

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

December 9, 2013

12:00 P.M.

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

County of Pittsylvania Members

**Coy E. Harville, Vice Chair
James H. Snead
Jessie L. Barksdale, Alternate**

City of Danville Members

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

Staff

**Joseph C. King, City Manager, Danville
Otis S. Hawker, Interim Pittsylvania County Administrator
Clement & Wheatley, Legal Counsel to 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 NOVEMBER 14, 2013 MEETING

5. NEW BUSINESS

- A. Updates on projects of the Authority – Staff of City of Danville Office of Economic Development and of Pittsylvania County Economic Development
- B. Notice from Danville City Planning Commission regarding Rezoning Application PLRZ20130000340, filed by Danville Parks and Recreation requesting rezoning of 229 Northside Drive, Danville, Virginia, Grid 2612, Block 001, Parcel 000003, which is within the vicinity of the Authority's Cyber Park project located in Danville, Virginia - Kenneth C. Gillie, Jr., City of Danville Director of Planning Division and Zoning Administrator *[No written resolution.]*
- C. Consideration of Resolution 2013-12-09-5C, approving that certain Contract for Purchase of Unimproved Property with Jeffrey Scott Jarrett as seller, for the Authority's purchase of approximately 3.1 acres out of Tract A-1 fronting on Sellers Road (GPIN 2347-23-3341), located in Pittsylvania County, Virginia, at a purchase price of \$107,880.00 (or \$34,800.00 per acre); such contract includes without limitation an earnest money deposit of \$5,394.00, and a minimum study period of 90 days; and the property would be added to, and made part of, the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia – Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County, and Clement & Wheatley, legal counsel to the Authority
- D. Financial Status Report as of November 30, 2013 – Barbara A. Dameron, CPA, Authority Treasurer; and Patricia K. Conner, CPA, City of Danville Senior Accountant
- E. Election and Reappointment of Officers for a one-year term beginning January 1, 2014
 - 1. Election of Chairman
 - 2. Election of Vice Chairman
 - 3. Reappointment of Secretary from the Authority's staff
 - 4. Reappointment of Treasurer from the Authority's staff

Danville-Pittsylvania Regional Industrial Facility Authority

6. COMMUNICATIONS FROM:

Jessie L. Barksdale
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.
Staff

7. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	4
Meeting Date:	12/09/13
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Thursday, November 14, 2013 meeting.

ATTACHMENTS

Meeting Minutes – 11/14/13

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 14, 2013

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:18 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James Snead, and alternate Jessie L. Barksdale.

City/County staff members attending were: City Manager Joe King, Interim Pittsylvania County Administrator Otis Hawker, City of Danville Finance Director/Authority Treasurer Barbara Dameron, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Public Works Ric Drazenovich, Governmental Affairs Consultant Linwood Wright, City of Danville Senior Accountant Patricia Conner, Clement & Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Chairman Saunders called for a moment of silence for the people in the Philippines and asked everyone to keep in their thoughts RIFA's attorney who has family in that area.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE OCTOBER 17, 2013 MEETING

Upon **Motion** by Mr. Snead and **second** by Mr. Harville, Minutes of the October 17, 2013 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting. Mr. Harville commended the City for all they did coordinating the event with the Chinese company that day.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2013-11-14-5A – RATIFYING AGREEMENT DATED OCTOBER 22, 2013 BETWEEN THE AUTHORITY AND JONES LANG LASALLE

Mr. Harville **moved** adoption of *Resolution 2013-11-14-5A ratifying that certain Agreement dated October 22, 2013, by and between the Authority and Jones Lang LaSalle Americas, Inc., a Maryland corporation, at an aggregate fee not to exceed \$95,000.00, for the project entitled, "Berry Hill Mega Park Market Analysis", in support of the Authority's application to the United States Army Corps of Engineers for certain environmental permits for the Authority's Mega Park Project.*

The Motion was **seconded** by Mr. Snead.

Governmental Affairs Consultant Linwood Wright noted Jones Lang LaSalle has visited Danville, toured the Park and are very optimistic about being able to help RIFA. After questions from RIFA members, the **Motion** was carried by the following vote:

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

5B. CONSIDERATION – RESOLUTION 2013-11-14-5B – AUTHORIZING AUTHORITY TO TABLE OR CAUSE TO BE TABLED ITS FY14 GRANT APPLICATION ENTITLED “BERRY HILL MEGA PARK – ENVIRONMENTAL PERMITTING”

Mr. Shanks **moved** adoption of *Resolution 2013-11-14-5B, authorizing the Authority to table or cause to be tabled its Fiscal Year 2014 grant application entitled, “Berry Hill Mega Park – Environmental Permitting”, to the Virginia Tobacco Indemnification and Community Revitalization Commission, in order to place such application in the light most favorable to the Authority.*

The Motion was **seconded** by Mr. Harville.

Assistant County Administrator for Planning & Development Gregory Sides noted staff was contacted by the Tobacco Commission asking if RIFA’s application could be delayed. It was explained to Mr. Sides the Commission had received over \$20M in applications with only \$12M in available funding. The request is that RIFA table its application to allow the Commission to fulfill some of the other obligations and allow RIFA to come back in the future. After discussion with the Commission, staff agreed to the tabling language as opposed to withdrawing the application.

The **Motion** was carried by the following vote:

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

5C. CONSIDERATION – RESOLUTION 2013-11-14-5C – AUTHORIZING GRANT OF SANITARY SEWER EASEMENT TO PCSA

Mr. Snead moved adoption of *Resolution 2013-11-14-5C, authorizing the grant of a sanitary sewer easement to Pittsylvania County Service Authority, a political subdivision of the Commonwealth of Virginia, over the northern margin of Lot 8 (GPIN 2347-26-0382), in the Authority’s Cane Creek Centre project, in Pittsylvania County, Virginia, in connection with that certain Memorandum of Agreement dated October 17, 2013, approved under Resolution No. 2013-10-17-3E-1.*

The Motion was **seconded** by Mr. Shanks.

Mr. Sides explained this sewer easement will allow access from the existing sanitary sewer line that runs along Cane Creek through Lot 8.

