

Danville-Pittsylvania Regional Industrial Facility Authority

**CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA**

AGENDA

TUESDAY, APRIL 10, 2012

12:00 NOON

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

COUNTY OF PITTSYLVANIA MEMBERS

**COY E. HARVILLE, CHAIRMAN
JAMES H. SNEAD
JESSIE L. BARKSDALE, 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 MARCH 12, 2012 MEETING

5. NEW BUSINESS

A. Consideration of Resolution No. 2012-04-10-5A to approve a one-year renewal of the lease to the Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Mega Park Site (a portion of GPINs 1366-78-4718 and 1367-70-4519), owned by the Authority, commonly known as 4380 Berry Hill Road; and the lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$800 – Gregory L. Sides, County Assistant Administrator

B. Consideration of Resolution No. 2012-04-10-5B to approve an Amendment to that certain Declaration of Protective Covenants of the Authority's Cane Creek Centre, dated July 12, 2000, and recorded in the Clerk's Office of the Circuit Court of the County of Pittsylvania, Virginia, as Instrument No. 05-06158, in Deed Book 1505, at page 237, and recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia, as Instrument No. 05-4233, at page 189, as such restrictions pertain to (i) that certain area designated as Lot 12, fronting on Cane Creek Parkway and South Boston Road (U.S. Highway No. 58), and (ii) that certain portion of the area designated as Lot 6 that is located only in the City of Danville, Virginia, and fronting on Cane Creek Parkway and South Boston Road (U.S. Highway No. 58); being a portion of that certain parcel of land known as GPIN 2347-03-7443, in the County of Pittsylvania, Virginia, and all of those certain parcels of land known as PINs 78380 and 77193, in the City of Danville, Virginia – Joseph C. King, City Manager, and Corrie Teague, City Marketing and Research Manager

C. Financial Report as of March 31, 2012 – Barbara A. Dameron, CPA, Authority Treasurer

6. CLOSED SESSION

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning the expansion of an existing industry where no previous announcement has been made of the industry's interest in expanding its facilities in Pittsylvania County, Virginia – William D. Sleeper, County Administrator

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

C. Motion to Certify Closed Meeting.

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7. COMMUNICATIONS FROM:

Jessie L. Barksdale
Coy E. Harville
T. David Luther
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
Staff

8. ADJOURN

**AGENDA
ITEM NUMBER 4**

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2012

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:20 p.m. on the above date in the Danville Regional Airport, Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members T. David Luther and alternate Fred O. Shanks. Vice Chairman Sherman M. Saunders was absent. Pittsylvania County Members present were Chairman Coy E. Harville, James Snead and Alternate Jessie L. Barksdale.

City/County staff members attending were: City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Pittsylvania County Director of Economic Development Ken Bowman, City of Danville Director of Economic Development Jeremy Stratton, Assistant County Administrator for Planning & Development Gregory Sides, Public and Governmental Affairs Consultant Lynwood Wright, City of Danville Marketing and Research Manager Corrie Teague, City of Danville Senior Accountant Patricia Conner, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Dewberry & Davis project manager Shawn Harden was also present.

Chairman Harville called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF FEBRUARY 13, 2012 MINUTES

Upon **Motion** by Mr. Snead and **second** by Mr. Shanks, Minutes of the February 13, 2012 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

OLD BUSINESS

5A. CONSIDERATION – RESOLUTION NO. 2012-03-12-5A, CONFIRMING THAT CERTAIN ADMINISTRATION STAFF OF A MEMBER LOCALITY HAVE AUTHORITY TO CERTIFY COMPLIANCE WITH RESTRICTIVE COVENANTS

Authority Attorney Michael Guanzon noted that this was a matter carried over from last month, the term “Zoning Administrator” needed to be changed to “Director of Planning”.

Mr. Luther **moved** adoption of *Resolution No. 2012-02-12-5A, confirming that certain administration staff of a member locality shall have the authority to certify, on behalf of the Authority, compliance with restrictive covenants covering projects and facilities of the Authority.*

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

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

NEW BUSINESS

6A. CONSIDERATION – RESOLUTION NO. 2012-03-12-6A – REVISING PARAGRAPH 1 OF ARTICLE VIII (“MEETINGS”) OF THE AMENDED AND RESTATED BY LAWS OF THE AUTHORITY

Authority Attorney Michael Guanzon noted with this Resolution, if the second Monday falls on a holiday of the City or the County, the meeting will be moved to the next business day.

Mr. Snead **moved** adoption of *Resolution 2012-03-12-6A*, revising paragraph 1 of Article VIII (“Meetings”) of the Amended and Restated Bylaws of the Authority adopted August 13, 2007, and last revised January 9, 2012, to provide that in the event that the date of any regular meeting determined by the Board is a date on which either the City’s administrative offices or the County’s administrative offices are closed for business, the regular meeting shall be held on the next date on which both the City’s administrative offices and the County’s administrative offices are open for business.

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

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

6B. CONSIDERATION - RESOLUTION NO. 2012-03-12-6B – APPROVING A DEED OF CORRECTION FOR THE CONVEYANCE FROM THE AUTHORITY TO UNITED STATES GREEN ENERGY CORPORATION

Michael Guanzon noted this Resolution related to the Grant Agreement. RIFA approved a 28,000 square foot building but the deed attached to that was incorrect. Lynwood Wright, on behalf of USGE, noted that they do request a Deed of Correction.

Mr. Snead **moved** adoption of *Resolution No. 2012-03-12-6B*, approving a deed of correction for the conveyance from the Authority to the United States Green Energy Corporation, a Nevada corporation (“USGE”), of that certain real estate located in Pittsylvania County, Virginia, in the Authority’s Cane Creek Centre, known as New Lot 1, containing 59.118 Acres (GPIN 2347-39-1745), previously conveyed to USGE pursuant to that certain deed dated December 14, 2010, and recorded in the Clerk’s Office of the Circuit Court of Pittsylvania County, Virginia as Instrument No. 10-06880.

