Danville-Pittsylvania Regional Industrial Facility Authority

City of Danville, Virginia
County of Pittsylvania, Virginia

AGENDA

August 8, 2016

12:00 P.M.

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

County of Pittsylvania Members

Jessie L. Barksdale, Chairman
Robert Warren
Elton W. Blackstock, Alternate

City of Danville Members

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

Staff

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

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE JULY 11, 2016 MEETING

5. NEW BUSINESS

A. Consideration of (i) a request by WG Investments, Inc., a Virginia corporation, for a one-year hunting lease for that certain area in the Authority's Berry Hill Industrial Park located in Pittsylvania County, Virginia (which was formerly leased, along with additional acreage, by Guilford Whitetail Management Corporation, a North Carolina corporation), for annual rent of $5,000; and (ii) a request by Guilford Whitetail Management Corporation for a one-year hunting lease for only the eastern portion of the area previously offered by the Authority (but previously declined by Guilford Whitetail Management Corporation) for renewal under Resolution No. 2016-05-09-5AA-2 -- Matthew D. Rowe, Director of Economic Development, Pittsylvania County, Virginia, and Michael C. Guanzon, Esq., Clement Wheatley, legal counsel to the Authority

B. Follow up on Revenue Refunding Bond (Cane Creek Project), Series 2016, dated August 1, 2016, with Wells Fargo Bank, National Association - Michael L. Adkins, CPA, Treasurer of the Authority

C. Consideration of Resolution No. 2016-08-08-5C, approving request by the Authority's Treasurer for end of fiscal year adjustments to the budget – Mr. Adkins and Henrietta Weaver, Accountant III, City of Danville, Virginia *[no written resolution]*

D. Financial Status Report as of July 31, 2016 – Mr. Adkins and Patricia K. Conner, CPA, Assistant Finance Director, City of Danville, Virginia

6. CLOSED SESSION

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

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

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

B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) and (29): (i) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and (ii) for discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

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

E. Motion to Certify Closed Meeting.

7. COMMUNICATIONS FROM:

Jessie L. Barksdale
Elton Blackstock
Sherman M. Saunders
Fred O. Shanks, III
J. Lee Vogler, Jr.
Robert Warren

Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	08/08/2016
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, July 11, 2016 Meeting.

ATTACHMENTS

Meeting Minutes – 07/11/2016

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
July 11, 2016

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Fred O. Shanks, III and Alternate J. Lee Vogler. Vice Chairman Sherman M. Saunders was absent. Pittsylvania County Members present were Robert Warren and Alternate Elton W. Blackstock. Chairman Jessie L. Barksdale was absent.

City/County staff members attending were: Deputy City Manager Earl Reynolds, Pittsylvania County Administrator Clarence Monday, City of Danville Assistant Director of Economic Development Corrie Teague, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Assistant Director of Finance Patricia Conner, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Brian Bradner of Dewberry & Davis, City of Danville Mayor John Gilstrap and Council Member Madison Whittle.

Authority Secretary Susan DeMasi called the meeting to order and noted as the Chairman and Vice Chairman were absent, there would be an election for a Temporary Presiding Officer. Mr. Warren **nominated** Fred Shanks as Temporary Presiding Officer; the Motion was **seconded** by Mr. Blackstock. There were no further nominations and the Motion was **carried** by the following vote:

VOTE: 4-0
AYE: Warren, Blackstock, Shanks, Vogler (4)
NAY: None (0)

Mr. Shanks presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE JUNE 13, 2016 MEETING

Upon **Motion** by Mr. Warren and **second** by Mr. Vogler, Minutes of the June 13, 2016 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2016-07-11-5A – APPROVING REVISIONS TO AGENDA PREPARATION PROCEDURES

Attorney to the Authority Michael Guanzon explained this item reflects an update to procedures that were adopted on April 12, 2010 for preparing agenda items. Mr. Guanzon reviewed the staff's pre-RIFA meeting, recommendations made to the Chairman to include items in the agenda, and the timeline for making the agenda available for the RIFA meeting.

Mr. Vogler **moved** adoption of *Resolution 2016-07-11-5A, approving revisions that update the procedures dated April 12, 2010 for preparing agenda materials for monthly meetings of the Authority.*

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

VOTE: 4-0
AYE: Warren, Blackstock, Shanks, Vogler (4)
NAY: None (0)

5B. CONSIDERATION – RESOLUTION 2016-07-11-5B – AUTHORIZING ISSUANCE OF REVENUE REFUNDING BOND (CANE CREEK PROJECT) 2016

Assistant Director of Finance Patricia Conner noted last month the RIFA Board approved a Resolution authorizing Michael Adkins, Authority Treasurer, to negotiate a refinancing of RIFA' s Cane Creek debt with Wells Fargo. Staff has proceeded with those negotiations and are presenting a Resolution to the Board for approval for that refinancing. Ms. Connor explained the Support Agreements will be approved by the City and County next week at their respective meetings. The refinancing will be for $3.7M, the balloon payment that is coming due is $4.6M, and staff will use $900,000 of proceeds to pay that amount down to finance only $3.7M. Mr. Guanzon noted Steve Troutman from the Troutman, Sanders law firm, RIFA' s bond counsel, was present to answer any questions.

Mr. Blackstock noted documents indicate the ceiling is 4.5% which seems high and Mr. Troutman explained that was put in as a maximum rate. The Bank's current indicative rate, would be about 2.34%. They will be setting the rate anywhere from 5-10 days prior to the August 1st closing; the Authority and the Bank will have discussions as to exactly what the best day would be marketwise to try and get the best rate.

Mr. Shanks noted the principal is being reduced by monies that the City and County has provided in the past; the debt service that will begin in August, is that going to come out of the normal contribution the City and County make annually or additional contributions. Ms. Connor explained the City and County provide $75,000 each year for general expenditures and they also each provide half of the debt service for Cane Creek and Berry Hill.

Ms. Connor further explained the 2005 original debt was a variable rate; the City and County budgeted a 3% rate on that debt over time as a conservative way to make sure there was enough money to fund the debt service payments; the actual rate was much lower. The funds that accumulated are overestimations related to that variable rate debt and is where the $900,000 for the pay down comes from.

Mr. Warren questioned if RIFA continues to assume the 3% rate, ends up with 2.35%, RIFA will end up with a surplus again and Ms. Connor noted once the rate was fixed at 1.85%, staff used the true amortization. This will be a fixed rate as well so there will be no reserve or accumulation.

Mr. Warren **moved** adoption of *Resolution 2016-07-11-5B, authorizing the issuance of its Revenue Refunding Bond (Cane Creek Project), Series 2016 in an amount not to exceed $3,700,000; authorizing the execution and delivery of all bond documents in connection therewith including without limitation the Financing Agreement, the Bond and the Support*

Agreements; and authorizing other matters in connection therewith, in order to refinance the prior $5,595,000 Revenue Refunding Bond (Cane Creek Project), Series 2013.

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

VOTE: 4-0
AYE: Warren, Blackstock, Shanks, Vogler (4)
NAY: None (0)

5C. FINANCIAL STATUS REPORT AS OF JUNE 30, 2016

City of Danville Assistant Director of Finance Patricia Conner reviewed the Financial Status report as of June 30, 2016 beginning with Bonds for Cane Creek Centre, noting there were no changes from last month. General Expenditures for FY 2016 show RIFA spent $6,968.00: $4,499.00 for legal expenses, $2,140.00 for the insurance premium paid annually to VML Insurance Programs, $298.00 for meals and $31.00 for utilities. Ms. Connor explained staff will carry this sheet until they receive all FY2016 expenditures. Mega Park Funding Other than Bonds shows no changes from last month; Berry Hill Mega Park Lot 4 Site Development shows RIFA spent $26,700.00 to Dewberry for Amendment #10. Rent, Interest and Other Income Realized shows RIFA received almost $19,000 from the Institute for rent for the Charles Hawkins' Research Building, monthly rent of $300.00 from Securitas and $1,800.00 from Capital Outdoor Incorporated related to the billboard lease. RIFA also received a little over $475.00 for Interest. RIFA paid out almost $19,000.00 to the Institute for the Property Management Fee for the Charles Hawkins' Research Building and also paid out $5,000.00 as a refund to Guilford Whitetail Management for the non-renewal of their lease.

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

VOTE: 4-0
AYE: Warren, Blackstock, Shanks, Vogler (4)
NAY: None (0)

6. CLOSED SESSION

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

At 12:26 p.m. Mr. Blackstock **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting:

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

B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) and (29)(i) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and (ii) for discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Warren, Blackstock, Shanks, Vogler (4)
NAY: None (0)

D. On **Motion** by Mr. Warren and **second** by Mr. Vogler and by unanimous vote at 1:02 p.m., the Authority returned to open meeting.

E. Mr. Blackstock **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 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. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Warren, Blackstock, Shanks, Vogler (4)
NAY: None (0)

7. COMMUNICATIONS

Mr. Vogler thanked everyone for the hard work they have put in.

The Meeting adjourned at 1:05 p.m.

_____
Chairman

_____
Secretary to the Authority

DRAFT

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-A
Meeting Date:	08/08/2016
Subject:	Consideration of Requests by WG Investments and Guilford Whitetail Management for Hunting Leases
From:	Matthew D. Rowe, Director of Economic Development, Pittsylvania County Michael C. Guanzon, Esq., Legal Counsel to the Authority

SUMMARY

During the August 8, 2016 meeting, the Board will be asked to consider requests by WG Investments and Guilford Whitetail Management for one-year hunting leases at the Authority's Berry Hill Industrial Park.

ATTACHMENTS

Letter from WG Investments
Map of 2016 Hunting Lease Areas

WG INVESTMENTS, INC.
PO BOX 879
CHATHAM, VA 24531

June 28, 2016

Dear RIFA board members and honorable officials,

Mr. Jessie Barksdale, Mr. Elton Blackstock, Mr. Michael Guanzon, Mr. Ken Larking, Mr. Clarence Monday, Mr. Matt Rowe, Mr. Sherman Saunders, Mr. Fred Shanks, Mr. Telly Tucker, Mr. Lee Vogler and Mr. Robert "Bob" Warren

Thank you for the opportunity to make this proposal pertaining to the Berry Hill hunting lease.

Our group of Pittsylvania County and Danville residents would like to lease all of the available property formerly leased by the Whitetail group in the Berry Hill industrial park. It is our understanding that the Whitetail group decided not to renew their lease. From the information shared, the available area comprises approximately 750 acres. The amount we are offering for the available hunting rights is $5,000 (Five-Thousand Dollars) per year.

If we are able to enter into an agreement, the lessee will be a corporation owned by my wife and me, WG Investments, Inc. It is a Virginia company with liquid assets capable of obtaining any liability insurance policy the county requires. Our membership group will consist of Lewis Wall and Carter Wall of Chatham, VA; Patrick Daly, Jimbo Eggleston, Josh Seamster, Cliff Walden, Wilson Walden, all of Danville, VA; and Buford Bates of Kentuck, VA.

Carter and Jimbo were former members of the Whitetail group and are very familiar with the property. We believe we can improve and expand upon the efforts of the former lessee by doing the following:

- Install fortified gates to surround perimeter of land preventing unauthorized vehicles from trespassing onto the property.
- Members will hunt regularly during state hunting seasons and keep the land properly maintained 12 months out of the year making routine visits during off seasons.
- Upon notice, we will respond immediately if the county needs to show the land to potential buyers.
- Provide required insurance policy's listing any and all additional insured.
- Personal and corporate guarantees of performance.
- All hunters will hold current hunting licenses and follow safe and responsible hunting practices.
- All hunters will strictly abide by ALL state hunting regulations.