Mr. Harville noted he would abstain from voting on this matter as he serves on the Pittsylvania County Service Authority Board.

The **Motion** was carried by the following vote:

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

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5D. FINANCIAL STATUS REPORT AS OF OCTOBER 31, 2013

Authority Treasurer Barbara Dameron gave the Financial Report as of October 31, 2013 noting under Cane Creek Bond/Refunding Cost, staff has increased that \$12,500 for the bond issue costs to refund the Cane Creek Bonds. There was approximately \$3,000 for wetland monitoring to Dewberry & Davis and \$163,308 in Clement & Wheatley's trust account to handle the settlement on the Lakeside Farm property. Under General Fund Expenditures for FY13, \$9,354 is for Clement & Wheatley legal invoices applying to that year. The General Expenditures for FY14 show \$3,259 expended; the majority of that was \$3,000 to Brown & Edwards for the work on the audit. Under Mega Park Funding with Bonds, there is no change. Berry Hill Mega Park Lot 4 Site Development shows \$1,866 for Wetland Studies and Solutions. Rental Income is listed out individually and Expenditures show \$9,383 remitted to the Institute for property management.

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

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

6A. CLOSED SESSION

Chairman Saunders noted that during the Closed Session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.

A. At 12:28 p.m., Mr. Shanks **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of the disposition of real property for a public purpose to develop the Authority's Cane Creek Centre project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

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

On **Motion** by Mr. Harville and **second** by Mr. Snead and by unanimous vote at 1:04 p.m., the Authority returned to open meeting.

Mr. Snead **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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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

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

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

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

Authority Attorney Michael Guanzon noted for the record he was putting on the table Resolution Number 2013-11-14-6D, a Resolution approving that certain Cane Creek Lot 8 Cooperation Agreement with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, (the "IDA"), for the grading, site preparation and conveyance of Lot 8 in the Authority's Cane Creek Centre Industrial Park to the IDA, at a purchase price of \$10, in connection with that certain Memorandum of Agreement dated October 17, 2013, approved under Resolution No. 2013-10-17-3E1.

6D. CONSIDERATION – RESOLUTION 2013-11-14-6D

Mr. Shanks **moved** adoption of *Resolution Number 2013-11-14-6D, a Resolution approving that certain Cane Creek Lot 8 Cooperation Agreement with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, (the "IDA"), for the grading, site preparation and conveyance of Lot 8 in the Authority's Cane Creek Centre Industrial Park to the IDA, at a purchase price of \$10, in connection with that certain Memorandum of Agreement dated October 17, 2013, approved under Resolution No. 2013-10-17-3E1.*

The Motion was **seconded** by Council Member Snead and carried by the following vote:

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

COMMUNICATIONS

Mr. Harville asked the Board to review the status of Dewberry and the Authority. Mr. Sides noted staff has discussed this, Finance will review all of the outstanding contracts and staff will report back to the Board.

Upon requests from Board members, Mr. King agreed to have staff prepare an update of RIFA's current active projects.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
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MEETING ADJOURNED AT 1:12 P.M.

Chairman

Secretary to the Authority

DRAFT

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-A
Meeting Date:	December 9, 2013
Subject:	RIFA Industrial Park Company Updates
From:	Jeremy Stratton, Director Danville Office of Economic Development

SUMMARY

Per the request of the Danville-Pittsylvania Regional Facility Authority, we are providing an update on the companies in the RIFA owned parks, and the timelines for meeting job creation and capital investment milestones to meet performance agreement requirements.

BACKGROUND

Cyber Park

NextGen Aeronautics continues to lease space in the former AVRC building on Stinson Drive. Presently, the company has six employees. NextGen Aeronautics is a California headquartered company with an engineering and machining operation in Danville. The company is working on a solar powered airplane satellite system that hovers at high altitudes. If a part fails, the interlocked planes can be easily changed out and transferred by flying out a new drone. The Danville IDA owns the company's CNC machine, which was awarded through a Research and Development grant through the Tobacco Commission.

CBN Secure Technologies, Inc. entered into an agreement with RIFA on June 18, 2008 to create 15 jobs and invest \$5,000,000 within a 30 month period in return for 7.44 acres of land in Cyber Park valued at \$50,660. There were no other cash incentives offered for the project other than the customary Enterprise Zone Job Creation and Machinery and Tool Grants.

CBN Secure Technologies, Inc. has done very well and has expanded twice since the first project. On October 14, 2010, the company signed a performance agreement with Pittsylvania County and the Tobacco Commission agreeing to create 25 more jobs and invest \$1,100,000 in return for a \$75,000 grant. The job creation and capital investment requirement have been met already before the October 14, 2013 deadline. There were no other cash incentives offered for the project other than the customary Enterprise Zone Job Creation and Machinery and Tool Grants.

RIFA entered into a performance agreement with CBN Secure Technologies, Inc. on November 12, 2012 to provide a \$150,000 grant to assist the company with grading their property for a physical plant expansion. The company has agreed to invest

\$8,200,000 and create 25 new jobs for a total job census of 65 jobs by September 30, 2014. This expansion project received no Tobacco Commission funds.

Presently, CBN Secure Technologies has 45 employees and has made a total capital investment of \$13,200,000.

EIT entered into a performance agreement with RIFA in February 2011 to receive 16.648 acres of land valued at \$174,900 at the northwest corner of Slayton Avenue and Stinson Drive. In the agreement, the company stated that they would create 50 new jobs and have a capital investment of \$5,000,000 by February 7, 2011. EIT promptly provides updated numbers to us every six months. In the last statement dated 1/1/2013, the company indicated that they have 31 jobs at the Slayton Avenue facility and 26 jobs at the Riverview facility. The total capital investment to date is \$4,947,091.28. There are no Tobacco Commission grants for this project. On a corporate level, EIT has changed finance people, and we are in the process of trying to obtain a new report on the progress of the project from the new person.

Cane Creek

Swedwood employs approximately 380 people and has made a capital investment of over \$90 million. The original Memorandum of Agreement stated a goal of at least 271 jobs and a capital investment of \$85,500,000. Since Swedwood has met the phase I goal, all of the requirements for the local, state, and Tobacco Commission grants have been satisfied. The performance agreement lists further incentives for Phases I, III, and IV between 2009 and 2015. To date, Swedwood has not indicated that they will explore an expansion beyond Phase I.