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

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

6C. CONSIDERATION – RESOLUTION 2012-03-12-6C APPROVING ACCEPTANCE OF BID PROPOSAL FROM TONY WILSON

Mr. Luther moved adoption of *Resolution 2012-03-12-6C, approving the acceptance of a bid proposal from Tony Wilson for services for removal of those certain improvements and structures including (i) that certain residence structure known as the Lake Shore House, located in Pittsylvania County, Virginia at the Authority's Cane Creek Centre (a portion of tax GPINs 2347-46-0892 and 2347-35-9903), and (ii) that certain residence structure commonly known as 1260 South Boston Road, located in Danville, Virginia, at the Authority's Cyber Park (a portion of tax pin 76641), at a total price of \$73,500.*

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

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

6D. WETLAND BANK REPORT – GREGORY L. SIDES, ASSISTANT COUNTY ADMINISTRATOR AND SHAWN HARDEN, PROJECT MANAGER, DEWBERRY

Shawn Harden noted that Dewberry has been evaluating different mitigation techniques that are available for the wetlands and stream channel with respect to the Mega Park. They have looked at on-site creation, what is done onsite to create credits for stream channels and for wetland disturbance. Mr. Harden noted there is not enough onsite in the Mega Park to do mitigation for the entire project and are evaluating different options. He noted there are three banks available in this service region and Dewberry will evaluate them. Mr. Harden noted another option is to deal with a turnkey mitigation solution, and they have identified one person or company that does have some land available.

Mr. Shanks questioned that with the river bottom land the Authority has is there any possibility of RIFA creating their own bank, not just for RIFA, but to sell others credit.

Mr. Harden responded that to the best of his knowledge, a government entity can create a bank for their use only but cannot sell it on the open market as other banks do. Mr. Harden noted they have explored that option and stated that there is enough land there to create wetlands for use in the Mega park but there are risks. Mr. Harden stated that Dewberry is going to provide all the information to everyone for evaluation to come up with the best solution. He also noted that Dewberry is having a meeting in Richmond on April 4th, with the Army Corp., DEQ and all the state agencies to kick off the permitting process for the lots.

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6E. FINANCIAL REPORT AS OF FEBRUARY 29, 2012 – BARBARA DAMERON, CPA, AUTHORITY TREASURER

Barbara Dameron, Authority Treasurer gave the financial report as of February 29, 2012 and reviewed the following:

Sheet A reflects the \$7.3M bonds for Cane Creek Center with no expenses in February. Sheet B shows general expenses for RIFA and during the month of February the Authority spent \$4,914.00, the majority of that was legal fees and meals. The Authority received \$303.00 reimbursement from Axxor for Utilities. Sheet C is the Mega Park and \$11,159 was paid to Dewberry for the critical habitat survey and composite master land use plan. Sheet D is the Berry Hill Mega Park bond with a couple of expenditures: \$50.00 in legal fees and \$81.00 to reimburse the County for a gate; the Authority also earned \$878.00 in interest. Sheet E is Cane Creek Centre, Lots 3 and 9 had no expenses paid in February. Sheet F shows the Yorktowne reimbursement which is available for appropriation. Sheet G is the Rent, Interest and Other Income, and in the month of February the Authority realized \$21,672 received in rent, no other expenses.

Mr. Luther **moved** adoption of the Financial Report as of February 29, 2012. The Motion was **seconded** by Mr. Snead and carried by the following vote:

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

7A and B CLOSED SESSION

At 12:35 p.m., Mr. Harville requested a Motion to go into Closed Meeting as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion of the disposition of an interest in publicly held real property located in Pittsylvania County, Virginia, at the Authority's Cane Creek Centre, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and as permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community, specifically a prospective business or industry considering the Authority's Cane Creek Centre.

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

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

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Mr. Harville noted that upon **Motion** by Mr. Luther and **second** by Mr. Snead, and by unanimous vote at 1:30 p.m., the Authority returned to open meeting.

Mr. Luther **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. Snead and carried by the following vote:

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

7A. CONSIDERATION – APPROVE A DEED OF CORRECTION AND AMENDMENT FOR THE CONVEYANCE FROM THE AUTHORITY TO THE UNITED STATES GREEN ENERGY CORPORATION

Mr. Snead **moved** that the Authority revise Resolution 2012-03-12-6B to extend a construction deadline to September 1, 2012. Resolution 2012-03-12-6B-REVISED to approve a Deed of Correction and Amendment for the conveyance from the Authority to United States Green Energy Corporation, a Nevada corporation ("USGE") of that certain real estate located in Pittsylvania County, Virginia, in the Authority's Cane Creek Centre, known as New Lot 1, containing 59.118 acres (GPIN 2347-39-1745), previously conveyed to USGE pursuant to the certain deed dated December 14, 2010, and recorded in the Clerk's office of the Circuit Court of Pittsylvania County, Virginia, as Instrument No. 10-06880.

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

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

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COMMUNICATIONS

Mr. Snead questioned the RIFA website, where it indicates “members only” and asked if that was for Authority members. Mr. Guanzon noted this was for RIFA members but only when there is something in closed session that staff needs to distribute to the RIFA members only. Authority Secretary noted she would speak with Tiffany Harris about passwords for Mr. Snead and Mr. Barksdale.

Mr. Harville noted that he spoke to Mr. Richard Dell, Jr., whose father founded AVRC and recently passed away. Lynwood Wright noted that he and Jeremy Stratton had both attended the service for Mr. Dell.