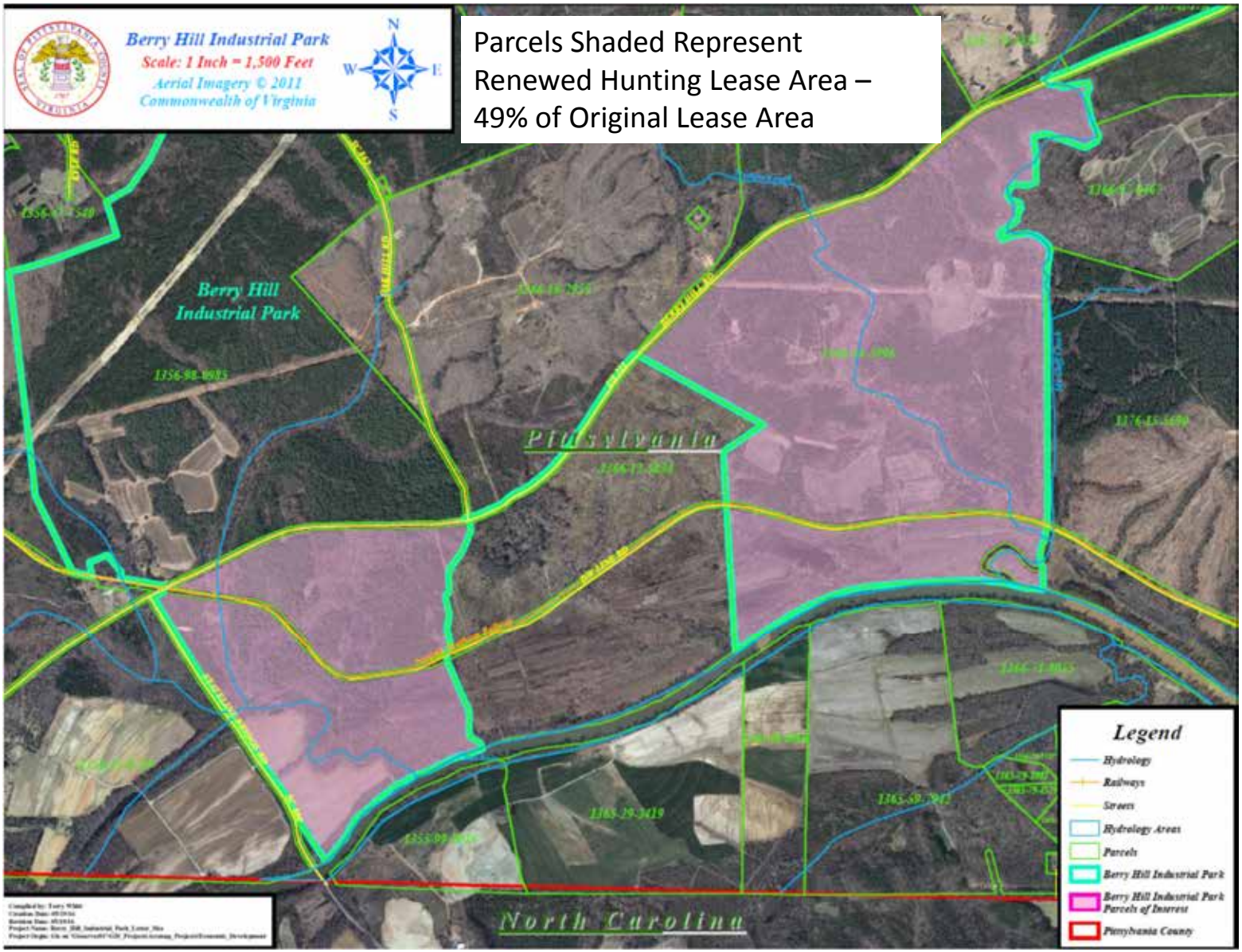
Thank you for your consideration of our proposal. We look forward to hearing from you.

Sincerely,

Lewis E. Wall. Jr.

Lewis Wall Jr.
President

CC: Susan Demasi


Berry Hill Industrial Park
Scale: 1 Inch = 1,500 Feet
Aerial Imagery © 2011
Commonwealth of Virginia
N
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Parcels Shaded Represent Renewed Hunting Lease Area – 49% of Original Lease Area
Berry Hill Industrial Park
Pittsylvania
North Carolina
Legend
Hydrology
Railways
Streets
Hydrology Areas
Parcels
Berry Hill Industrial Park
Berry Hill Industrial Park Parcels of Interest
Pittsylvania County

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-B
Meeting Date:	08/08/2016
Subject:	Follow up on Revenue Refunding Bonds.
From:	Michael L. Adkins, CPA, Treasurer to the Authority

SUMMARY

During the August 8, 2016 meeting, the Board will receive a follow up on the Revenue Refunding Bond, Cane Creek Project.

ATTACHMENTS

Bond Document
Refinancing Agreement

THE TRANSFER OF THIS BOND SHALL BE RESTRICTED AS DESCRIBED FURTHER BELOW.

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY

Revenue Refunding Bond
(Cane Creek Project),
Series 2016

August 1, 2016 R-I

The **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY** (the "Authority"), a political subdivision of the Commonwealth of Virginia, for value received, promises to pay (but only from the sources and in the manner described in this Bond) to Wells Fargo Bank, National Association, or registered assigns (the "Registered Owner" or the "Bank"), the principal amount of Three Million Seven Hundred Thousand Dollars ($3,700,000) and to pay (but only from the sources and in the manner described in this Bond) interest on the outstanding principal of this Bond from the date of this Bond, until payment of such principal sum has been made or provided for, and to the extent allowed by law interest on any overdue installment of principal or interest, at the rate per annum provided for below and subject to adjustment, payable as provided below, with principal on this Bond to be paid in the amounts and on the dates set forth on Schedule I attached to this Bond.

This Bond shall bear interest at the annual rate of 2.27% (the "Fixed Rate"). Interest will be calculated on the basis of twelve 30 day months and a 360 day year, with interest to be payable monthly on the first day of each month.

The Fixed Rate is subject to adjustment as provided in this paragraph. The Fixed Rate is predicated on the current long-term, unenhanced general obligation debt ratings of the City of Danville, Virginia (the "City") and the County of Pittsylvania, Virginia (the "County") from some or all of the following rating agencies--Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("S&P"), and Fitch, Inc. ("Fitch"). From and after a change of the ratings assigned to the City's or County's long-term, unenhanced general obligation debt, the Fixed Rate on this Bond shall be adjusted, effective as of the date of the ratings downgrade, as follows:

Credit Rating (Moody's/S&P/Fitch) for either the City or the County	Fixed Rate Increment

A1/A+/A+ or higher to A2/A/A	+15bps
A2/A/A to A3/A-/A-	+15bps
A3/A-/A- to Baa1/BBB+/BBB+	+25bps
Baa1/BBB+/BBB+ to Baa2/BBB/BBB	+35bps
Baa2/BBB/BBB to Baa3/BBB-/BBB-	+50bps

In the event all of the ratings are not equivalent, the lowest rating (of either the City or County provided by a rating agency) shall be used for the purpose of determining the applicable level from the above grid. Each Fixed Rate increment increase in the chart above due to a ratings downgrade from one credit rating level to another is cumulative. If one or more of the underlying ratings are withdrawn or suspended for any reason or any rating falls below investment grade (i.e., the last category in the matrix above), this Bond shall bear interest at the Default Rate (as hereinafter defined). References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating systems or a "global" rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

Principal and interest shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Principal and interest shall be paid by wire transfer or by check or draft mailed to the Registered Owner at its address as shown on the registration books of the Secretary of the Authority as Bond Registrar.

In case the date fixed for the payment of principal of or interest on this Bond is not a Business Day (as defined in the hereinafter defined Financing Agreement), then payment of the principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date, and if made on such next succeeding date, additional interest shall accrue for the period after such date of maturity or payment.

This Bond is issued under and pursuant to the Constitution and laws of the Commonwealth of Virginia, particularly Chapter 64, Title 15.2 of the Code of Virginia, as amended and in effect from time to time (the "Act"), and pursuant to a resolution duly adopted by the Board of Directors of the Authority on July 11, 2016. This Bond and the interest on it shall not be deemed to constitute or to create in any manner a debt, liability or obligation of the Commonwealth of Virginia or of any political subdivision or any agency thereof, including the Authority, or a pledge of the faith and credit of the Commonwealth of Virginia or any such political subdivision or any such agency, but shall be limited obligations of the Authority payable solely from the revenues and other funds pledged therefor and shall not be payable from any assets or funds of the Authority other than the revenues and other funds pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision or any agency thereof is pledged to the

payment of the principal of, redemption premium, if any, or the interest on this Bond or other costs incident hereto.

This Bond has been issued in order to refund, together with other available funds, the Authority's $5,595,000 Revenue Refunding Bond (Cane Creek Project), Series 2013, the proceeds of which in turn refunded the Authority's $7,300,000 Variable Rate Revenue Bonds (Cane Creek Project), Series 2005 (the "2005 Bond"), the proceeds of which were used to pay the costs of the development of Cane Creek Centre, including but not limited to land acquisition costs, roads, wetland remediation, lot clearing and other capital expenditures related thereto.

This Bond is issued under and pursuant to a Financing Agreement, dated as of August 1, 2016 (the "Financing Agreement"), between the Authority and Wells Fargo Bank, National Association. Reference is made to the Financing Agreement for the provisions, among others, with respect to the custody and application of the proceeds of the Bond, the collection and disposition of revenues, a description of the funds charged with and pledged to the payment of the principal of and interest on and any other amounts payable under this Bond, the nature and extent of the security, the terms and conditions under which this Bond is issued, the rights, duties and obligations of the Authority and the rights of the Registered Owner of this Bond. By the acceptance of this Bond, the Registered Owner of this Bond assents to all of the provisions of the Financing Agreement. Capitalized terms used in this Bond and not otherwise defined in this Bond have the respective meanings given them in the Financing Agreement.

Prepayment of this Bond prior to its stated maturity is permitted as described in Schedule II attached hereto.

Upon the happening of any Event of Default (a) this Bond shall, at the sole option of the Registered Owner, become immediately due and payable without notice to or demand on the Authority and (b) the Registered Owner shall have the right, immediately and without notice to the Authority or further action by the Registered Owner, to exercise all rights and remedies it has under the Loan Documents, at law or in equity. In addition, on and after the date an Event of Default occurs, this Bond shall accrue interest at a per annum rate equal to the greatest of (i) the Prime Rate plus 4% per annum, (ii) the Federal Funds rate plus 5% per annum or (iii) 10% per annum (the "Default Rate"), as determined by the Calculation Agent.

This Bond is transferable by the Registered Owner hereof or its duly authorized attorney at the office of the Secretary of the Authority as Bond Registrar, in Danville, Virginia, in compliance with the terms and conditions set forth in Financing Agreement and upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form satisfactory to the Bond Registrar, subject to such reasonable regulations as the Authority or the Bond Registrar may prescribe, and upon payment of any tax or other governmental charge incident to such transfer. Upon any such transfer, a new Bond registered in the name of the transferee or transferees in the same aggregate principal amount as the principal amount of this Bond will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Financing Agreement, the person in whose name

this Bond is registered shall be deemed the owner hereof for all purposes, and neither the Authority nor the Bond Registrar shall be affected by any notice to the contrary.