Swedwood is in year seven of a ground lease with RIFA for the 94-acre lot 7A in Cane Creek. The ground lease is 10 years in total with the option for Swedwood to purchase the lot for a \$1 by October 20, 2016 so long as the company has maintained its phase I capital investment and job creation levels. If Swedwood has not maintained at least 271 jobs and \$85,500,000 capital investment, they can buy the property for \$25,000 per acre. If Swedwood undertakes the expansion phases of their project as agreed in the Memorandum of Agreement, the company can lease Lots 7B and 7C in Cane Creek totaling 114 acres. Additionally, Swedwood has the right of first refusal on Lot 6 (68.8 acres), which is south of Tom Forks Road.

Yorktowne Cabinetry (now Elkay) entered into a local performance agreement with Pittsylvania County and the City of Danville on April 12, 2005 with a 30 month goal to create 431 jobs and invest \$19,200,000. In return, the City and County offered cash grants and property totaling \$3,065,000. The incentive package was split 50% on the capital investment goal and 50% on the job creation goal. Due to a collapse in the housing market in 2007 and 2008, Elkay had a rough time selling their cabinets for new homes and condos, which resulted in much lower employment numbers. The company invested over \$20 million, but only created 87 jobs. Pittsylvania County and the City of Danville administrative staff met with the company and came up with a plan for re-payment of the job creation part of the incentive agreement on September 28, 2009.

Elkay received a \$1,000,000 TROF Grant and a \$1,800,000 Governor’s Opportunity Fund Grant. The company met with state representatives for the GOF and TROF, and has developed a re-payment plan with them directly.

Elkay has agreed to create 380 jobs by September 30, 2016. Since this is a reduction from the 431 job goal, the company has repaid a proportionate amount totaling \$181,339.68 between 2009 and 2010. Between 2010 and 2016, Elkay has agreed to meet certain job thresholds shown in the table below, or has to make an annual payment totaling \$208,363.26 to RIFA.

Target Date	Cumulative Full-Time Jobs Created and Maintained (“Job Target”)	Repayment Amount (if Job Target is Not Timely Met)	Due Date of the Repayment Amount
September 30, 2012	150	\$208,363.26	October 31, 2012
September 30, 2013	200	\$208,363.26	October 31, 2013
September 30, 2014	260	\$208,363.26	October 31, 2014
September 30, 2015	320	\$208,363.26	October 31, 2015
September 30, 2016	380	\$208,363.26	October 31, 2016

Elkay has met their job goals for 2012 and 2013. This is in large part to Elkay closing down a facility in Pennsylvania and moving it to Danville. Demand for new housing has also increased with the improving economy, which has also increased cabinet sales. According to Steve Ostasiewski, the Human Resources Director at Elkay, the current headcount is 280. Elkay has hired former Columbia Flooring Plant Manager Bert Eades as their new leader since the current Plant Manager, Mike Kevern, is set to retire in March 2014.

U.S. Green Energy entered into a performance agreement for a \$1,600,000 grant with the City of Danville and the Tobacco Commission on September 9, 2010 with the promise of 372 jobs and a capital investment of \$30,000,000 by September 9, 2013. On November 22, 2010, U.S. Green Energy entered into a performance agreement with RIFA for the same capital investment and job creation numbers between January 1, 2011 and January 1, 2014 in exchange for a 59.18 acre lot in Cane Creek and a \$400,000 grant paid over a five-year period and split between the City and County at \$40,000 each per year. To date, only the first \$80,000 payment has been made to the company. Approximately \$5,000 worth of Enterprise Zone Job Creation Grant funds were paid out to the Dan River Business Development Center for their office space during the construction phase of the project.

The Danville Industrial Development Authority made a \$500,000, 4%, 60-month loan to U.S. Green Energy on April 12, 2012 to help the company with the construction of their Cane Creek facility, which was actually activated on July 1, 2012. Since the loan became activated, U.S. Green Energy has made 11 payments and is set to pay off the balance of the loan when their bank loan closes by the end of December 2013.

U.S. Green Energy has built a 28,000 square foot manufacturing building in Cane Creek. The company has been operating recently by fulfilling orders for a couple of customers in the Northeast. USGE expects further orders and more business in 2014. The company is expecting to close on a substantial loan by January 2014, which will give them the opportunity to purchase additional Real Estate assets in the region for their business, steadily employ manufacturing workers, and purchase a substantial amount of equipment. The Danville Office of Economic Development is in discussion with the company about paying off all Tobacco Commission and local grants.

GOK International entered into a performance agreement with the City of Danville on August 24, 2012 regarding the \$1,000,000 TROF Grant offered for the project. The company agreed to create 300 jobs and make a capital investment of \$12,500,000 by August 24, 2015. The City of Danville also entered into an agreement with GOK International to provide a Technology Enhancement Grant of \$70,000 per year for five years so long as the company is making progress on job creation and capital investment goals.

The Industrial Development Authority of Danville owns the 40,000 square foot Cane Creek Shell Building and worked with GOK International to finish the interior up-fit by April 2013. GOK International has an office on the third floor of Old Belt One in the River District of Danville. This office was opened in the Fall of 2012 while the Cane Creek Shell Building up-fit was completed. GOK International has been operating out of the Cane Creek Shell Building since mid-April 2013, and currently has nine employees. The company is hiring two more sales workers and two more warehouse workers in December 2013. The company is working with an investor from China, who will be providing a substantial infusion of capital into the company by the first quarter of 2014.

Zeyuan Flooring announced in October 2013 that they would locate their wood flooring manufacturing operation in Cane Creek, which will create 100 new jobs and make a capital investment of \$15,000,000 over a three-year period. Pittsylvania County is in discussions with the company concerning the language for the \$350,000 Tobacco Commission performance agreement.