Upon **Motion** by Mr. Snead and **second** by Mr. Luther, and unanimous vote, the Meeting was adjourned.

MEETING ADJOURNED AT 1:22 P.M.

Chairman

Secretary to the Authority

**AGENDA
ITEM NUMBER 5A**

A RESOLUTION TO APPROVE A ONE-YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY OF NORTH CAROLINA, INC., A NORTH CAROLINA CORPORATION, OF APPROXIMATELY 100 ACRES OF PASTURELAND IN THE AUTHORITY'S MEGA PARK SITE (A PORTION OF GPINs 1366-78-4718 AND 1367-70-4519), OWNED BY THE AUTHORITY, COMMONLY KNOWN AS 4380 BERRY HILL ROAD; AND THE LEASE SHALL BE FOR THE USE OF HARVESTING GRASS HAY AND INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY, AT A TOTAL RENTAL FEE OF \$800.

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

WHEREAS, The Osborne Company of North Carolina, Inc., a North Carolina corporation ("**Osborne**"), entered into that certain Lease Agreement with the Authority, dated May 9, 2011 (the "**Lease**"), for the lease of one hundred (100) acres, more or less, of pasture land in the Authority's Mega Park site (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia (the "**Property**"), for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of Eight Hundred Dollars (\$800); and

WHEREAS, the term of the Lease expires on May 15, 2012; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia, for the Authority to enter into a one-year renewal of the Lease; and

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

NOW, THEREFORE, BE IT RESOLVED, that

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

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

Resolution No. 2012-04-10-5A

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

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on April 10, 2012, 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 April 2012.

(SEAL)

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

SCHEDULE A

PRB

2012

THIS LEASE AGREEMENT ("Lease") made as of the 9th day of May ~~2011~~, by and between DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a political subdivision of the Commonwealth of Virginia ("Landlord"); and THE OSBORNE COMPANY OF NORTH CAROLINA, INC., a North Carolina corporation ("Tenant");

WITNESSETH:

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

Section 1 - Property Description. Landlord leases to the Tenant, and Tenant rents from Landlord, one hundred (100) acres, more or less, of pasture land in the Authority's Mega Park site (a portion of GPINS 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia (the "Property").

Section 2 - Term. This Lease shall be for a term beginning on May 15, ~~2011~~, and ending on May 15, ~~2011~~ (the "Term"), unless sooner terminated as provided for herein.

2012

2013

Section 3 - Rental Payment. Tenant agrees to pay to Landlord a base rent ("Base Rent") for the Property in the amount of Eight Hundred 00/100 Dollars (\$800.00), due and payable by Tenant to Landlord on the date this Lease is executed by Tenant.

Section 4 - Assignment. Tenant may not assign or sublet the Property for any reason without Landlord's prior written consent. No assignment or sublease shall affect the obligation of Tenant to perform all of Tenant's obligations under this Lease, unless Landlord executes a written document releasing Tenant from such obligations.

Section 5 - Insurance: Personal Property. It shall be the sole responsibility of Tenant to protect and, if Tenant desires, to insure Tenant's personal property located on the Property. Landlord shall have no liability for any damage to any persons or personal property located in the Property. The parties understand and agree that Tenant shall maintain, during the Term, commercial liability insurance on the Property with a minimum limit of \$1,000,000.00 per occurrence, naming Landlord as an additional insured, and that Tenant will provide Landlord with evidence of such insurance as requested by Landlord.

Section 6 - Alterations; Surrender of Property. Tenant agrees that Tenant shall seed or cover the Property throughout the Term. Tenant shall, at the termination of this Lease, surrender the Property in at least as good condition as the Property was in at the beginning of this Lease. Tenant agrees that, at the termination of this Lease, the Property shall be stabilized by perennial vegetation in accordance with the guidelines specified in Std.&Spec. 3.32 of the Virginia Erosion and Sediment Control Handbook. In addition, stabilization of the Property must also comply with Minimum Standard - 3 of the Virginia Erosion and Sediment Control Regulations, which states that "A permanent vegetative cover shall be established on denuded areas not otherwise permanently stabilized. Permanent vegetation shall not be considered established until a ground cover is achieved that is uniform, mature enough to survive and will inhibit erosion." The parties understand and agree that the determination of stabilization, or the need for additional stabilization measures, shall be made by Landlord or its designated agent.

Section 7 - Maintenance; Taxes. Tenant shall be solely responsible for the maintenance of the Property during the Term. Landlord shall pay any and all real estate taxes assessed against the Property, and Tenant shall pay any and all personal property taxes or other assessments assessed against the Property.

Section 8 - Use of Property by Tenant. No structure shall be erected on the Property. The Property shall be used by Tenant solely for planting and harvesting grass hay and for no other purpose without the prior written approval of Landlord, which approval may be withheld in the sole discretion of Landlord. However, in no event shall the Property be used for any purpose or in any manner which constitutes a violation of any federal, state, or county law or regulation, including without limitation, all provisions of any zoning ordinances and regulations applicable to the Property.

Section 9 - Waiver of Liability. Landlord shall not be responsible for any damage to Tenant or their invitees, or for any other occupant of the Property, resulting from any cause whatsoever unless caused by willful misconduct of Landlord. Tenant promises and agrees to insure, protect, and save harmless Landlord from any liabilities, costs, or expenses, including without limitation reasonable attorney's fees, incurred by reason of personal injuries (including without limitation death at any time resulting therefrom) to any person or damage to any property on or about the Property during the Term, or arising from Tenant's occupancy or use of the Property.