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

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Financing Agreement have happened, exist and have been performed as so required.

THE TRANSFER OF THIS BOND SHALL BE RESTRICTED AS PROVIDED IN THE FINANCING AGREEMENT.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Danville-Pittsylvania Regional Industrial Facility Authority has caused this Bond to be executed with the manual signature of its Chairman or Vice Chairman and its official seal to be impressed or imprinted hereon and attested by the manual signature of its Secretary or Assistant Secretary, all as of the date shown above.

[SEAL]

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By: _____
Vice Chairman

ATTEST:

_____
Secretary

[SIGNATURE PAGE TO BOND]

SCHEDULE I

SCHEDULE OF PRINCIPAL PAYMENTS

Payment Date	Principal Payment
1/1/2017	$ 365,000
1/1/2018	385,000
1/1/2019	405,000
8/1/2019	2,545,000

As provided in the Bond, interest shall be payable monthly, on the first day of each month.

Schedule II

Upon the occurrence of a Prepayment Event, the Prepayment Fee shall be calculated and paid as follows:

1. The "*Fixed Rate Terms*" are the following:

The "*Aggregate Loan Amount*" for the Bond means $3,700,000.00.

"*Prepayment Fee*" means the amount required to be paid by the Authority in connection with a Prepayment Event described under herein

"*Calculation Agent*" means Wells Fargo Bank, National Association or its affiliates or such other entity designated by the Purchaser.

The Bond shall bear interest at the Fixed Rate. "*Fixed Rate*" means 2.27% per annum. Interest on the Bond shall be payable monthly on the first day of each month September 1, 2016. Interest on the Bond shall be calculated using the Day Count Fraction. "*Day Count Fraction*" is the anticipated basis on which interest at the Fixed Rate is to be computed on the Bond. The Day Count Fraction utilizes twelve 30 day months and a 360 day year.

The "*Authority*" will be the Danville-Pittsylvania Regional Industrial Facility Authority.

The Bond shall mature on August 1, 2019 (the "*Maturity Date*"), subject to annual principal amortization payments as set forth on Schedule I.

"*Reference Rate*" means 0.77%

"*Scheduled Date*" means each date specified on Schedule I hereto in the column labeled Payment Date.

"*Schedule of Principal Amounts*" is the anticipated principal amount of the Bond scheduled to be outstanding on the date the Bond is funded and on the Scheduled Date. The Schedule of Principal Amounts for the Scheduled Dates is specified in Schedule I hereto.

2. As used herein: (1) "*Prepayment Date*" means any date of prepayment other than Scheduled Date and (2) "*Prepayment Event*" mean any prepayment of the Bond other than the Schedule of Principal Amounts.

3. In connection with any Prepayment Event, a Prepayment Fee shall be paid by the Authority if the Prepayment Fee is a positive number. No Prepayment Fee shall be payable for a Prepayment Event if the Prepayment Fee for that Prepayment Event is a negative number. The Prepayment Fee shall be payable on the Prepayment Date. Prepayment Fees will be determined by the Calculation Agent, as follows:

"*Prepayment Fee*" for any Prepayment Event is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Date from the Prepayment Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Date from the Prepayment Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Prepayment Rate, times (C) the Day Count Fraction for such Affected Principal Period, where:

(1) the Calculation Agent computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from their respective Scheduled Date to the Prepayment Date using a series of discount factors corresponding to those Scheduled Dates as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Prepayment Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the "*Affected Principal Amount*" for an Affected Principal Period is the principal amount of the Bond reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Prepayment Date by reference to such Schedule of Principal Amounts before giving effect to any Prepayment Event on that Prepayment Date, and for any Prepayment Event, multiplying each such principal amount times the Reference Rate;

(3) the "*Affected Principal Period*" is each period from and including a Scheduled Date to but excluding the next succeeding Scheduled Date; provided, however, if the Prepayment Date is not a Scheduled Date, the initial Affected Principal Period shall be the period from and including the Prepayment Date to but excluding the next succeeding Scheduled Date and the Affected Principal Amount for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts Outstanding for the Scheduled Date next preceding the Prepayment Date;

(4) "*Prepayment Rate*" means, for any Prepayment Date, and with respect to each quarterly principal amortization payment, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under

the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a quarterly basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Prepayment Date, and mature on, or as close as commercially practicable to, the Maturity Date ;

4. The Calculation Agent shall determine the Prepayment Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent's determination shall be conclusive and binding in the absence of manifest error.

#28735911v5

FINANCING AGREEMENT

This Financing Agreement is made as of August 1, 2016, between the **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Authority") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (the "Bank").

The Authority intends to issue the 2016 Bond (as defined below) to provide for the refunding of the 2013 Bond (as defined below) previously issued by the Authority. The proceeds of the 2013 Bond were used to refund the 2005 Bonds (as defined below).

The Bank is agreeable to acquiring the 2016 Bond and refunding the 2013 Bond on the terms and conditions contained in this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I
Definitions; Construction; Determinations

Section 101. Definitions. The following words and terms as used in this Agreement shall have the following meanings unless some other meaning is plainly intended:

"Act" means Chapter 64, Title 15.2 of the Code of Virginia, as amended and in effect from time to time.

"Affiliate" means a corporation, partnership, association, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one (1) or more intermediaries, Controls or is Controlled by, or is under common Control with, the Authority or the Bank, as may be applicable.

"Agreement" means this Financing Agreement and all amendments, supplements and modifications to it from time to time.

"Bank" means Wells Fargo Bank, National Association, its successors and assigns.

"Bond Counsel" means any firm of attorneys of nationally recognized expertise with respect to obligations of political subdivisions, selected by the Authority and acceptable to the Bondholder.

"Bond Registrar" means the Bond Registrar as designated in Section 304 hereof.

"Bondholder" means any person in whose name the 2016 Bond is registered on the books and records of the Bond Registrar pursuant to Section 304 of this Agreement.

"Business Day" means any day (i) other than a Saturday, Sunday or day when banks located in the City of Roanoke, Virginia are authorized or required to be closed and (ii) on which the New York Stock Exchange is not closed.

"Calculation Agent" initially means Wells Fargo Bank, National Association, and thereafter means any other Person appointed to serve as Calculation Agent, with the reasonable consent of the Authority.

"Chairman" means the Chairman or Vice Chairman of the Authority, either of whom may act.

"City" means the City of Danville, Virginia.

"Closing Date" means the date that the 2016 Bond is issued and delivered to, and accepted by, the Bank.

"Commonwealth" means the Commonwealth of Virginia.

"Control" or any variant thereof means the ownership of, or power to vote (i) 51% of the outstanding capital stock of a corporation, the membership interests of a limited liability company, or the partnership interests of a partnership; or (ii) 100% of the membership interests of the managing members of a limited liability company or of the partnership interests of the general partners of a partnership.

"County" means Pittsylvania County, Virginia.

"Default Rate" shall mean the interest rate equal to the greatest of (i) the Prime Rate plus 4% per annum, (ii) the Federal Funds Rate plus 5% per annum or (iii) 10% per annum, as determined by the Calculation Agent.

"Event of Default" means any of the events specified in Section 601 hereof to be an Event of Default.

"Federal Funds Rate" means for any day of determination, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of Richmond or, if such rate is not so published for any day that is a Business Day, the average of quotations for such day on such transactions received by the Bank from three (3) federal funds brokers of recognized standing selected by the Bank.

"Fiscal Year" means the period of 12 consecutive months beginning on July 1 in any calendar year and ending on June 30 of the next calendar year.

"Governmental Board" means any government or political subdivision, or any agency, board, commission, department or instrumentality of either, or any court, tribunal, central bank or arbitrator.

"Government Obligations" means (i) direct obligations of the United States of America, (ii) obligations unconditionally guaranteed by the United States of America, and (iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clause (i) or (ii) above the full and timely payment of which securities, receipts or obligations is unconditionally guaranteed by the United States of America.

"Indebtedness" means (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services; (b) obligations as lessee under leases which are, should be or should have been reported as capital leases in accordance with generally accepted accounting principles; (c) current liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA; (d) all obligations arising under any acceptance facility; (e) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (f) obligations secured by any mortgage, lien, pledge, security interest or other charge or encumbrance on property owned by the Authority, whether or not the obligations have been assumed; and (g) all other items or obligations which would be included in determining total liabilities on the balance sheet of a Person; *provided, however,* that "Indebtedness" shall not include (i) trade payables and similar obligations (including the deferred revenues resulting from subscriptions, dues and the like as shown on the financial statements of the Authority) incurred in the ordinary course of business; (ii) purchase money indebtedness in favor of the seller or lessor of a capital asset so purchased or leased, *provided* that such indebtedness was incurred prior to or within 90 days after such acquisition, *provided further*, that the aggregate principal amount of the indebtedness described in clauses (i) and (ii) does not exceed $100,000 at any time outstanding; (iii) planned giving actuarial liabilities as reflected in the financial statements of the Authority to the extent they are offset by planned giving investments; or (iv) interest rate swap or similar agreements in connection with the 2016 Bond or other Indebtedness to the extent that the notional amount of such swap or other agreement does not exceed the principal amount of such Bonds or other Indebtedness then outstanding.

"Loan Documents" means, collectively, this Agreement, the 2016 Bond, the Support Agreements and such additional security agreements and collateral documents and instruments as may be executed pursuant to or in connection with this Agreement.

"Material Adverse Effect" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business or operations of the Authority, or (b) the ability of the Authority to carry out its business as of the date of this Agreement or as proposed herein to be conducted or to meet or perform its obligations under this Agreement or the other Loan Documents on a timely basis.

"Matters Contested in Good Faith" means matters (a) then being contested in good faith by appropriate proceedings diligently and continuously pursued, (b) of which the Bank has been notified in writing and is being kept informed in such detail as the Bank may from time to time reasonably request, (c) the enforcement of which is effectively stayed during the period of the contest, and (d) with respect to which either (i) for disputes valued in excess of $100,000, adequate reserves in the

nature of a cash deposit or pledge of bonds or other securities, or a payment bond of a corporate surety in the face amount equal to the total amount in controversy, reasonably satisfactory to the Bank, have been furnished, or (ii) adequate provision therefor, reasonably satisfactory to the Bank, has been reserved on the financial statements of the Authority.

"Member Jurisdictions" means the City and the County.

"Participant" has the meaning set forth in Section 517 hereof.

"Permitted Liens" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including without limitation the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to property (the foregoing are "Liens") encumbering the 2005 Project in favor of the Bank and any of the following Liens:

(a) Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due and payable or that are being contested in good faith and with due diligence in appropriate proceedings and for which bonds have been posted or other security acceptable to the Bank, provided such bonds or other security to be in amounts sufficient to pay off the liens during the pendency of any controversies relating to them;

(b) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or employee benefits, or liens to secure the performance of letters of credit, bids, tenders, statutory obligations, leases and contracts (other than for borrowed funds) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;

(c) purchase money Liens on equipment purchased or leased by the Authority;

(d) Liens for current taxes, assessments or other governmental charges that are not delinquent or remain payable without any penalty or that are being contested in good faith and with due diligence by appropriate proceedings;

(e) Liens representing obligations under gifts or contracts to expend monies in a prescribed manner;

(f) Liens on any assets given, bequeathed or devised to the Authority that are created or in existence at the time of such gift, bequeath or devise; and

(g) such other Liens as may be approved in writing by the Bank.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, trust, unincorporated association, joint venture or other entity.