RIFA has approved the Danville IDA grading Lot 8 in Cane Creek for the company. We are working to obtain the necessary approvals to transfer the land between RIFA and the IDA, in order for the building to be constructed. Construction costs and a scope of project are being finalized at this time. We anticipate that the construction period will last approximately eight months. In the meantime, the owner of the wood flooring company owner has purchased a home in the Windsor Heights neighborhood. The owner is working in office space at GOK while their plant is being built. Three ocean containers of wood flooring product are being shipped to GOK's warehouse by the end of December 2013 to be sold in the United States.

RECOMMENDATION

No recommendation is required for this subject matter.



City Planning Commission

POST OFFICE BOX 3300

DANVILLE, VIRGINIA

(434) 799-5261

November 13, 2013

RE: Rezoning PLRZ20130000340

Dear Property Owner(s):

Rezoning Application PLRZ20130000340, filed by Danville Parks and Recreation requesting to rezone from I-M, Industrial Manufacturing to LED-I, Light Economic Development Industrial, at 229 Northside Drive, otherwise known as Grid 2612, Block 001, Parcel 000003 of the City of Danville, Virginia, Zoning District Map. The applicant is proposing to rezone to consolidate with the boundaries of Anglers Park.

The City Planning Commission heard the above request on November 11, 2013. By a vote of 6-0 the Commission granted **APPROVAL** of PLRZ20130000340.

City Council is scheduled to consider the above request on December 17, 2013 at 07:00 PM

If you have any questions please contact me at 434-799-5261.

Sincerely,


Renee Burton
Senior Planner

A RESOLUTION APPROVING THAT CERTAIN CONTRACT FOR PURCHASE OF UNIMPROVED PROPERTY WITH JEFFREY SCOTT JARRETT AS SELLER, FOR THE AUTHORITY'S PURCHASE OF APPROXIMATELY 3.1 ACRES OUT OF TRACT A-1 FRONTING ON SELLERS ROAD (GPIN 2347-23-3341), LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AT A PURCHASE PRICE OF \$107,880.00 (OR \$34,800.00 PER ACRE); SUCH CONTRACT INCLUDES WITHOUT LIMITATION AN EARNEST MONEY DEPOSIT OF \$5,394.00, AND A MINIMUM STUDY PERIOD OF 90 DAYS; AND THE PROPERTY WOULD BE ADDED TO, AND MADE PART OF, THE AUTHORITY'S CANE CREEK CENTRE PROJECT LOCATED IN PITTSYLVANIA COUNTY, 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, as amended; and

WHEREAS, the Authority has identified certain real property, containing approximately 3.1 acres out of Tract A-1 fronting on Sellers Road (GPIN 2347-23-3341), for part of its continued development of the Authority's Cane Creek Centre project, located in Pittsylvania County, Virginia; and

WHEREAS, the Authority desires to purchase this property owned by Jeffrey Scott Jarrett ("**Jarrett**"), under the following minimum business terms:

- (i) the purchase price of \$107,880.00, based on the rate of \$34,800.00 per acre;
- (ii) a minimum study period of 90 days in which the Authority may conduct due diligence investigations to determine the feasibility of this property for the further development of Cane Creek Centre project; and
- (iii) an earnest money deposit of \$5,394.00, which is refundable should the Authority determine during the study period that this property is not suitable for the Authority's purposes;

and

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

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

Resolution No. 2013-12-09-5C

NOW, THEREFORE, BE IT RESOLVED, that

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

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

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

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on December 9, 2013, 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 9th day of December 2013.

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

(SEAL)

Resolution No. 2013-12-09-5C

Exhibit A
(The Purchase Agreement)



**VIRGINIA ASSOCIATION OF REALTORS®
CONTRACT FOR PURCHASE OF UNIMPROVED PROPERTY**

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

This CONTRACT FOR PURCHASE OF UNIMPROVED PROPERTY made as of December 9, 2013, between Jeffrey Scott Jarrett (the "Seller", whether one or more), whose address is 166 Sellers Road, Danville, Va 24540, and Danville-Pittsylvania Regional, Industrial Facility Authority (the "Purchaser", whether one or more), whose address is 427 Patton St., Room 428, Danville, Va 24541, provides: The Listing Company (who represents Seller) is N/A and the Selling Company (who does or does not represent Purchaser) is Prudential Manasco Realty (BB)

1. **REAL PROPERTY:** Purchaser agrees to buy and Seller agrees to sell the land and all improvements thereon located in the County or City of Pittsylvania, Virginia and described as (legal description): Approximately 3.1 Acres out of Sellers Rd., Tr. A-1, 9.27 Acres, Pittsylvania County GPIN # 2347-23-3341 as shown on the attached map marked Exhibit "A" and to be fully described in a survey to be performed by Purchaser.

and more commonly known as: Approx. 3.1 Acres out of 9.27 Acres,, GPIN # 2347-23-3341,, together with the items described in paragraph 2, the ("Property").

2. **PERSONAL PROPERTY INCLUDED:** The following items of personal property are included in this sale: N/A

3. **PURCHASE PRICE:** The Purchase Price (the "Purchase Price") of the Property is \$107,880.00.

() This sale shall be in gross, and the purchase price shown above shall be the exact sales price.

(X) The Purchase Price shall be adjusted at settlement to an exact purchase price of \$ 34,800.00 per acre per (sq. ft.) (acre). The exact area to be determined by a survey to be made by a licensed surveyor and paid for by Purchaser.

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

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

will be the outstanding principal balance on the date of settlement, and (ii) Purchaser shall assume all obligations of Seller under such loan.)

() (b) **THIRD PARTY SECOND TRUST:** As set forth in paragraph 5, this sale is also subject to Purchaser's obtaining a loan secured by a second deed of trust lien on the Property in the principal amount of \$ _____, or _____ % of the Purchase Price bearing interest at a rate not exceeding _____ % per year, amortized as follows _____, and requiring not more than a total of _____ loan discount points, excluding the origination fee.