Section 10 - Destruction of Premises and Risk of Loss. If the Property be demolished or materially damaged by fire or otherwise, then this Lease shall automatically terminate as of the date of the destruction or damage, and Tenant shall be entitled to a pro rata refund of Base Rent that had not accrued. Landlord is under no duty to make repairs under this clause. Tenant shall have the sole and exclusive responsibility for any insurance for Tenant's personal property.

Section 11 - Default of Tenant. Upon (i) the breach of any covenant of this Lease (other than payment of Base Rent pursuant to Section 3 of this Lease) which is not cured within fifteen (15) days after notice of such breach is sent to Tenant, (ii) the use of the Property for any illegal purpose, or (iii) Tenant's failure to pay rent within five (5) days of written notice from Landlord that the rent is due and unpaid, Landlord shall have the right, at Landlord's sole option, (a) to declare all Base Rent immediately due and payable, and (b) to immediately terminate this Lease without further notice to Tenant. The exercise by Landlord of the rights granted pursuant to this paragraph shall not deprive the Landlord of any other remedy against Tenant for possession or for damages. The failure of either party to insist on the strict observance by the other party of any covenant contained in this Lease shall in no way be construed as a waiver of a future breach of the same or other covenants.

Section 12 - Condemnation. If the Property is condemned by public authority by the exercise of eminent domain or otherwise, or if the Property is sold to or is otherwise acquired by any public authority, thereupon vesting title in such public authority, this Lease shall thereupon immediately terminate. Landlord shall not be liable for any inconvenience or damage to Tenant, and Tenant shall be entitled to a pro rata refund of Base Rent that had not accrued. Any and all awards for such condemnation shall be the sole and exclusive property of Landlord.

Section 13 - Condition of Property. Tenant represents and warrants that Tenant has inspected the Property and that the Property is suitable for Tenant's purposes; therefore Tenant hereby accepts the Property in its present "AS IS", "WHERE IS" and "WITH ALL FAULTS" condition.

Section 14 - Holding Over. It is hereby agreed that, in the event that Tenant holds over after the termination of the Term, Tenant shall be a tenant at sufferance and may be removed at any time by Landlord.

Section 15 - Notice. Any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery, certified or registered United

States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to Landlord:
Danville-Pittsylvania Regional Industrial Facility
Authority
Attention: Chairman
427 Patton Street, Room 428
Danville, VA 24541

If to Tenant:
The Osborne Company of
North Carolina, Inc.
Attn: Peter F. Osborne
P.O. Box 1107
515 S. Kennedy Ave. (27288)
Eden, NC 27289-1107

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate.

Section 16 - Successors in Interest. All rights and liabilities set forth in this Lease or otherwise imposed upon any party shall extend to the heirs, executors, administrators, successors, and, so far as same are assignable by the terms of this Lease, to the assigns of such party (whether voluntary by act of the parties or involuntary by operation of law).

Section 17 - Construction. Feminine or neuter pronouns are to be substituted for those of the masculine form, and the plural is to be substituted for the singular number, in any place or places herein which the context may require such substitution. This Lease shall be construed under the laws of the Commonwealth of Virginia.

Section 18 - Final Agreement. This Lease represents the final understanding between the parties; no representations shall be binding upon Landlord unless stated in this Lease; no agent of Landlord has authority to change or modify any of the terms hereof except by writing endorsed on or attached to this Lease; Tenant has inspected and examined the Property and agrees to accept the same; and Landlord makes no warranties whatsoever regarding the fitness, operation, and continued usefulness of the premises for any purpose.

Section 19 - Quiet Enjoyment. Landlord agrees that so long as Tenant is not in default under this Lease, Tenant may quietly hold and enjoy the Property during the Term.

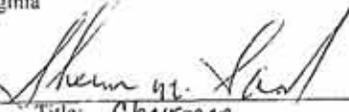
Section 20 - Attorneys' Fees and Costs. In the event that a party to this Lease defaults in the performance of any of the terms or obligations imposed upon such party by this Lease or the transactions contemplated hereby, the non-defaulting party may institute legal proceeding to enforce the provisions of this Lease. In such instance, in addition to any other remedy, the non-prevailing party shall be responsible for the reasonable attorneys' fees and costs incurred by the prevailing party in pursuing such action. The parties retain all rights at law and in equity to enforce the provisions of this agreement in accordance with applicable law.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS the following signatures to this LEASE AGREEMENT:

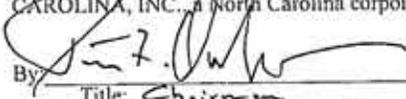
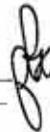
LANDLORD:

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

By: 
Title: Chairman

TENANT:

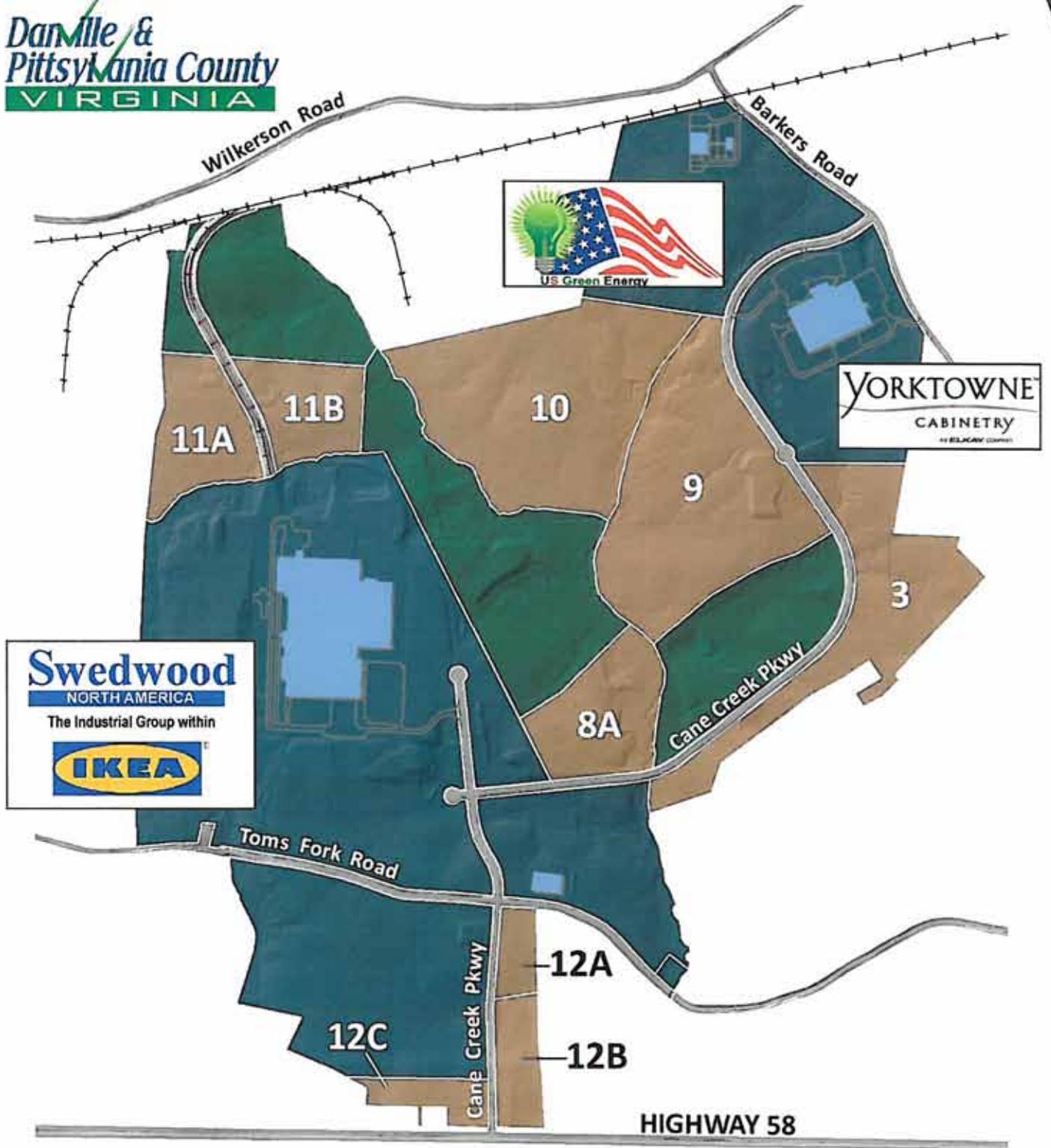
THE OSBORNE COMPANY OF NORTH
CAROLINA, INC. a North Carolina corporation

By: 
Title: Chairman 

**AGENDA
ITEM NUMBER 5B**

CANE CREEK CENTRE

Danville &
Pittsylvania County
VIRGINIA



Lot #	Acreage	Lot #	Acreage	Lot #	Acreage
3	44 +/-	10	67 +/-	12A	5 +/-
8A	22 +/-	11A	20 +/-	12B	9 +/-
9	64 +/-	11B	16 +/-	12C	7 +/-

A RESOLUTION APPROVING AN AMENDMENT TO THAT CERTAIN DECLARATION OF PROTECTIVE COVENANTS OF THE AUTHORITY'S CANE CREEK CENTRE, DATED JULY 12, 2000, AND RECORDED IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE COUNTY OF PITTSYLVANIA, VIRGINIA, AS INSTRUMENT NO. 05-06158, IN DEED BOOK 1505, AT PAGE 237, AND RECORDED IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF DANVILLE, VIRGINIA, AS INSTRUMENT NO. 05-4233, AT PAGE 189, AS SUCH RESTRICTIONS PERTAIN TO (i) THAT CERTAIN AREA DESIGNATED AS LOT 12, FRONTING ON CANE CREEK PARKWAY AND SOUTH BOSTON ROAD (U.S. HIGHWAY NO. 58), AND (ii) THAT CERTAIN PORTION OF THE AREA DESIGNATED AS LOT 6 THAT IS LOCATED ONLY IN THE CITY OF DANVILLE, VIRGINIA, AND FRONTING ON CANE CREEK PARKWAY AND SOUTH BOSTON ROAD (U.S. HIGHWAY NO. 58); BEING A PORTION OF THAT CERTAIN PARCEL OF LAND KNOWN AS GPIN 2347-03-7443, IN THE COUNTY OF PITTSYLVANIA, VIRGINIA, AND ALL OF THOSE CERTAIN PARCELS OF LAND KNOWN AS PINS 78380 AND 77193, IN THE CITY OF DANVILLE, VIRGINIA.