"Prime Rate" shall mean that fluctuating annual rate of interest which the Bank from time to time announces as and declares to be its prime rate of interest (the Bank makes loans which accrue

interest at rates which are below, at and above the aforesaid prime rate). The Authority acknowledges and agrees that the Prime Rate is a reference used in determining interest rates on certain loans by the Bank and is not intended to be the best or lowest rate of interest charged on any extension of credit to any customer. If the Bank ever fails to have or declare a prime rate, the term Prime Rate as used herein shall mean the highest prevailing prime rate published for the applicable period by The Wall Street Journal, provided, however, that the rate of interest charged on amounts payable under this Agreement shall in no event exceed applicable legal limits.

"Revenues" means all (a) any and all that may be appropriated for and paid to the Authority by a Member Jurisdiction under a Support Agreement or otherwise, and (b) any other income from other sources pledged by the Authority to the payment of the 2016 Bond.

"Secretary" means the secretary of the Authority. The term shall include the assistant or acting secretary of the Authority whenever, by reason of absence, illness or other reason, the Secretary is unable to act.

"Similar Bonds" means any bonds, notes, debentures or other similar obligations or undertakings issued or incurred by or on behalf of the County or the City or any agency, authority or other Affiliate of the County or the City (including, without limitation, the Authority) and including lease revenue or capital lease obligations, which are either (a) secured by the full faith and credit of the County or the City, or (b) supported by and paid from appropriations of the County or the City, as appropriate.

"Support Agreements" means, collectively, (i) the Support Agreement dated the date hereof between the County and the Authority, and (ii) the Support Agreement dated the date hereof between the City and the Authority, and "Support Agreement" means either of such instruments as the context may require.

"2005 Bonds" means the Authority's $7,300,000 Danville-Pittsylvania Regional Industrial Facility Authority, Variable Rate Revenue Bonds (Cane Creek Project), Series 2005, dated August 10, 2005.

"2005 Project" or the "Cane Creek Centre Project" means the development of Cane Creek Centre, including but not limited to land acquisition costs, roads, wetland remediation, lot clearing and other capital expenditures related thereto and the costs of issuing the 2005 Bonds, and other costs associated with the foregoing, all financed with the proceeds of the 2005 Bonds.

"2013 Bond" means the Authority's $5,595,000 Revenue Refunding Bond (Cane Creek Project), Series 2013, issued on August 1, 2013.

"2016 Bond" means the Authority's $3,700,000 Revenue Refunding Bond (Cane Creek Project), Series 2016, issued on the Closing Date.

"2016 Refunding" means the refunding of the 2013 Bond and payment of the costs of issuance of the 2016 Bond.

Section 102. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Bondholder," and "person" shall include the plural as well as the singular number; the word "person" shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(b) Words importing the redemption or calling for redemption of the 2016 Bond shall not be deemed to refer to or connote payment of the 2016 Bond at its stated maturity.

(c) The captions and headings in this Agreement are for convenience only and in no way limit the scope or intent of any provision or section of this Agreement

(d) All references herein to particular articles or sections are references to articles or sections of this Agreement unless some other reference is indicated.

Section 103. Determinations. The Authority has found and determined that the undertaking of the 2016 Refunding and refinancing of the 2005 Project by the Authority is in furtherance of the purposes of the Authority under the Act. The Authority has also found and determined that the Cane Creek Centre Project constitutes a "facility" within the meaning of the Act.

ARTICLE II
The 2016 Bond

Section 201. Representations and Findings of Authority. The Authority makes the following representations and findings as the basis for its undertakings hereunder:

(a) Organization. The Authority is a political subdivision duly organized, existing and in good standing under the Act and the laws of Virginia, and has the power to enter into the Loan Documents, to own its properties and to carry on its business as now being conducted and to issue the 2016 Bond and undertake the 2016 Refunding and the refinancing of the Cane Creek Centre Project, such transactions constituting an authorized undertaking under the Act and such transactions being in furtherance of the purposes for which the Authority was organized.

(b) Due Authorization. The execution, delivery and performance by the Authority of the Loan Documents are within the power and authority of the Authority and have been duly authorized by all necessary action of the Authority.

(c) Valid and Binding Obligations. Assuming enforceability against the other parties thereto, the Loan Documents are valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles

relating to or limiting creditors' rights generally and except to the extent indemnifications are unenforceable as a matter of public policy.

(d) Noncontravention. The execution and delivery by the Authority of the Loan Documents, and the performance of its obligations under the Loan Documents, will not violate (a) any existing law or result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Authority is a party or by which it or any of its property is bound, or (b) the Act, the Authority's bylaws or the organizing resolutions of the Member Jurisdictions that established the Authority, or (c) any of the rules or regulations applicable to the Authority or its property, or (d) any decree or order of any court or other Governmental Board.

(e) Pending Litigation and Other Proceedings. There is no pending action, proceeding or investigation before any Governmental Board against or directly involving the Authority and, to the best of the Authority's actual knowledge, there is no threatened action, proceeding or investigation targeting the Authority before any Governmental Board which, in any case, may materially and adversely affect (a) the financial condition or operations of the Authority, or (b) the validity or enforceability of any of the Loan Documents.

(f) Financial Statements. All financial statements previously furnished to the Bank are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the Authority and the Affiliates (if any) of the Authority presented therein on a consolidated basis at such dates and for such period and were prepared in accordance with generally accepted accounting principles (except where otherwise set forth herein), except that all interim statements and unaudited statements are subject to adjustment. Since the period of such statements, there has been no increase in the Indebtedness of the Authority.

(g) Governmental Approval. The execution, delivery and performance of the Loan Documents and the transactions contemplated thereby do not require any authorization, exemption, consent or approval of, notice to, or declaration or filing with, any Governmental Board other than those obtained on or before the Closing Date.

(h) Taxes. The Authority is not delinquent in the payment of any taxes that have been levied or assessed by any Governmental Board against it or its assets unless such tax is a Matter Contested in Good Faith. The Authority has timely filed all tax and informational returns that are required by law to be filed, and has paid all taxes shown on said returns to be payable by the Authority and all other assessments or fees levied upon it or upon its properties to the extent that such taxes, assessments or fees have become due, and if not due, such taxes have been adequately provided for and sufficient reserves therefor established on its books of account. No material controversy in respect of the Authority's income taxes or its status as a tax exempt entity is pending or, to the knowledge of the Authority, threatened.

(i) Defaults. No Event of Default has occurred and is continuing or exists.

(j) No Material Adverse Change. Since the most current date of the information, financial or otherwise, supplied by the Authority to the Bank, (i) there has been no change in the

assets, liabilities, financial position or results of operations of the Authority which could constitute a Material Adverse Effect, (ii) the Authority has not incurred any obligations or liabilities which could have a Material Adverse Effect and (iii) the Authority has not incurred material Indebtedness, other than trade accounts payable arising in the ordinary course of the Authority's business which are not based upon commercial terms customary for the Authority.

(k) Compliance with Agreements. The Authority has complied with all agreements and covenants and satisfied all conditions stated in this Agreement on its part to be performed or satisfied at or prior to the Closing Date.

(l) Incorporation by Reference. The representations and warranties of the Authority contained in any other Loan Document are hereby incorporated by reference in this Agreement, and the representations and warranties made by the Authority in such sections are hereby made for the benefit of the Bank.

(m) Representations as of the Closing Date. The representations and warranties of the Authority contained in this Article and in the other Loan Documents are correct on and as of the Closing Date as though made on and as of such date.

(n) Accuracy of Information. All information, reports and other papers and data with respect to the Authority, the 2016 Refunding and the 2005 Project furnished to the Bank are complete and correct in all material respects, to the extent necessary to give the Bank true and accurate knowledge of the subject matter. No document furnished or statement made by the Authority in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a fact material to its creditworthiness or omits to state a material fact necessary in order to make the statements contained therein not misleading.

(o) Reliance by the Bank and any Participants. All representations and warranties made herein to the Bank are made with the understanding that the Bank and any Participants are relying upon the accuracy of such representations and warranties. Notwithstanding that the Bank and any Participants may conduct their own investigation as to some or all of the matters covered by the representations and warranties in the Loan Documents and in any certificates, information, opinions or documents delivered in connection therewith, the Bank and any Participants are entitled to rely on all representations and warranties as a material inducement to the Bank's extension of the credit evidenced by the Loan Documents.

(p) No Personal Interest. None of the directors of the Authority has declared that he or she has a personal interest (as defined in Section 2.2-3101 of the Virginia Code) in any Loan Document or in any transaction contemplated thereby, and none is an employee of the Authority or the Bondholder.

ARTICLE III
The 2016 Bond

Section 301. Authorization. The Authority authorizes the issuance of its revenue refunding bond (the "2016 Bond") in order to refund, together with other available funds, the

outstanding principal balance and accrued interest on the 2013 Bond and to pay costs of issuance of the 2016 Bond. The other available funds of the Authority, in the amount of $907,091.67, shall be wired to the Bank on or before the Closing Date to pay the balance of the 2013 Bond not being refunded with the proceeds of the 2016 Bond.

Section 302. Details of 2016 Bond. The 2016 Bond shall be in the original principal amount of $3,700,000, and shall contain the terms stated in the form of the 2016 Bond attached to this Agreement as Exhibit A.

Section 303. Redemption of 2016 Bond. The Authority may redeem the 2016 Bond, in whole or in part, at any time upon payment of the "make whole" redemption price that is set forth in the form of the 2016 Bond. The Authority shall give notice of any such redemption not more than 60 days and not less than 30 days prior to the redemption date by mailing a notice of redemption by first class mail, postage prepaid, to the Bondholder at its address shown on the Bond Register.

Section 304. Registered Bond Required, Bond Registrar and Bond Register. The 2016 Bond shall be issued in fully registered form. The 2016 Bond shall be registered upon original issuance and upon subsequent transfer or exchange as provided in this Agreement.

The Authority appoints the Secretary of the Authority its Bond Registrar in respect of the 2016 Bond. The Bond Registrar shall act as registrar and transfer agent for the 2016 Bond. There shall be kept at an office of the Bond Registrar a register (herein sometimes referred to as the "Bond Register") in which, subject to such reasonable regulations as the Authority or the Bond Registrar may prescribe, there shall be provisions for the registration of the 2016 Bond and for the registration of transfers of the 2016 Bond.

Section 305. Transfer. Upon surrender for transfer of the 2016 Bond at the office of the Bond Registrar, the Authority shall execute and deliver in the name of the transferee or transferees, a new fully registered Bond of like date, series and tenor.

Any instrument presented for transfer shall be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Bond Registrar, which may include a signature guarantee, duly executed by the Bondholder or by his attorney duly authorized in writing.

No service charge shall be made to a Bondholder for any transfer of Bond, but the Authority or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

A new 2016 Bond delivered upon transfer shall be a valid obligation of the Authority, evidencing the same debt as the 2016 Bond surrendered, and shall be entitled to all of the security and benefits hereof to the same extent as the 2016 Bond surrendered.

Section 306. Execution. The 2016 Bond shall be executed by the manual signature of the Chairman, and the seal of the Authority shall be affixed, imprinted, lithographed or reproduced thereon and shall be attested by the manual signature of the Secretary.