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

The note shall be secured by a deferred purchase money () first, () second () or (specify priority) _____ deed of trust lien on the Property. The deed of trust and note shall provide, among other things, that; (i) the note shall be due and payable in full if the Property, or any interest therein, is transferred, sold or conveyed; (ii) Purchaser shall have the right to prepay the note at any time in whole or in part () with a premium or penalty of _____ % of the amount prepaid, or () without premium or penalty; (iii) a lot release schedule shall be provided, if applicable, (iv) a late payment charge not exceeding five percent of the payment may be assessed by seller for any payment more that seven (7) calendar days late; (v) a default under the terms of any prior financing shall constitute a default under the note and deed of trust; (vi) the note and deed of trust shall otherwise be in form satisfactory to Seller, (vii) other terms: _____

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

(d) **OTHER FINANCING TERMS:** Purchaser shall pay cash at closing.

4. **DEPOSIT:** (a) Purchaser has made a Deposit with Clement & Wheatley (the "Escrow Agent") of Five Thousand, Three Hundred Ninety-Four Dollars (\$ 5,394.00) (the "Deposit") in cash (), by check (**X**), bank letter of credit (), or by a note () due and payable on _____, receipt of which is hereby acknowledged. Upon ratification of this Contract by all parties, the Deposit shall be held in escrow by the Escrow Agent. If the transaction does not settle, the Deposit shall be held or disbursed in accordance with the regulations of the Real Estate Board/Commission, or other governing law.

5. **FINANCING:**

(a) This Contract is contingent upon Purchaser obtaining and delivering to Seller a written commitment or commitments, as the case may be, for the third-party financing or loan assumption required in paragraph 3. Purchaser agrees to make written application for such financing or assumption (including the payment of any required application, credit, or appraisal fees) within five (5) business days of the date of acceptance of this Contract and to diligently pursue obtaining a commitment for such financing.

(b) If Purchaser does not obtain such written commitment and so notifies Seller or Selling Company or Listing Company in writing before 5:00 p.m. local time on _____, _____ (if date is not filled in, the date shall be the same date set forth in paragraph 7), then if Purchaser is otherwise in compliance with the terms of this Contract, this Contract shall terminate upon giving such a notice and the Deposit shall be refunded to Purchaser. If Purchaser does not obtain such a written commitment and notice thereof is not received by the deadline, or such later deadline as the parties may agree upon in writing, then Purchaser's financing contingency set out in subparagraph 5(a) above shall nonetheless continue unless Seller gives buyer written notice of intent to terminate this Contract. If Seller gives Purchaser such notice, this Contract shall terminate as of 5:00 p.m. local time on the third day following Seller's delivery of such notice to Purchaser unless before that time Purchaser has delivered to Seller a commitment in compliance with the provisions of subparagraph 5(a) above, or a removal of Purchaser's financing contingency and evidence of the availability of funds necessary to settle without such financing.

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

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

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

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

(f) Purchaser does _____ or does not **X** intend to occupy the Property as a primary residence.

(g) Nothing in this Contract shall prohibit Purchaser from pursuing alternative financing from the financing specified in paragraph 3. Purchaser's failure to obtain the alternative financing shall be at Purchaser's risk, and shall not relieve Purchaser of the consequences set forth in this paragraph 5 should Purchaser fail to pursue, as required in this paragraph 5, the financing set forth in paragraph 3.

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

7. **SETTLEMENT; POSSESSION:** Settlement shall be made at Clement & Wheatley on or about March 17, 2014. Possession of the Property shall be given at settlement, unless otherwise agreed in writing by the parties. At settlement, Seller will deliver the deed described in paragraph 14, an affidavit

acceptable to Purchaser and Purchaser's title insurance company as to parties in possession and mechanic's liens, applicable non-foreign status and state residency certificates and applicable IRS 1099 certificates.

8. **EXPENSES; PRORATIONS; ROLLBACK TAXES:** (a) Each party shall bear its own expenses in connection with this Contract, except as specifically provided otherwise herein. Seller agrees to pay the expense of preparing the deed and the recordation tax applicable to grantors; all expenses incurred by Purchaser in connection with the purchase, including without limitation title examination, insurance premiums, survey costs, recording costs and the fees of Purchaser's attorney, shall be borne by Purchaser. All taxes, assessments, interest, rent escrow deposits, and other ownership fees, if any, shall be prorated as of the date of settlement.
(b) Rollback taxes shall be paid as follows: By Seller, if applicable.
9. **BROKERAGE FEE; SETTLEMENT STATEMENTS:** Seller and Purchaser authorize and direct the settlement agent to disburse to Listing Company and/or Selling Company from the settlement proceeds their respective portions of the brokerage fee payable as a result of this sale and closing under the Contract. Each of Listing Company and/or Selling Company shall deliver to the settlement agent, prior to settlement, a signed written statement setting forth the fee to which such company is entitled and stating how such fee and any additional sales incentives are to be disbursed. Seller and Purchaser authorize and direct the settlement agent to provide to each of Seller, Purchaser, Listing Company and Selling Company a copy of the unified settlement statement for the transaction.
10. **STUDY PERIOD:** Purchaser shall have 90 days from the date this Contract is executed by both Purchaser and Seller to determine, through engineering and feasibility studies, whether Purchaser's plan of development of the Property is practical. Purchaser shall contract for such studies within ten days from the date of execution, and deliver to Seller and Listing Company copies of the letter(s) ordering the studies, said letter(s) stipulating that true copies of all studies are to be sent to Seller or Listing Company, simultaneously with delivery to Purchaser. If within such study period Purchaser notifies Seller or Listing Company, in writing, that Purchaser's plan, in Purchaser's sole judgment, is not practical, Purchaser may terminate this Contract and receive a refund of the Deposit and the parties shall have no further liability or obligations hereunder, except as set forth herein. Time shall be of the essence of this provision.
11. **SOIL STUDY:** This Contract is contingent for _____ days from date of execution of this Contract by both Purchaser and Seller to allow _____ at its expense to obtain a soil study and/or percolation test, which shall lawfully allow for the erection and use of Part of Para. 10 above, Study Period on the Property. Such study or test shall be pursued diligently and in good faith and if such study or test reveals that Purchaser's intended use of the Property is not permissible or practicable, Purchaser shall have the right, upon written notice to Seller, to terminate this Contract, in which event the Deposit shall be returned to Purchaser and the parties shall have no further liability or obligations hereunder, except as set forth herein.
12. **ACCESS:** Purchaser and Purchaser's agents and engineers shall have the right to enter onto the Property at all reasonable times prior to settlement for purposes of engineering, surveying, title or such other work as is permitted under this Contract, so long as such studies do not result in a permanent change in the character or topography of the Property. Purchaser shall not interfere with Seller's use of the Property, and Purchaser, at Purchaser's expense, shall promptly restore the Property to its prior condition upon completion of Purchaser's studies or work. Purchaser shall keep the Property free and clear from all liens resulting from its work, studies, investigations or other activities performed pursuant to this Contract and shall indemnify and hold Seller harmless against any loss or liability to person or property resulting from Purchaser's presence or activities on the Property. This obligation shall survive settlement and transfer of title and possession to the Property.
13. **RISK OF LOSS:** All risk of loss or damage to the Property by fire, windstorm, casualty, or other cause is assumed by Seller until settlement. In the event of substantial loss or damage to the Property before settlement, Purchaser shall have the option of either (i) terminating this Contract and recovering the Deposit, or (ii) affirming this Contract, in which event Seller shall assign to Purchaser all of Seller's rights under any policy or policies of insurance applicable to the Property.
14. **TITLE:** At settlement Seller shall convey the Property to Purchaser by general warranty deed containing English covenants of title (except that conveyance from a personal representative of an estate or from a trustee or institutional lender shall