WHEREAS, the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act (Virginia Code §§ 15.2-6400 *et seq.*) as amended; and

WHEREAS, the Authority made that certain Declaration of Protective Covenants, dated July 12, 2000, and recorded in the Clerk's Office of the Circuit Court of the County of Pittsylvania, Virginia, as Instrument No. 05-06158, in Deed Book 1505, at page 237, and recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia, as Instrument No. 05-4233, at page 189 (the "**Declaration**"); and

WHEREAS, the Authority desires to amend the Declaration with respect to (i) that certain area designated as Lot 12, fronting on Cane Creek Parkway and South Boston road (U.S. Highway No. 58), and (ii) that certain portion of the area designated as Lot 6 that is located only in the City of Danville, Virginia, and fronting on Cane Creek Parkway and South Boston Road (U.S. Highway No. 58); being a portion of that certain parcel of land known as GPIN 2347-03-7443, in the County of Pittsylvania, Virginia, and those certain parcels of land known as PINS 78380 and 77193, in the City of Danville, Virginia (collectively, the "**Front Entrance Lots**"), to eliminate the requirements regarding minimum building size on Front Entrance Lots, and to permit certain additional uses to be established on Front Entrance Lots, as set forth on that certain Amendment to Declaration of Protective Covenants, attached hereto and incorporated herein as **Exhibit A** (the "**Amendment**"); and

WHEREAS, the Authority has determined that the Amendment is in furtherance of the Authority's purpose to enhance the economic base for the member localities by developing, owning, and operating one or more facilities on a cooperative basis involving its member localities.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and directs the Chairman of the Authority to execute and deliver, and otherwise pursue, the Amendment, together with such amendments, deletions or additions to the Amendment as may be approved by the Chairman, and such execution of the same by the Chairman to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes the Chairman to execute and deliver such other documents in connection with the Amendment, as may be approved by the Chairman, such execution by the Chairman to conclusively establish his approval of such other documents.

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

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

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on April 10, 2012, 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 April 2012.

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

(SEAL)

Exhibit A

**THIS INSTRUMENT WAS PREPARED BY AND
AFTER RECORDING SHOULD BE RETURNED TO:
CLEMENT & WHEATLEY, A Professional Corporation
549 Main Street (24541), P.O. Box 8200
Danville, VA 24543-8200**

City PINs: 78380 and 77193
County GPINs: part of 2347-03-7443

**CANE CREEK CENTRE
AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS**

THIS AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS is made and entered into as of the ____ day of _____ 2012.

WHEREAS, Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia, made that certain Declaration of Protective Covenants, dated July 12, 2000, and recorded in the Clerk's Office of the Circuit Court of the County of Pittsylvania, Virginia (the "**County Clerk's Office**"), as Instrument No. 05-06158, in Deed Book 1505, at page 237, and recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia (the "**City Clerk's Office**"), as Instrument No. 05-4233, at page 189 (the "**Original Declaration**");

WHEREAS, the undersigned parties desire to voluntarily amend the Original Declaration with respect to a certain portion of the Property as provided herein;

WHEREAS, the undersigned parties are the record title holders of at least sixty-five percent (65%) of the land area of the Property (as defined in the Original Declaration) and at least fifty-one percent (51%) of the Owners of Parcels (as defined in the Original Declaration), the written consent of whom is required under Section 10.2 the Original Declaration to amend the Original Declaration; and

WHEREAS, all restrictions in the Original Declaration are to be reaffirmed and to remain in full force and effect, except as specifically amended herein.

NOW, THEREFORE, THE ORIGINAL DECLARATION IS AMENDED AS FOLLOWS:

1. The following new Article 17 shall be inserted and incorporated into the Original Declaration:

"Article 17: FRONT ENTRANCE LOTS

17.1 APPLICABILITY OF THIS ARTICLE

This Article 17 shall apply only to (i) that certain area designated as Lot 12, fronting on Cane Creek Parkway and South Boston Road (U.S. Highway No. 58), and (ii) that certain portion of the area designated as Lot 6 that is located only in the City of Danville, Virginia, and fronting on Cane Creek Parkway and South Boston Road (U.S. Highway No. 58), as shown on Sheet 3 of 7 of that certain Subdivision Plat Showing: Cane Creek Centre, prepared by Dewberry & Davis, Inc., File No. V3013B, dated November 25, 2010, recorded in the County Clerk's Office as Instrument No. _____, at page _____, which areas shall be referred to collectively as the "Front Entrance Lots" for purposes of this Article 17, and also recorded in the City Clerk's Office as Instrument No. _____, at page _____, which areas shall be referred to collectively as the "Front Entrance Lots" for purposes of this Article 17.

17.2 MINIMUM BUILDING SIZE

The requirements of Section 6.4 regarding minimum building size shall not apply to the Front Entrance Lots.

17.3 ADDITIONAL PERMITTED USES

In addition to the permitted uses applicable to the Front Entrance Lots as set forth in Section 5.1, the following additional uses are permitted to be established on Front Entrance Lots: restaurants, drive-in restaurants, eating establishments, convenience stores, gasoline stations, hotels and motels.

17.4 APPLICABILITY OF OTHER PROVISIONS

Except as specifically set forth in this Article 17 to the contrary, all other requirements, restrictions, conditions or provisions applicable to

the Front Entrance Lots shall remain in full force and effect."

2. Except as amended herein, all restrictions in the Original Declaration are reaffirmed and shall remain in full force and effect, and such covenants, as amended, are to run with the land and shall be binding on all parties and persons claiming under them.

IN TESTIMONY WHEREOF, witness the signature to this **AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS** as of the date first above written:

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

By: _____
Coy E. Harville, Chairman

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

The foregoing instrument was acknowledged before me by **COY E. HARVILLE** in his capacity as Chairman of **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia, this _____ day of _____ 2012.

My commission expires: _____.

Notary Public
Registration No. _____

IN TESTIMONY WHEREOF, witness the signature to this **AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS** as of the date first above written:

S&B ASSOCIATES LLC, a Virginia limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____, **AT LARGE**
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me by _____
in his capacity as _____ of **S&B ASSOCIATES LLC**, a Virginia limited liability
company, this _____ day of _____ 2012.

My commission expires: _____.

Notary Public
Registration No. _____ (If Va.)