If executed as above provided, the 2016 Bond may be issued, notwithstanding that any officer signing such bond shall have ceased to hold office at the time of issuance or shall not have held office at the date of the 2016 Bond.

Section 307. **Payment of Principal and Interest of 2016 Bond**. The principal and redemption price of the 2016 Bond shall be payable, without the need for surrender of such 2016 Bond, and interest on the 2016 Bond shall be payable, at the address of the person entitled thereto, as such address shall appear in the Bond Register.

Section 308. **Person Deemed Owner**. The Authority and the Bond Registrar may deem and treat the person in whose name the 2016 Bond is registered as the absolute owner thereof (whether or not the 2016 Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Authority or the Bond Registrar) for the purpose of receiving payment of or on account of the principal of (and premium, if any, on), and interest on the 2016 Bond, and for all other purposes, and neither the Authority nor the Bond Registrar shall be affected by any notice to the contrary. All such payments so made to the Bondholder, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon the 2016 Bond.

Section 309. **Mutilated, Destroyed, Lost, or Stolen 2016 Bond**. If the 2016 Bond shall become mutilated, the Authority shall execute and deliver a new 2016 Bond of like tenor and denomination in exchange and substitution for the 2016 Bond so mutilated, but only upon surrender to the Authority of such mutilated Bond for cancellation, and the Authority may require reasonable indemnity therefor. If the 2016 Bond shall be reported lost, stolen or destroyed, evidence as to the loss, theft or destruction thereof shall be submitted to the Authority; and if such evidence shall be satisfactory to it and indemnity satisfactory to it shall be given, the Authority shall execute and deliver a new 2016 Bond of like tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute 2016 Bond is provided.

Every substitute 2016 Bond issued pursuant to this Section 309 shall constitute an additional contractual obligation of the Authority, whether or not the 2016 Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all of the benefits of this Agreement.

The 2016 Bond shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of a mutilated, destroyed, lost, or stolen Bond and shall preclude any and all other rights or remedies.

Section 310. **Additional Bonds or Indebtedness**. The Authority shall not directly or indirectly issue, assume, create, incur or suffer to exist any Indebtedness, other than Indebtedness created pursuant to the Loan Documents, without the prior written approval of the Bank unless the Authority provides the following to the Bank:

(a) written notification no less than ninety (90) days in advance of the issuance of such proposed Indebtedness; and

(b) reasonable and customary evidence that the Authority has sufficient funds on hand, or has received budgeted annual appropriations from the Member Jurisdictions in amounts necessary, to satisfy debt service requirements on its existing Indebtedness and such proposed additional Indebtedness for the then current Fiscal Year

Section 311. **No Abatement.** Subject to the provisions of Section 501, there will be no abatement or reduction of the payment of principal of or interest on the 2016 Bond by the Authority for any reason, including but not limited to, any failure by a Member Jurisdiction to appropriate funds under the respective Support Agreement, any defense, recoupment, setoff, counterclaims or any claim (real or imaginary) arising out of or related to the 2016 Refunding or the 2005 Project. The Authority assumes and shall bear the entire risk of loss and damage to the 2005 Project from any cause whatsoever, it being the intention of the parties that the payments on the 2016 Bond shall be made in all events unless the obligation to make such payments is terminated as otherwise provided herein.

ARTICLE IV
Delivery of Bond

Section 401. **Conditions to Closing.** The obligation of the Bank to acquire the 2016 Bond is subject to the conditions precedent that the Bank shall have received, on or before the Closing Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Bank. However, should the Bank acquire the 2016 Bond prior to its receipt and approval of any of the following items, such acquisition shall not be deemed to be a waiver of any documentary requirement.

(a) The following organizational and related documents:

(1) Copies of the resolutions of the Authority approving the execution and delivery of the Loan Documents, certified as being true and complete and in full force and effect on the Closing Date.

(2) The organizational documents and bylaws of the Authority, certified to be in full force and effect on the Closing Date.

(3) Certified copies of all governmental and regulatory approvals necessary for the Authority with respect to the Loan Documents and the other documents to be delivered by it hereunder or thereunder.

(4) A certificate of each of the Authority and the Member Jurisdictions, dated the Closing Date, signed by the respective authorized officers of each of the Authority and the Member Jurisdictions, certifying that, as to the respective entity, there is no action,

suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the respective entity, threatened against or affecting the respective entity wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect or would adversely affect the transactions contemplated by, or the validity or enforceability of, any of the Loan Documents.

(5) A certificate of each of the Authority and the Member Jurisdictions, dated the Closing Date, signed by the respective authorized officers of each of the Authority and the Member Jurisdictions, certifying that (i) the representations and warranties of the respective entity contained in this Agreement and the Loan Documents are true and correct in all material respects on and as of the Closing Date, (ii) that the respective entity is not in violation of any of the covenants contained in this Agreement as of the Closing Date, (iii) no Event of Default has occurred and is continuing or would result from the issuance of the 2016 Bond and the performance of this Agreement and the other Loan Documents, and (iv) the respective entity has complied or is presently in compliance with all agreements and satisfied all conditions on its part to be observed or satisfied under the Loan Documents at or prior to the Closing Date.

(6) Each of the Member Jurisdictions has executed and delivered the Letter of Representations attached as Exhibit B hereto.

(7) Not less than 10 days before the Closing Date, approved Fiscal Year 2017 budgets of each of the City and the County, certified (subject to normal year-end audit adjustments) as to accuracy, correctness and completeness by an appropriate officer of the City or the County, as appropriate.

(8) Not less than 10 days before the Closing Date, evidence satisfactory to the Bank that the issuance of the 2016 Bond and the execution and delivery of the Support Agreements have been approved, as applicable, by the Authority, the City, the County and any other Government Boards having jurisdiction that require approval.

(b) The following financing documents:

(1) An executed original of each of the Loan Documents.

(2) The original executed 2016 Bond.

(c) The following opinions, addressed to the Bank or on which the Bank is otherwise expressly authorized to rely:

(1) From counsel to the Authority, as to the due execution, delivery and enforceability of the Loan Documents and such other customary matters as the Bank may reasonably request;

(2) From counsel to each of the Member Jurisdictions, as to the due execution, delivery and enforceability of the respective Support Agreement and such other customary matters as the Bank may reasonably request;

(3) From Bond Counsel to the Authority, in customary form, as to the validity of the 2016 Bond and the enforceability of this Financing Agreement and such other customary matters as the Bank may reasonably request; and

(d) Such other instruments, documents and opinions as the Bank shall reasonably require to evidence and secure the 2016 Bond and to comply with the provisions of this Agreement and the other Loan Documents and the requirements of any Governmental Board to which the Bank or the Authority is subject.

(e) As of the Closing Date, the Bank shall be satisfied that there has been no material adverse change in respect of the Authority, the City, the County and the Cane Creek Centre Project, and that all information, representations and materials submitted to the Bank by each of the Authority, the City or the County in connection with the Bank's acquisition of the 2016 Bond are accurate and complete in all material respects.

(f) All legal matters incident to the Loan Documents and all documents and instruments to be delivered pursuant hereto or thereto shall be reasonably satisfactory in form and substance to counsel for the Bank.

Section 402. Delivery of 2016 Bond. If the conditions in Section 401 have been satisfied, the Authority will deliver the 2016 Bond to the Bank, and the Bank will acquire same.

ARTICLE V
Particular Covenants and Provisions

Section 501. Covenant to Pay 2016 Bond; Limited Obligations of the Authority. The Authority covenants that it will promptly pay the principal of and interest on and other amounts payable under the 2016 Bond at the places, on the dates and in the manner provided herein and in the 2016 Bond according to the true intent and meaning thereof; provided, however, that such principal and interest and other amounts are payable solely from Revenues. The 2016 Bond and the interest thereon shall not be deemed to constitute or to create in any manner a debt, liability or obligation of the Commonwealth or of any political subdivision or any agency thereof, including the City and the County, or a pledge of the faith and credit of the Commonwealth or of any political subdivision or any agency thereof, including the City and the County, but shall be limited obligations of the Authority payable solely from the revenues and other funds pledged therefor and shall not be payable from any other assets or funds of the Authority, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision or any agency thereof, including the City and the County, is pledged to the payment of the principal of or interest on the 2016 Bond.

Section 502. Covenants to Perform Obligations. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions

contained in this Agreement, in the 2016 Bond executed and delivered hereunder and in all proceedings of the Authority pertaining hereto and thereto and will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions of the Support Agreements on its part to be observed or performed. The Authority covenants that (i) it is duly authorized under the Constitution and laws of the Commonwealth, including particularly and without limitation the Act, to issue the 2016 Bond authorized hereby, to enter into this Agreement, to enter into the Support Agreements and to pledge the Revenues in the manner and to the extent herein set forth, (ii) all action on its part for the issuance of the 2016 Bond issued hereunder has been duly and effectively taken and (iii) the 2016 Bond in the hands of the Bondholder is and will be the valid and binding limited obligation of the Authority according to the tenor and import thereof.

Section 503. **Delivery of Information**. The Authority will furnish to the Bank each of the following:

(a) As soon as available, and in any event within 210 days after the close of each Fiscal Year of the Authority, audited financial statements reflecting the Authority's operations during such Fiscal Year, including, without limitation, statements of financial position, activities and cash flows with related footnotes, all prepared in conformity with GAAP, applied on a basis consistent with that of the preceding year. All such statements shall be examined by an independent certified public accountant acceptable to the Bank. The opinion of such independent certified public accountant shall not be acceptable to the Bank if qualified due to any limitations in scope imposed by the Authority. Any other qualification of the opinion of such independent certified public accountant shall render the acceptability of the financial statements subject to the Bank's approval.

(b) Simultaneously with the delivery of each set of financial statements referred to in Section 503(a), a certificate signed by a principal financial officer of the Authority, (i) stating that such officer has made a review of activities during the preceding period, for the purpose of determining whether or not the Authority has complied with all of the terms, provisions and conditions of the Loan Documents, (ii) containing calculations of the applicable financial covenants (to the extent applicable as of such date) and (iii) attesting that, to the best of his/her knowledge, the Authority has kept, observed, performed and fulfilled each and every covenant, provision and condition of such documents on its part to be performed and no Event of Default has occurred, or if an Event of Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition.

(c) As soon as available, and in any event within 60 days after the beginning of each Fiscal Year of the Authority or approval by the Authority if earlier, an annual operating budget of the Authority for such Fiscal Year, including, without limitation, statements of financial position, activities and cash flows and planned capital expenditures (including a detailed description of the assumptions underlying such budget) and otherwise in form and substance satisfactory to the Bank. Such annual operating budget shall provide that the Authority has sufficient funds on hand, or has received budgeted annual appropriations from the Member Jurisdictions in amounts necessary, to satisfy the Authority's debt service requirements on its Indebtedness, including but not limited to any additional Indebtedness incurred pursuant to Section 310, for such Fiscal Year.

(d) Promptly upon execution, any amendment, modification or supplement to any of the Loan Documents to which the Bank is not a party, a true and correct copy of such amendment, modification or supplement.

(e) Promptly upon filing, copies of all financial statements, reports and notices required to be submitted by the Authority to any Governmental Board.