be by special warranty deed), free of all encumbrances, tenancies, and liens (for taxes and otherwise), but subject to such restrictive covenants and utility easements of record which do not materially and adversely affect the use of the Property for Purchaser's intended purposes or render the title unmarketable. If the Property does not abut a public road, title to the Property must include a recorded easement providing adequate access thereto. In the event this sale is subject to a financing contingency under paragraph 3(a) or 3(b), the access to a public road must be acceptable to each lender. If the examination reveals a title defect of a character that can be remedied by legal action or otherwise within a reasonable time, then Seller, at Seller's expense, shall promptly take such action as is necessary to cure such defect. If the defect is not cured within 60 days after Seller receives notice of the defect, then Purchaser shall have the right to (i) terminate this Contract, in which event the Deposit shall be returned to Purchaser, and Purchaser and Seller shall have no further obligations hereunder, or (ii) waive the defect and proceed to settlement with no adjustment to the Purchase Price. If Seller has agreed to cure such defect, the parties agree that the settlement date prescribed in paragraph 7 shall be extended as necessary to enable Seller to cure such title defect, but not for more than 60 days unless agreed by the parties.

15. **PROPERTY OWNERS' ASSOCIATION DISCLOSURE:** Seller represents that the Property is _____ or is not located within a development which is subject to the Virginia Property Owners' Association Act, Section 55-508 et seq. of the Code of Virginia (the "Act"). If the Property is within such a development, the Act requires Seller to obtain from the property owners' association (the "Association") an association disclosure packet and provide it to Purchaser. The information in the disclosure packet shall be current as of a date specified on the disclosure packet. Purchaser may cancel this Contract (i) within three (3) days after the date of the Contract, if Purchaser received the disclosure packet (or notice that the packet will not be available) on or before the date Purchaser executed this Contract; (ii) three days after receiving the association disclosure packet or being notified that the association disclosure packet will not be available, if the packet or such notice is hand delivered; or (iii) within six (6) days after postmark date if the packet or notice that the packet will not be available is sent to Purchaser by United States mail. Purchaser may cancel this Contract at any time prior to settlement if Purchaser has not received the association disclosure packet or notice that the packet will not be available. Written notice of cancellation shall be hand delivered or sent by United States mail, return receipt requested, to Seller. Purchaser's right to receive the association disclosure packet and the right to cancel this Contract are waived exclusively if not exercised before settlement. Purchaser shall have the right to request from the Association an update of the disclosure packet specifying any material changes to the statements previously furnished. Purchaser may be required to pay a fee for such update.
16. **MECHANICS LIEN NOTICE:** (a) Virginia law (§ 43-1 et seq.) permits persons who have performed labor or furnished material for the construction, removal, repair or improvement of any building or structure to file a lien against the Property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 days from the last day of the month in which the lienor last performed work or furnished materials or (ii) 90 days from the time the construction, removal, or improvement is terminated. **AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.** (b) Seller shall deliver to Purchaser at settlement an affidavit, on a form acceptable to Purchaser's lender, if applicable, signed by Seller that no labor or materials have been furnished to the Property within the statutory period for the filing of mechanics' or materialmen's liens against the Property. If labor or materials have been furnished during the statutory period, Seller shall deliver to Purchaser an affidavit signed by Seller and the person(s) furnishing the labor or materials that the costs thereof have been paid.
17. **NON-BINDING MEDIATION:** In an effort to avoid the expense and delay of litigation, the parties agree to submit any disputes or claims arising out of this Contract, including those involving the Listing Company or the Selling Company, to mediation prior to instituting litigation. Such mediation will be **non-binding**, that is, no party will be obligated to enter into any settlement arising out of mediation unless that settlement is satisfactory to that party. Any settlement the parties enter into will be binding, but if the parties are not able to reach agreement on a settlement, they may resort to arbitration or litigation as if the mediation had never taken place. The mediation will be provided by the local REALTOR® Association, if it provides such services, or by another mutually agreeable mediator or mediation service in the area. This agreement to mediate does not apply to foreclosure, unlawful detainer (eviction), mechanics lien, probate, or license law actions. Judicial actions to provide provisional remedies (such as injunctions and filings to enable public notice of pending disputes) are not violations of the obligation to mediate and do not waive the right to mediate.

18. **NOTICE TO PURCHASER(S):** Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on any sexual offenders registered under Chapter 23 (sec 19.2-987 et seq.) of Title 19. Such information may be obtained by contacting your local police department or the Department of State Police, Central Records Exchange at (804) 674-2000 or www.state.va.us/vsp/vsp.html.

