Bonds CCC Debt service fund		618,503
Wachovia - $7.3M Bonds CCC Project fund		1,046,424
	$	2,877,435