IN TESTIMONY WHEREOF, witness the signature to this **AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS** as of the date first above written:

UNITED STATES GREEN ENERGY CORPORATION, a Nevada corporation

By: _____
Name: _____
Title: _____

STATE OF _____, **AT LARGE**
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me by _____
in his capacity as _____ of **UNITED STATES GREEN ENERGY CORPORATION**, a Nevada corporation, this _____ day of _____ 2012.

My commission expires: _____.

Notary Public
Registration No. _____ (If Va.)

IN TESTIMONY WHEREOF, witness the signature to this **AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS** as of the date first above written:

ELKAY WOOD PRODUCTS COMPANY, a
Pennsylvania corporation

By: _____
Name: _____
Title: _____

STATE OF _____, **AT LARGE**
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me by _____
in his capacity as _____ of **ELKAY WOOD PRODUCTS COMPANY**, a
Pennsylvania corporation, this _____ day of _____ 2012.

My commission expires: _____.

Notary Public
Registration No. _____ (If Va.)

**AGENDA
ITEM NUMBER 5C**

**Danville - Pittsylvania Regional Industrial Facility
Authority**

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2012
- C. Mega Park – Funding Other than Bond Funds
- D. \$11.25 Million Bonds – Mega Park
- E. Cane Creek Centre – Lots 3 & 9
- F. Yorktowne Reimbursement
- G. Rent, Interest, and Other Income Realized
- H. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

\$7.3 million Bonds for Cane Creek Centre - Issued in August 2005

As of March 31, 2012

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,490.98				
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	11,924.62	59,956.38	
Yorktowne Sound Buffer		-	-	-	
Land		-	2,560,921.67	-	
Demolition services		-	33,761.62	-	
Legal fees		-	48,954.23	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	80,122.49	-	
Other expenditures			10,649.70	-	
Total	\$ 7,630,991.40	\$ 4,237,578.50	\$ 6,671,050.69	\$ 59,956.38	<u>\$ 899,984.33</u>

notes:

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

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

³ Project completed under budget

⁴ In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

⁵ 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.

⁶ The budget amount decreased \$71,279.61 from the September 30, 2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

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

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	\$ 1,487,340.00
Bonds	3,804,576.00
	\$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority
 General Expenditures for Fiscal Year 2012
 As of March 31, 2012

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY11	-				
Contingency					
Bank Fees		\$ 4,100.00	\$ 4,321.25	\$ -	\$ -
Arbitrage Rebate Calculation Fees		2,000.00	2,000.00	-	-
Moody's Investor Service		-	1,100.00	-	-
Cyber Park Parcel Appraisal		-	1,800.00	-	-
Employee Reimbursement		-	44.24	-	-
News & Advance ad for RFP to demolish structures		-	69.60	-	-
Miscellaneous contingency items		15,000.00	667.66	-	-
Total Contingency Budget		21,100.00	10,002.75	-	12,940.35
Legal		90,250.00	42,535.63	-	61,336.87
Accounting		18,750.00	18,750.00	-	-
Postage & Shipping		100.00	47.45	-	82.33
Meals		2,800.00	1,857.20	-	1,409.60
Utilities		10,000.00	1,389.17	-	8,912.31
Insurance		7,000.00	-	-	7,000.00
Total	\$ 150,000.00	\$ 150,000.00	\$ 74,582.20	\$ -	\$ 75,417.80

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of March 31, 2012

<i>Funding</i>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ^{1, 4}	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
<i>Land</i>					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canler 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	-	
<i>Other</i>					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	965,754.29	25,095.71	
Consulting Services - McCallum Sweeney		115,000.00	92,130.18	22,869.82	
 Total	 \$ 14,388,399.83	 \$ 14,231,524.83	 \$ 14,183,559.30	 \$ 47,965.53	 \$ 156,875.00

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

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

³ This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 will be covered by the FY09 Tobacco Allocation and \$250,850 will be covered by the FY10 Tobacco Allocation.

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

Danville-Pittsylvania Regional Industrial Facility Authority
\$11.25 million Bonds for Berry Hill Mega Park project - Issued December 1, 2011
As of March 31, 2012

<i>Funding</i>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funds from bond issuance	\$ 11,250,000.00				
Issuance cost	(323,455.70)				
Underwriter's Discount	(225,000.00)				
Original Issue Discount	(21,325.15)				
Interest earned to date	880.74				
<i>Initial Land Purchases</i> [†]		-	10,345,376.83	-	
<i>Interest owed to City on fronts for land purchases</i>		-	144,150.41	-	
<i>Legal fees</i>		-	148,396.67	-	
<i>Dewberry & Davis</i>		-	14,785.00	-	
<i>Other expenditures</i>		-	17,335.53	-	
Total	\$ 10,681,099.89	\$ -	\$ 10,670,044.44	\$ -	\$ 11,055.45

[†] The City of Danville fronted the funds for \$10,340,983.83 of these land purchases. RIFA reimbursed the City of Danville this amount plus the interest owed, which totaled \$144,150.41, on 1/3/2012 using the bond funds drawn down.

Danville-Pittsylvania Regional Industrial Facility Authority

Cane Creek Centre - Lots 3 & 9

As of March 31, 2012

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
EDA Grant Investment	\$ 2,275,030.00				
Tobacco Commission FY10 Reserve Fund Allocation	426,568.00				
Local Match - RIFA ¹	142,190.00				
<i>Expenditures</i>					
Haymes Brothers, Inc.		\$ 1,488,466.71	\$ 1,488,466.71	\$ -	
Dewberry & Davis		111,600.00	111,600.00	-	
Advertisements for bids		-	2,383.00	-	
Total	\$ 2,843,788.00	\$ 1,600,066.71	\$ 1,602,449.71	\$ -	<u>\$ 1,241,338.29</u>

¹ Bond funds are available to cover this local match.