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

20. **OTHER TERMS:** (Use this space for additional terms not covered in this Contract.) **SEE EXHIBIT "B"**

21. **BROKERS; LICENSEE STATUS:** (a) Listing Company and Selling Company may from time to time engage in general insurance, title insurance, mortgage loan, real estate settlement, home warranty and other real estate-related businesses and services, from which they may receive compensation during the course of this transaction, in addition to real estate brokerage fees. The parties acknowledge that Listing Company and Selling Company are retained for their real estate brokerage expertise, and neither has been retained as an attorney, tax advisor, appraiser, title advisor, home inspector, engineer, surveyor, or other professional service provider.
(b) Disclosure of Real Estate Board/Commission licensee status, if any is required in this transaction: _____

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

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

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

DATE _____ / _____ (SEAL) SELLER **Jeffrey Scott Jarrett** DATE _____ / _____ (SEAL) PURCHASER **Danville-Pittsylvania Regional**

SOCIAL SECURITY NUMBER _____ SOCIAL SECURITY NUMBER _____

DATE _____ / _____ (SEAL) SELLER _____ DATE _____ / _____ (SEAL) PURCHASER **Industrial Facility Authority**

SOCIAL SECURITY NUMBER _____ SOCIAL SECURITY NUMBER _____

Receipt of deposit per paragraph 4 above is hereby acknowledged.
_____/_____

For information purposes only:

Listing Company's Name and Address:

N/A

Selling Company's Name and Address:

Prudential Manasco Realty (BB)

Office Phone: _____ Fax: _____

Office Phone: _____ Fax: _____

MLS Broker Code: _____ Office ID No. _____

MLS Broker Code: _____ Office ID No. _____

Agent Name: _____

Agent Name: _____

Agent ID. No.: _____

Agent ID. No.: _____

Agent E-mail Address: _____

Agent E-mail Address: _____

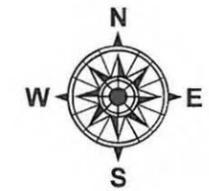
This Contract has been executed by Purchaser and Seller as of _____, _____.

Listing Firm _____ ; Selling Firm _____

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Toms Fork Road

Preliminary Concept Plan
40,000 SF Building



2012 Orthophotography/
2009 Orthophotography



Location Map

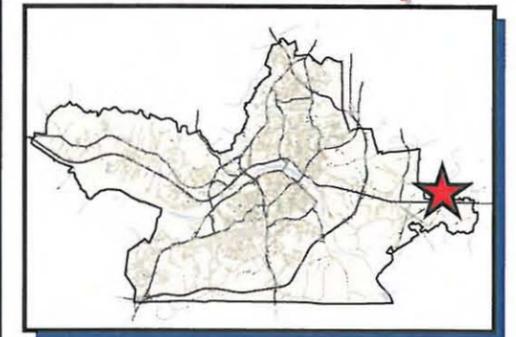


EXHIBIT A



Area to be Sold: 3.1 Acres +/-
Area Net of Setback: 2.5 Acres +/-

EXHIBIT "B"

12. ACCESS: The third sentence in this paragraph 12 of the Contract shall be replaced with the following with the only change being that part of the sentence which is underlined:

Purchaser shall keep the property free and clear from all liens resulting from its work, studies, investigations or other activities performed pursuant to this Contract and, to the extent permitted by law, shall indemnify and hold Seller harmless against any loss or liability to person or property resulting from Purchaser's presence or activities on the Property.

20. OTHER TERMS: If Purchaser determines that any of the studies performed, pursuant to paragraph 10. Study Period, produce results which Purchaser determines need additional study, the Study Period shall be extended by up to an additional 60 days. If the study period is extended, the Settlement; Possession shall be within 10 days of the completion of the additional study period if such additional studies are satisfactory to Purchaser.

As more particularly set forth in the deed to be delivered at Settlement, Purchaser agrees to reserve a 50 foot wide vegetative buffer running along the southern margin of the subject property and Purchaser further agrees not to disturb the existing natural vegetation within such vegetative buffer.

Purchaser agrees to plant a minimum of 80 Leyland Cypress trees of approximately 5 gallon size along the length of the southern property line to the extent space is available without disturbing the natural vegetation. Further, Purchaser's agreement not to disturb the existing vegetation within the 50 foot wide vegetative buffer will be honored, to the extent possible, considering the access needed in order to plant the Leyland Cypress trees.

Once the Leyland Cypress trees have been planted, Purchaser will have satisfied the requirements of its obligations relative to the vegetative buffer, the reserve having already been established with the buffer to remain in a natural state.

Purchaser shall provide access to Seller's remaining property which is within Pittsylvania County. Such access shall be to Tom Fork Road (also known as Toms Fork Road). This provision of the contract is specifically subject to satisfying the rules and regulations of the Pittsylvania County Zoning Ordinance and any other regulatory agency having jurisdiction.

At Settlement; Possession, Purchaser shall pay Prudential Manasco Realty a Broker's Fee equal to 5% of the purchase price.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-D
Meeting Date:	12/9/2013
Subject:	Financial Status Reports – November 30, 2013
From:	Barbara A. Dameron, Authority Treasurer

SUMMARY

A review of the financial status reports through November 30, 2013 will be provided at the meeting. The financial status reports as of November 30, 2013 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of November 30, 2013 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

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

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of November 30, 2013

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost ⁷	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
Cane Creek Parkway ³		\$ 3,804,576.00	\$ 3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ¹		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4,5}		71,881.00	18,606.62	53,274.38	
Land		-	2,741,109.44	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	50,884.23	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	31,839.70	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 6,953,182.95	\$ 53,274.38	\$ <u><u>572,124.79</u></u>

notes:

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

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

³ Project completed under budget

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

⁴ These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

⁵ The budget amount decreased \$71,279.61 from the September 30, 2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

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

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

Road Summary-Cane Creek Parkway:	
English Contract-Construction	\$ 5,363,927.00
Change Orders	165,484.50
Expenditures over contract amount	3,579.50
(Less) County's Portion of Contract	(935,207.00)
(Less) Mobilization Allocated to County	(9,718.00)
Portion of English Contract Allocated to RIFA	4,588,066.00
Dewberry Contract-Engineering	683,850.00
Total Road Contract Allocated to RIFA	\$ 5,271,916.00