(f) To the extent available, annually and at such other reasonable times as the Bank shall request current financial statements of the Member Jurisdictions (including, without limitation, the Member Jurisdictions' (i) comprehensive annual financial report to be prepared in accordance with generally accepted accounting principles, consistently applied and audited, all as required by applicable law, and (ii) annual budget as submitted or approved and within 60 days following approval), and permit the Bank to inspect the Authority's books and records and make extracts therefrom.

(g) Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Authority, the Member Jurisdictions or the 2005 Project as the Bank may from time to time reasonably request.

Section 504. Notices. The Authority shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default.

(b) Promptly after becoming aware of the occurrence of any ERISA Event or of any "prohibited transaction" (as defined in Section 4975 of the Internal Revenue Code of 1986, as amended, or Section 406 of ERISA) in connection with any Plan or any trust created thereunder, a written notice signed by the chief executive officer or chief financial officer of the Authority, acting solely on behalf of the Authority (not personally), specifying the nature thereof, what action the Authority is taking or proposes to take with respect thereto and, when known, any action proposed to be taken by any Governmental Board with respect thereto.

(c) Prompt written notice of all actions, suits and proceedings before any court, governmental board or other governmental commission, board, bureau, agency or instrumentality, domestic or foreign, against the Authority which involve claims equal to or in excess of $150,000 that are not covered by insurance.

(d) Prompt written notice of any event which has or is reasonably anticipated to have a Material Adverse Effect.

(e) Promptly upon receipt of any notice from, or the taking of any action by, the holder of any Indebtedness of the Authority with respect to a claimed default, copies of such notice or a report of such action.

(f) Immediately upon becoming aware of the occurrence or non-occurrence of any event, happening or condition under either of the Support Agreements that would have a material and adverse effect on its ability to meet its obligations hereunder.

Section 505. **Payment of Taxes**. The Authority shall pay all assessments or other governmental charges as the same respectively become due, all taxes and payments in lieu of taxes, assessments (general or special) and governmental charges of any kind whatsoever that may be at any time lawfully assessed or levied against or with respect to the Authority. Notwithstanding the previous sentence, the Authority shall not be required to pay any tax, charge, assessment or imposition, nor to comply with any applicable law, with respect to any Matters Contested in Good Faith.

Section 506. **Compliance with Laws**. The Authority shall comply with all applicable laws, except for Matters Contested in Good Faith, provided that any such contest does not have a Material Adverse Effect.

Section 507. **Compliance with Other Agreements**. The Authority shall comply in all material respects with the terms and conditions of the Loan Documents and all other instruments, agreements and other documents delivered by or on behalf of the Authority in connection with issuance of the 2016 Bond.

Section 508. **Amendments**. The Authority shall not amend, modify or supplement, nor agree to any amendment or modification of, or supplement to, any of the Loan Documents without the prior written consent of the Bank.

Section 509. **Accounting Methods and Fiscal Year**. The Authority shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Authority in accordance with generally accepted accounting principles. The Authority shall not adopt, permit or consent to any change in its method of accounting, other than as permitted or required by generally accepted accounting principles (except as disclosed in the audit and approved by the Bank) and shall not adopt, permit or consent to any change in its established Fiscal Year without the Bank's prior consent.

Section 510. **Liens**. The Authority shall not create, assume or permit to exist any Lien on the 2005 Project, other than Permitted Liens.

Section 511. **Judgments**. The Authority shall not permit the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due the Authority that is not discharged or stayed within 60 days of entry.

Section 512. **Transactions With Related Persons**. Except as otherwise expressly permitted hereunder, without the prior written approval of the Bank, the Authority shall not directly or indirectly make any loan or advance to, or purchase, assume or guarantee any Indebtedness to or from, any of its officers, directors or Affiliates, or to or from any member of the immediate family of any of its officers, directors or Affiliates, or subcontract any operations to any Affiliate, except for travel or other reasonable expense advances to employees in the ordinary course of business; or enter into any transaction with any Affiliate, except pursuant to the reasonable requirements of the business of such Affiliate and on terms substantially no more favorable to such Affiliate than those

that such Affiliate would obtain in a comparable arms-length transaction with a Person not an Affiliate of the Authority.

Section 513. **Other Defaults**. The Authority shall not default on any material contract with or obligation when due to a third party or default in the performance of any Indebtedness to a third party in an amount in excess of $150,000, unless such default is cured within any applicable grace period or is a Matter Contested in Good Faith.

Section 514. **Cross-Default**. The Authority shall not default in the payment or the performance of any of its obligations under any other loans, contracts or agreements with the Bank or the Bank's Affiliates, nor shall the Authority permit any of the Authority's Affiliates over which the Authority has such control, to default under any loans, contracts or agreements with the Bank or the Bank's Affiliates.

Section 515. **Covenant to Perform Obligations under the Support Agreements**. Subject to the provisions of Section 501 of this Article, the Authority covenants and agrees that it will not suffer, permit or take any action or do anything or fail to take any action or fail to do anything which may result in the termination or cancellation of the Support Agreements so long as the 2016 Bond is outstanding; that it will faithfully and punctually fulfill its covenants, conditions, agreements and obligations and will require the County and the City to perform punctually their respective duties, agreements, covenants and obligations under the Support Agreements and will otherwise administer each Support Agreement in accordance with its terms to assure the timely payment of all amounts, charges and payments due it thereunder, all in accordance with the terms of the Support Agreements; that it will not execute or agree to any change, amendment or modification of or supplement to either of the Support Agreements except by a supplement or an amendment duly executed by the Authority and the County or the City, as applicable, with, so long as the 2016 Bond is outstanding, the written approval of the Bondholder of the 2016 Bond; that it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligation of the City or the County to pay amounts under and to meet their respective other obligations as provided in the Support Agreements.

Section 516. **Pledge of Revenues**. The Authority pledges the Revenues to the payment of the principal of and interest on the 2016 Bond. This pledge shall be valid and binding from and after the execution of this Agreement and shall be imposed on the Revenues without any physical delivery of them or further act.

Section 517. **Increased Costs; Taxes.**

(a) Definitions. For purposes of this Section 517:

"Applicable Law" means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and non-governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation Risk--Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Excluded Taxes" means, with respect to the Bank or any Participant, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank or such Participant is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Authority is located.

"Governmental Approvals" means an authorization, consent, approval, license or exemption of, registration or filing with, or report to, any Governmental Authority.

"Governmental Authority" means the government of the United States or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

"Law" means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Related Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Related Document.

"Participant(s)" means any bank(s) or other financial institution(s) that may purchase from the Bank a participation interest in this Agreement and certain of the Related Documents pursuant to a participation agreement between the Bank and the Participant(s).

"Related Documents" means the Loan Documents and any exhibits, schedules, instruments or agreements relating thereto, as the same may be amended, modified or supplemented in accordance with their terms and the terms hereof.

"Risk-Based Capital Guidelines" means (i) the risk--based capital guidelines in effect in the United States on the Effective Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the Closing Date.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

(b) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Bank or any Participant;

(ii) subject to the Bank or any Participant to any Tax of any kind whatsoever with respect to this Agreement, or change the basis of taxation of payments to the Bank or such Participant in respect thereof (except for Indemnified Taxes or Other Taxes covered by paragraph (h) below and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank or any Participant); or

(iii) impose on the Bank or any Participant any other condition, cost or expense affecting this Agreement;

and the result of any of the foregoing shall be to increase the cost to the Bank or such Participant related to issuing or maintaining this Agreement, or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder (whether of principal, interest or any other amount) then, upon written request of the Bank or such Participant, the Authority shall promptly pay to the Bank or such Participant, as the case may be, such additional amount or amounts as will compensate the Bank or such Participant, as the case may be, for such additional costs incurred or reduction suffered.

(c) Capital Requirements. If the Bank or any Participant determines that any Change in Law affecting the Bank or such Participant or the Bank's or such Participant's parent or holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on the Bank's or such Participant's or the Bank's or such Participant's parent or holding company holding, if any, as a consequence of this Agreement, or for maintaining this Agreement, to a level below that which the Bank or such Participant or the Bank's or such

Participant's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's or such Participant's policies and the policies of the Bank's or such Participant's parent or holding company with respect to capital adequacy), then from time to time upon written request of the Bank or such Participant the Authority shall promptly pay to the Bank or such Participant, as the case may be, such additional amount or amounts as will compensate the Bank or such Participant or the Bank's or such Participant's parent or holding company for any such reduction suffered.

(d) Certificates for Reimbursement. A certificate of the Bank or a Participant setting forth the amount or amounts necessary to compensate the Bank or any such Participant or the Bank's or any such Participant's parent or holding company, as the case may be, as specified in paragraph (b) or (c) of this Section and delivered to the Authority, shall be conclusive absent manifest error. The Authority shall pay the Bank or any such Participant, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(e) Delay in Requests. Failure or delay on the part of the Bank or any such Participant to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's or any such Participant's right to demand such compensation.

(f) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Authority hereunder or under any fee letter with the Bank shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if the Authority shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank or any Participant receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(g) Payment of Other Taxes by the Authority. Without limiting the provisions of paragraph (f) above, the Authority shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(h) Indemnification by the Authority. To the extent allowed by law, the Authority shall indemnify the Bank and each Participant, within thirty (30) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Bank or any Participant and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that the Authority shall not be obligated to reimburse the Bank or any Participant for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from such indemnified party's own gross negligence or willful misconduct. A certificate stating in reasonable detail the amount of such payment or liability delivered to the Authority by the Bank or any Participant shall be conclusive absent manifest error.

In addition, to the extent allowed by law, the Authority shall indemnify the Bank and each Participant, within thirty (30) days after demand therefor, for any incremental Taxes that may become payable by the Bank or any Participant as a result of any failure of the Authority to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Bank or any Participant pursuant to paragraph (i) below, documentation evidencing the payment of Taxes.

(i) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Authority to a Governmental Authority, the Authority shall deliver to the Bank or such Participant the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank or such Participant, as applicable.

(j) Survival. Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the 2016 Bond and the obligations of the Authority thereunder and hereunder.

Section 518. Most Favored Nations Covenant. In the event that the Authority shall enter into an agreement (other than this Agreement) under which the Authority issues or incurs or could issue or incur Indebtedness, which agreement contains additional or more restrictive covenants, events of default, remedies and/or security provisions than are provided to the Bank in this Agreement, the Authority shall provide the Bank with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of entering into such agreement and, in any event, such additional or more restrictive covenants, events of default, remedies and/or security provisions shall, unless otherwise stipulated by the Bank, automatically be deemed to be incorporated into this Agreement, and the Bank shall have the benefits of such additional or more restrictive covenants, events of default, remedies and/or security provisions as if specifically set forth herein for so long as any such agreement that provides for such additional or more restrictive covenants, events of default, remedies and/or security provisions remains in effect.