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of March 31, 2012

<u>Funding</u>	<u>Funding</u>	<u>Expenditures</u>	<u>Unexpended / Unencumbered</u>
<u>Rental Properties</u>			
<u>Lessee</u>	<u>Property</u>	<u>Rent Received</u>	
<i>Cyberpark</i>			
Institute for Advanced Learning and Research (IALR) ^{1, 4}	Hawkins Research Building at 230 Slayton Ave.	\$ 568,906.10	
Securitas	Gilbert Building at 1260 South Boston Rd.	12,800.00	
<i>Cane Creek Centre</i>			
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	
Axxor N.A. LLC ⁵	Apartments at 390 Cedar Lane	2,750.00	
<i>Berry Hill Mega Park</i>			
Gulford Whitetail Management	Klutz 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	8,750.00	
Mountain View Farms of Virginia, L.C.	30 acre tract on Stateline Bridge Rd.	3,000.00	
Osborne Company of North Carolina, Inc.	4380 Berry Hill Road Pastureland	1,600.00	
<i>Total Rent</i>		<u>\$ 634,506.10</u>	
<i>Interest Received</i> ²		<u>\$ 23,275.68</u>	
<i>Miscellaneous Income</i>		<u>\$ 55.37</u>	
Expenditures			
Disbursement to IALR for SENTeC project ¹		\$ 278,812.00	
Transfer to General Expenditures budget ³		50,000.00	
Total		<u>\$ 657,837.15</u>	<u>\$ 329,025.15</u>

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.

⁶ Please note that Axxor N.A. LLC has paid a \$500 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}
*March 31, 2012**

	Unaudited FY 2012
Assets	
<i>Current assets</i>	
Cash - checking	\$ 494,146
Cash - money market	389,867
Prepaid asset	104
<i>Total current assets</i>	884,117
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	1,046,448
Restricted cash - debt service fund CCC bonds	824,417
Restricted cash - project fund Berry Hill bonds	19,504
Restricted cash - debt service fund Berry Hill bonds	91,939
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,033
Capital assets not being depreciated	24,962,931
Capital assets being depreciated, net	27,244,055
Construction in progress	1,930,750
Unamortized bond issuance costs	678,562
<i>Total noncurrent assets</i>	58,798,639
Total assets	59,682,756
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	5,825,000
Unearned income	2,265
Security deposit	1,500
<i>Total current liabilities</i>	5,828,765
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	11,320,000
<i>Total noncurrent liabilities</i>	11,320,000
Total liabilities	17,148,765
Net Assets	
Invested in capital assets - net of related debt	41,653,639
Unrestricted	880,352
Total net assets	\$ 42,533,991

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 March 31, 2012 as of March 27, 2012, 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
March 31, 2012**

	Unaudited FY 2012
Operating revenues	
Economic Development Administration grants	723,418
Virginia Tobacco Commission grants	54,554
Rental income	180,643
Other grants	-
Total operating revenues	958,615
Operating expenses ⁴	
Mega Park expenses ³	18,650
Cane Creek Centre expenses ^{3, 5}	1,388,308
Cyber Park expenses ³	4,350
Professional fees	51,945
Insurance	5,729
Other operating expenses	3,470
Total operating expenses	1,472,452
Operating loss	(513,837)
Non-operating revenues (expenses)	
Interest income	1,258
Interest expense	(14,527)
Total non-operating expenses, net	(13,269)
Net loss before capital contributions	(527,106)
Capital contributions	
Contribution - City of Danville	1,383,362
Contribution - Pittsylvania County	1,383,362
Total capital contributions	2,766,724
Change in net assets	2,239,618
Net assets at July 1,	40,294,373
Net assets at March 31,	\$ 42,533,991

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 \$49,680 for fees related to the \$7.3M bonds for Cane Creek.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*March 31, 2012**

	Unaudited FY 2012
Operating activities	
Receipts from grant reimbursement requests	\$ 1,060,413
Receipts from leases	180,211
Payments to suppliers for goods and services	<u>(1,741,944)</u>
Net cash used in operating activities	<u>(501,320)</u>
Capital and related financing activities	
Capital contributions	2,766,724
Interest paid on bonds	(9,433)
Proceeds from bond issuance	11,003,675
Bond issuance costs	(323,456)
Repayment to City for cash advances and interest on advances	(10,485,134)
Principal repayments on bonds	<u>(285,000)</u>
Net cash provided by capital and related financing activities	<u>2,667,376</u>
Investing activities	
Interest received	<u>1,258</u>
Net cash provided by investing activities	<u>1,258</u>
Net increase in cash and cash equivalents	2,167,314
Cash and cash equivalents - beginning of year (including restricted cash)	<u>2,699,040</u>
Cash and cash equivalents - through March 31, 2012 (including restricted cash)	<u><u>\$ 4,866,354</u></u>
Reconciliation of operating loss before capital contributions to net cash used in operating activities:	
Operating loss	\$ (513,837)
Changes in assets and liabilities:	
Change in prepaids	10,009
Change in due from other governments	282,441
Change in other receivables	3,500
Change in accounts payable	(279,498)
Change in unearned income	(4,435)
Change in security deposit	<u>500</u>
Net cash used in operating activities	<u><u>\$ (501,320)</u></u>

Components of cash and cash equivalents at March 31, 2012:	
American National - Checking	\$ 494,146
American National - General money market	389,867
Wachovia - \$7.3M Bonds CCC Debt service fund	824,417
Wachovia - \$7.3M Bonds CCC Project fund	1,046,448
US Bank - \$11.25M Bonds Berry Hill Debt service fund	91,939
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,033
US Bank - \$11.25M Bonds Berry Hill Project fund	<u>19,504</u>
	<u><u>\$ 4,866,354</u></u>