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

Danville-Pittsylvania Regional Industrial Facility Authority
 General Expenditures for Fiscal Year 2014
 As of November 30, 2013

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2013	66,686.06				
Contingency					
Miscellaneous contingency items		\$ 83,586.06	\$ 382.78	\$ -	\$ 83,203.28
Total Contingency Budget		<u>83,586.06</u>	<u>382.78</u>	<u>-</u>	<u>83,203.28</u>
Legal		100,000.00	-	-	100,000.00
Accounting		18,900.00	5,000.00	13,900.00	-
Annual Bank Fees		4,600.00	-	-	4,600.00
Postage & Shipping		100.00	-	-	100.00
Meals		3,000.00	2,371.91	-	628.09
Utilities		500.00	101.24	-	398.76
Insurance		6,000.00	-	-	6,000.00
Total	<u>\$ 216,686.06</u>	<u>\$ 216,686.06</u>	<u>\$ 7,855.93</u>	<u>\$ 13,900.00</u>	<u><u>\$ 194,930.13</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of November 30, 2013

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ¹⁻⁴	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
 Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
 Other					
Dewberry & Davis		29,465.00	28,965.00	500.00	
Dewberry & Davis ³		990,850.00	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Total		\$ 14,231,524.83	\$ 14,232,024.83	\$ 14,202,225.97	\$ 18,595.71
					\$ 10,703.15

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

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

³ This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

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

⁵ The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

⁶ Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

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

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of November 30, 2013

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funding					
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Expenditures					
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		150,000.00	24,124.56	125,875.44	
Total	\$ 7,889,153.00	\$ 207,840.00	\$ 81,964.56	\$ 125,875.44	\$ <u>7,681,313.00</u>

¹ These amounts have not been sent to RIFA yet as they are not needed at this time. Each locality has its local match budgeted.

² The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized

As of November 30, 2013

<i>Source of Funds</i>	<u>Funding Receipts</u>			<u>Expenditures</u> FY2014	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2013</u>	<u>November</u> <u>2013</u>	<u>Receipts</u> <u>FY2014</u>		
<u>Carryforward</u>	\$ 419,258.30				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) ¹					
Institute for Advanced Learning and Research (IALR)					
Securitas					
Guilford Whitetail Management					
Mountain View Farms of Virginia, L.C.					
Osborne Company of North Carolina, Inc.					
Clodfelter Hunting Lease					
<i>Total Rent</i>					
<u>Interest Received</u> ²					
<i>Expenditures</i>					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 39,617.23	
Totals	\$ 419,258.30	\$ 9,528.17	\$ 39,718.57	\$ 39,617.23	\$ 419,359.64

Restricted ¹ \$ 357,391.06
Unrestricted \$ 61,968.58

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

² Please note that this is only interest received on RIFA's general money market account.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position ^{1,2}
November 30, 2013*

	Unaudited FY 2014
Assets	
<i>Current assets</i>	
Cash - checking	\$ 333,055
Cash - money market	1,140,747
<i>Total current assets</i>	1,473,802
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	633,599
Restricted cash - debt service fund CCC bonds	1,475,960
Restricted cash - debt service fund Berry Hill bonds	3
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,183
Capital assets not being depreciated	24,839,271
Capital assets being depreciated, net	26,838,571
Construction in progress	2,650,156
Unamortized bond issuance costs	348,683
<i>Total noncurrent assets</i>	58,786,426
Total assets	60,260,228
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	1,065,000
<i>Total current liabilities</i>	1,065,000
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	9,525,000
<i>Total noncurrent liabilities</i>	9,525,000
Total liabilities	10,590,000
Net Position	
Invested in capital assets - net of related debt	48,196,426
Unrestricted	1,473,802
Total net position	\$ 49,670,228

¹ Please note this balance sheet does not include the Due to/Due from between the County and the City since it nets out and only changes at fiscal year-end.

² Please note this balance sheet does not include all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

*Please note these statements are for the period ended November 30, 2013 as of November 26, 2013, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*November 30, 2013**

	Unaudited FY 2014
Operating revenues	
Virginia Tobacco Commission Grants	-
Rental income	44,763
Total operating revenues	44,763
Operating expenses ⁴	
Mega Park expenses ³	36,372
Cane Creek Centre expenses ³	249,434
Cyber Park expenses ³	35,713
Professional fees	5,000
Insurance	2,241
Other operating expenses	2,485
Total operating expenses	331,245
Operating loss	(286,482)
Non-operating revenues (expenses)	
Interest income	560
Interest expense	(65,089)
Total non-operating expenses, net	(64,529)
Net loss before capital contributions	(351,011)
Capital contributions	
Contribution - City of Danville	763,451
Contribution - Pittsylvania County	763,451
Total capital contributions	1,526,902
Change in net position	1,175,891
Net position at July 1,	48,494,337
Net position at November 30,	\$ 49,670,228

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*November 30, 2013**

	Unaudited FY 2014
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from leases	38,913
Payments to suppliers for goods and services	(351,325)
Net cash used by operating activities	(312,412)
Capital and related financing activities	
Capital contributions	1,526,902
Interest paid on bonds	(142,492)
Proceeds from bond issuance	5,595,000
Principal repayments on bonds	(6,325,000)
Net cash provided by capital and related financing activities	654,410
Investing activities	
Interest received	560
Net cash provided by investing activities	560
Net increase in cash and cash equivalents	342,558
Cash and cash equivalents - beginning of year (including restricted cash)	5,240,989
Cash and cash equivalents - through November 30, 2013 (including restricted cash)	\$ 5,583,547
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating loss	\$ (286,482)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	6,264
Change in due from other governments	-
Change in other receivables	3,002
Change in accounts payable	(29,346)
Change in unearned income	(5,850)
Change in security deposit	-
Net cash used by operating activities	\$ (312,412)

Components of cash and cash equivalents at November 30, 2013:	
American National - Checking	\$ 333,055
American National - General money market	1,140,747
Wachovia - \$7.3M Bonds CCC Debt service fund	1,475,960
Wachovia - \$7.3M Bonds CCC Project fund	633,599
US Bank - \$11.25M Bonds Berry Hill Debt service fund	3
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,183
	\$ 5,583,547