ARTICLE VI

Default and Remedies

Section 601. Defaults. Each of the following events is hereby declared an "Event of Default":

(a) Payment of interest on the 2016 Bond is not made when the same shall become due;

(b) Payment of the principal or redemption price of the 2016 Bond is not made when the same shall become due, whether at maturity or upon call for redemption or otherwise;

(c) Failure of any Member Jurisdiction to make a payment under the respective Support Agreement as and when due or any other "Event of Default" under either of the Support Agreements shall have occurred and not have been waived or cured;

(d) The Authority shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the 2016 Bond or in this Agreement on the part of the Authority to be performed other than as referred to in the preceding paragraphs of this Section;

(e) The Authority shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for it or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due, or (vii) take corporate action for the purpose of effecting any of the foregoing;

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Authority or of a substantial part of its property, under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Authority or for a substantial part of its property or (iii) the winding-up or liquidation of the Authority and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days;

(g) Any failure by the City or the County to pay any installment of principal of or interest on any Similar Bond when due, and such default shall continue unremedied for a period of five (5) Business Days; or

(h) Either the City, the County or the Authority shall (i) pursuant to an announcement, finding, ruling or decree by any Governmental Board with jurisdiction to rule on the matter, cease to be obligated, in whole or in part, under the Support Agreement with respect to their obligations to make debt service and other payments with respect to the 2016 Bond, or (ii) repudiate, reject or contest its obligations to make debt service payments with respect to the 2016 Bond or Similar Bonds;

provided, however, that no default specified in clause (d) of this Section 601 shall constitute such an Event of Default until written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Bondholder, and the Authority shall have had 30 days after receipt of such notice to correct said default and shall not have corrected such default within the applicable period.

Section 602. **Acceleration and Annulment Thereof**. Upon the occurrence of an Event of Default, the Bondholder may, by notice to the Authority, declare the entire unpaid principal of and interest on the 2016 Bond due and payable; and upon such declaration, the said principal, together with interest accrued thereon, shall become payable immediately at the place of payment provided therein, anything in this Agreement or in the 2016 Bond to the contrary notwithstanding.

If, after the principal of the 2016 Bond has become due and payable, all arrears of interest upon the 2016 Bond is paid by the Authority, and the Authority also performs all other things with respect to which it may have been in default hereunder and pays the reasonable charges of the Bondholder, including reasonable attorneys' fees, then, and in every such case, the Bondholder, by written notice to the Authority, may annul such acceleration and its consequences.

Section 603. **Other Remedies**. If any Event of Default occurs and is continuing, the Bondholder, before or after the principal of the 2016 Bond becomes immediately due and payable, may enforce each and every right granted to it under this Agreement and the 2016 Bond and the Support Agreements and any supplements or amendments thereto, including but not limited to imposition of interest at the Default Rate.

In the enforcement of the remedies provided in this Article, the Bondholder may treat all reasonable expenses of enforcement, including, without limitation, legal, accounting and advertising fees and expenses, as additional amounts payable by the Authority then due and owing and the Authority agrees to pay such additional amounts upon demand, with interest at the Default Rate, the amount of such legal fees to be without regard to any statutory presumption.

Section 604. **Remedies Not Exclusive**. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 605. **Delays and Omissions Not to Impair Rights**. No delays or omission in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article VI may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VII
Defeasance of Bond

Section 701. **Defeasance.**

(a) When the principal or redemption price (as the case may be) of, and interest on the 2016 Bond have been paid, or provision has been made for payment of the same and all other sums payable hereunder by the Authority, the right, title and interest of the holder of the 2016 Bond shall thereupon cease.

(b) Provision for the payment of the 2016 Bond shall be deemed to have been made when a bank or trust company, qualified to hold such funds, holds in trust and irrevocably sets aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) noncallable Government Obligations maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys without reinvestment to make such payment.

(c) If a deposit under subsection (b) above has been made, the 2016 Bond shall not be deemed paid within the meaning of this Article unless the Authority delivers to or for the benefit of the holder of such Bond a verification report of a firm of nationally recognized independent public accountants as to the sufficiency of the moneys and Governmental Obligations to make the payment required under subsection (b) above. Notwithstanding the foregoing, no delivery to the bank or trust company under subsection (b) shall be deemed a payment of the 2016 Bond prior to its stated maturity until the 2016 Bond shall have been irrevocably called or designated for redemption on a date thereafter on which the 2016 Bond may be redeemed in accordance with the provisions of this Agreement. Neither the obligations nor moneys deposited with the bank or trust company pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, redemption price of, and interest on the 2016 Bond with respect to which such deposit has been made.

Notwithstanding the foregoing, those provisions relating to the maturity of the 2016 Bond, the payments and dates thereof, the dates, premiums and notice requirements for optional and mandatory redemption and the Bondholder's remedies with respect thereto, and the provisions relating to exchange, transfer and registration of bonds, replacement of mutilated, destroyed, lost or stolen bonds, safekeeping and cancellation of bonds, and nonpresentment of bonds, shall remain in effect and shall be binding upon the Authority and the Bondholder, notwithstanding the release and discharge of the lien of this Agreement.

Section 702. **Deposit of Funds for Payment of Bond**. If the principal or redemption price of the 2016 Bond becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provisions therefor made in accordance with Section 701 hereof, all interest on the 2016 Bond shall cease to accrue on the due date and all liability of the Authority with respect to the 2016 Bond shall likewise cease, except as hereinafter provided. Thereafter, the holder of the 2016 Bond shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such bond, and the bank or trust company in question shall hold such funds in trust for such holder.

ARTICLE VIII
Miscellaneous Provisions

Section 801. **Covenants of Authority to Bind its Successors**. In the event of the dissolution of the Authority, all of the covenants, stipulations, obligations and agreements contained in this Agreement by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting

such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Authority" as used in this Agreement shall include such successor or successors.

Section 802. **Notices**. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the parties shall be in writing and shall be deemed given or filed for all purposes of this Agreement when delivered by hand delivery or mailed by first-class, postage prepaid, registered or certified mail, addressed as follows:

If to the Authority at:

Danville-Pittsylvania Regional Industrial Facility Authority
c/o City of Danville, Fiscal Agent
P.O. Box 3300 (24543)
427 Patton Street
Danville, Virginia 24541
Attention: City Manager

If to the Bank at:

Wells Fargo Bank, National Association
Attention: Government and Institutional Banking
10 South Jefferson St.
8th Floor, MAC R4046-080
Roanoke, VA 24011

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 803. **Severability**. In case any one or more of the provisions of this Agreement or of the 2016 Bond issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement or of the 2016 Bond, but this Agreement and the 2016 Bond shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Authority contained in the 2016 Bond or in this Agreement shall for any reason be held to be in violation of law then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

Section 804. **Covenants of Authority Not Covenants of Officials**. All covenants, stipulations, obligations and agreements of the Authority contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent permitted by the Constitution and laws of the Commonwealth. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, agent or employee of the Authority in his individual capacity, and neither the directors of the Authority nor any other officer of the Authority executing the 2016 Bond

shall be liable personally on the 2016 Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, agent or employee of the Authority shall incur any personal liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Agreement.

Section 805. **State Law Governs.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 806. **Jury Trial; Venue; Arbitration.** (a) *Jury Trial; Venue.* Any litigation involving the Bank shall be brought in the appropriate Commonwealth of Virginia court having jurisdiction over the matter. The Authority agrees to waive a jury trial in any proceeding involving the Bank to the extent permissible by law.

(b) *Arbitration.* The parties hereto agree, upon demand by any party, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents) in excess of $250,000, whether in tort, contract or otherwise in any way arising out of or relating to (i) any credit subject hereto, or any of the Loan Documents, and their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (ii) requests for additional credit. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

Any arbitration proceeding will (i) proceed in a location in Virginia selected by the American Arbitration Association ("AAA"); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least $1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the

pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

Any arbitration proceeding in which the amount in controversy is $5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than $5,000,000.00. Any dispute in which the amount in controversy exceeds $5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the Commonwealth of Virginia or a neutral retired judge of the state or federal judiciary of Virginia, in either case with a minimum of ten years' experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of Virginia and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Virginia Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

In any arbitration proceeding, discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, except parties who have executed any Loan Document, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

The arbitrator shall award all costs and expenses of the arbitration proceeding.

To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary

course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the Loan Documents or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the Loan Documents or any relationship between the parties.

This arbitration provision shall apply only to disputes in which either party seeks to recover an amount of money (excluding attorneys' fees and costs) that exceeds $250,000.

Section 807. **Payments or Performance Due on Days Other Than Business Days**. In any case where the date of maturity of interest on or principal of the 2016 Bond or the date fixed for redemption of the 2016 Bond or the specified last date for the performance of any act or the exercising of any right shall be a day other than a Business Day, then such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if made, performed or exercised on the specified date, provided that interest shall accrue for the period of any such extension.

Section 808. **Participations**. The Authority recognizes that the Bank may sell the 2016 Bond or interests therein to one or more participants or subparticipants and that all documentation, financial statements, appraisals and other data, or copies thereof, relevant to the Authority or the Bank may be exhibited to and retained by any such participant or subparticipant whether actual or prospective.

Section 809. **Nature of Transaction**. This Agreement evidences a direct purchase of the 2016 Bond by the Bank. The Bank is purchasing the 2016 Bond for its own account. Wells Fargo Securities is not participating in any manner in this transaction, and the Bank's employees involved in the direct purchase of the 2016 Bond are not acting in any manner on behalf of or as representatives of Wells Fargo Securities. To the extent applicable, the following shall apply to the issuance and sale of the 2016 Bond:

(a) the 2016 Bond shall be issued in physical form without registration or book-entry system;

(b) no rating has been assigned to the 2016 Bond as of the Closing Date;

(c) any transfer of the 2016 Bond shall be limited to an affiliate of the Bank (or a trust or custodial arrangement sponsored by Bank, each of the beneficial owners of which is a qualified institutional buyer) or to one or more qualified institutional buyers, each of which is a commercial bank with a minimum capital and surplus of $5,000,000,000 and which has executed a letter containing representations and warranties as to it being a sophisticated investor in form and substance satisfactory to the Bank;

(d) the 2016 Bond shall include a legend stating that its transferability is restricted as provided herein; and

(e) the 2016 Bond shall have authorized denominations, if any, of not less than $250,000.

Section 810. **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officer as of the day and year first written above:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By: _____
Name: Sherman M. Saunders
Title: Vice Chairman

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: Patrick K. Dixon
Title: Senior Vice President

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officer as of the day and year first written above:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By: _____
Name: Sherman M. Saunders
Title: Vice Chairman

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: Patrick K. Dixon
Title: Senior Vice President

EXHIBIT A

FORM OF 2016 BOND

THE TRANSFER OF THIS BOND SHALL BE RESTRICTED AS DESCRIBED FURTHER BELOW.

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Revenue Refunding Bond
(Cane Creek Project),
Series 2016

August 1, 2016 R-1

The **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY** (the "Authority"), a political subdivision of the Commonwealth of Virginia, for value received, promises to pay (but only from the sources and in the manner described in this Bond) to Wells Fargo Bank, National Association, or registered assigns (the "Registered Owner" or the "Bank"), the principal amount of Three Million Seven Hundred Thousand Dollars ($3,700,000) and to pay (but only from the sources and in the manner described in this Bond) interest on the outstanding principal of this Bond from the date of this Bond, until payment of such principal sum has been made or provided for, and to the extent allowed by law interest on any overdue installment of principal or interest, at the rate per annum provided for below and subject to adjustment, payable as provided below, with principal on this Bond to be paid in the amounts and on the dates set forth on Schedule I attached to this Bond.

This Bond shall bear interest at the annual rate of 2.27% (the "Fixed Rate"). Interest will be calculated on the basis of twelve 30 day months and a 360 day year, with interest to be payable monthly on the first day of each month.

The Fixed Rate is subject to adjustment as provided in this paragraph. The Fixed Rate is predicated on the current long-term, unenhanced general obligation debt ratings of the City of Danville, Virginia (the "City") and the County of Pittsylvania, Virginia (the "County") from some or all of the following rating agencies--Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("S&P"), and Fitch, Inc. ("Fitch"). From and after a change of the ratings assigned to the City's or County's long-term, unenhanced general obligation debt, the Fixed Rate on this Bond shall be adjusted, effective as of the date of the ratings downgrade, as follows:

Credit Rating (Moody's/S&P/Fitch) for either the City or the County	Fixed Rate Increment

A1/A+/A+ or higher to A2/A/A	+15bps
A2/A/A to A3/A-/A-	+15bps
A3/A-/A- to Baa1/BBB+/BBB+	+25bps
Baa1/BBB+/BBB+ to Baa2/BBB/BBB	+35bps
Baa2/BBB/BBB to Baa3/BBB-/BBB-	+50bps

In the event all of the ratings are not equivalent, the lowest rating (of either the City or County provided by a rating agency) shall be used for the purpose of determining the applicable level from the above grid. Each Fixed Rate increment increase in the chart above due to a ratings downgrade from one credit rating level to another is cumulative. If one or more of the underlying ratings are withdrawn or suspended for any reason or any rating falls below investment grade (i.e., the last category in the matrix above), this Bond shall bear interest at the Default Rate (as hereinafter defined). References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating systems or a "global" rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

Principal and interest shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Principal and interest shall be paid by wire transfer or by check or draft mailed to the Registered Owner at its address as shown on the registration books of the Secretary of the Authority as Bond Registrar.

In case the date fixed for the payment of principal of or interest on this Bond is not a Business Day (as defined in the hereinafter defined Financing Agreement), then payment of the principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date, and if made on such next succeeding date, additional interest shall accrue for the period after such date of maturity or payment.

This Bond is issued under and pursuant to the Constitution and laws of the Commonwealth of Virginia, particularly Chapter 64, Title 15.2 of the Code of Virginia, as amended and in effect from time to time (the "Act"), and pursuant to a resolution duly adopted by the Board of Directors of the Authority on July 11, 2016. This Bond and the interest on it shall not be deemed to constitute or to create in any manner a debt, liability or obligation of the Commonwealth of Virginia or of any political subdivision or any agency thereof, including the Authority, or a pledge of the faith and credit of the Commonwealth of Virginia or any such political subdivision or any such agency, but shall be limited obligations of the Authority payable solely from the revenues and other funds pledged therefor and shall not be payable from any assets or funds of the Authority other than the revenues and other funds pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision or any agency thereof is pledged to the

payment of the principal of, redemption premium, if any, or the interest on this Bond or other costs incident hereto.

This Bond has been issued in order to refund, together with other available funds, the Authority's $5,595,000 Revenue Refunding Bond (Cane Creek Project), Series 2013, the proceeds of which in turn refunded the Authority's $7,300,000 Variable Rate Revenue Bonds (Cane Creek Project), Series 2005 (the "2005 Bond"), the proceeds of which were used to pay the costs of the development of Cane Creek Centre, including but not limited to land acquisition costs, roads, wetland remediation, lot clearing and other capital expenditures related thereto.

This Bond is issued under and pursuant to a Financing Agreement, dated as of August 1, 2016 (the "Financing Agreement"), between the Authority and Wells Fargo Bank, National Association. Reference is made to the Financing Agreement for the provisions, among others, with respect to the custody and application of the proceeds of the Bond, the collection and disposition of revenues, a description of the funds charged with and pledged to the payment of the principal of and interest on and any other amounts payable under this Bond, the nature and extent of the security, the terms and conditions under which this Bond is issued, the rights, duties and obligations of the Authority and the rights of the Registered Owner of this Bond. By the acceptance of this Bond, the Registered Owner of this Bond assents to all of the provisions of the Financing Agreement. Capitalized terms used in this Bond and not otherwise defined in this Bond have the respective meanings given them in the Financing Agreement.

Prepayment of this Bond prior to its stated maturity is permitted as described in Schedule II attached hereto.

Upon the happening of any Event of Default (a) this Bond shall, at the sole option of the Registered Owner, become immediately due and payable without notice to or demand on the Authority and (b) the Registered Owner shall have the right, immediately and without notice to the Authority or further action by the Registered Owner, to exercise all rights and remedies it has under the Loan Documents, at law or in equity. In addition, on and after the date an Event of Default occurs, this Bond shall accrue interest at a per annum rate equal to the greatest of (i) the Prime Rate plus 4% per annum, (ii) the Federal Funds rate plus 5% per annum or (iii) 10% per annum (the "Default Rate"), as determined by the Calculation Agent.

This Bond is transferable by the Registered Owner hereof or its duly authorized attorney at the office of the Secretary of the Authority as Bond Registrar, in Danville, Virginia, in compliance with the terms and conditions set forth in Financing Agreement and upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form satisfactory to the Bond Registrar, subject to such reasonable regulations as the Authority or the Bond Registrar may prescribe, and upon payment of any tax or other governmental charge incident to such transfer. Upon any such transfer, a new Bond registered in the name of the transferee or transferees in the same aggregate principal amount as the principal amount of this Bond will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Financing Agreement, the person in whose name

this Bond is registered shall be deemed the owner hereof for all purposes, and neither the Authority nor the Bond Registrar shall be affected by any notice to the contrary.

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

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Financing Agreement have happened, exist and have been performed as so required.

THE TRANSFER OF THIS BOND SHALL BE RESTRICTED AS PROVIDED IN THE FINANCING AGREEMENT.

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IN WITNESS WHEREOF, the Danville-Pittsylvania Regional Industrial Facility Authority has caused this Bond to be executed with the manual signature of its Chairman or Vice Chairman and its official seal to be impressed or imprinted hereon and attested by the manual signature of its Secretary or Assistant Secretary, all as of the date shown above.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

By: _____
Vice Chairman

[SEAL]

ATTEST:

_____
Secretary

[SIGNATURE PAGE TO BOND]

SCHEDULE I

SCHEDULE OF PRINCIPAL PAYMENTS

Payment Date	Principal Payment
1/1/2017	$ 365,000
1/1/2018	385,000
1/1/2019	405,000
8/1/2019	2,545,000

As provided in the Bond, interest shall be payable monthly, on the first day of each month.

Schedule II

Upon the occurrence of a Prepayment Event, the Prepayment Fee shall be calculated and paid as follows:

1. The "*Fixed Rate Terms*" are the following:

The "*Aggregate Loan Amount*" for the Bond means $3,700,000.00.

"*Prepayment Fee*" means the amount required to be paid by the Authority in connection with a Prepayment Event described under herein

"*Calculation Agent*" means Wells Fargo Bank, National Association or its affiliates or such other entity designated by the Purchaser.

The Bond shall bear interest at the Fixed Rate. "*Fixed Rate*" means 2.27% per annum. Interest on the Bond shall be payable monthly on the first day of each month September 1, 2016. Interest on the Bond shall be calculated using the Day Count Fraction. "*Day Count Fraction*" is the anticipated basis on which interest at the Fixed Rate is to be computed on the Bond. The Day Count Fraction utilizes twelve 30 day months and a 360 day year.

The "*Authority*" will be the Danville-Pittsylvania Regional Industrial Facility Authority.

The Bond shall mature on August 1, 2019 (the "*Maturity Date*"), subject to annual principal amortization payments as set forth on Schedule I.

"*Reference Rate*" means 0.77%

"*Scheduled Date*" means each date specified on Schedule I hereto in the column labeled Payment Date.

"*Schedule of Principal Amounts*" is the anticipated principal amount of the Bond scheduled to be outstanding on the date the Bond is funded and on the Scheduled Date. The Schedule of Principal Amounts for the Scheduled Dates is specified in Schedule I hereto.

2. As used herein: (1) "*Prepayment Date*" means any date of prepayment other than Scheduled Date and (2) "*Prepayment Event*" mean any prepayment of the Bond other than the Schedule of Principal Amounts.

3. In connection with any Prepayment Event, a Prepayment Fee shall be paid by the Authority if the Prepayment Fee is a positive number. No Prepayment Fee shall be payable for a Prepayment Event if the Prepayment Fee for that Prepayment Event is a negative number. The Prepayment Fee shall be payable on the Prepayment Date. Prepayment Fees will be determined by the Calculation Agent, as follows:

"*Prepayment Fee*" for any Prepayment Event is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Date from the Prepayment Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Date from the Prepayment Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Prepayment Rate, times (C) the Day Count Fraction for such Affected Principal Period, where:

(1) the Calculation Agent computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from their respective Scheduled Date to the Prepayment Date using a series of discount factors corresponding to those Scheduled Dates as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Prepayment Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the "*Affected Principal Amount*" for an Affected Principal Period is the principal amount of the Bond reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Prepayment Date by reference to such Schedule of Principal Amounts before giving effect to any Prepayment Event on that Prepayment Date, and for any Prepayment Event, multiplying each such principal amount times the Reference Rate;

(3) the "*Affected Principal Period*" is each period from and including a Scheduled Date to but excluding the next succeeding Scheduled Date; provided, however, if the Prepayment Date is not a Scheduled Date, the initial Affected Principal Period shall be the period from and including the Prepayment Date to but excluding the next succeeding Scheduled Date and the Affected Principal Amount for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts Outstanding for the Scheduled Date next preceding the Prepayment Date;

(4) "*Prepayment Rate*" means, for any Prepayment Date, and with respect to each quarterly principal amortization payment, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under

the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a quarterly basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Prepayment Date, and mature on, or as close as commercially practicable to, the Maturity Date ;

4. The Calculation Agent shall determine the Prepayment Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent's determination shall be conclusive and binding in the absence of manifest error.

#28735911v5

EXHIBIT B-1
CITY LETTER OF REPRESENTATIONS
August 1, 2016

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

Wells Fargo Bank, National Association
10 South Jefferson Street
Roanoke, Virginia 24011

Ladies and Gentlemen:

The undersigned, on behalf of the **CITY OF DANVILLE** (the "***City***") has requested that the **DANVILLE – PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY** (the "***Authority***") issue $3,700,000 aggregate principal amount of its Revenue Refunding Bond (Cane Creek Project), Series 2016 (the "***2016 Bonds***"). The 2016 Bond will be issued pursuant to a Financing Agreement, dated as of August 1, 2016 (the "***Financing Agreement***"), between the Authority and Wells Fargo Bank, National Association (the "***Bank***"), pursuant to which the Bank will acquire the 2016 Bond. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Financing Agreement.

The 2016 Bond is a limited obligations of the Authority payable from payments made by the City and the County of Pittsylvania, political subdivision of the Commonwealth of Virginia, pursuant to respective Support Agreements dated as of August 1, 2016 (each, a "***Support Agreement***"), between the Authority and, as appropriate, the City and the County.

The defined terms in the Financing Agreement are used herein as used therein and the City acknowledges and accepts all the terms and conditions set forth therein relating to the sale and delivery of the 2016 Bond.

In order to induce the Authority to issue and sell the 2016 Bond and to induce the Bank to purchase the 2016 Bond as contemplated in the Financing Agreement, the City hereby represents, warrants and agrees with you as follows:

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

(b) The City has full power and authority to execute this Letter of Representations and enter into the Support Agreement and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such documents.

(c) The financial statements of the City delivered to the Bank present fairly and accurately the financial position of the City as of the dates specified therein, and the results of its operations and changes in its financial position for the periods specified therein, in conformity with generally accepted accounting principles applied on a consistent basis. Subsequent to June 30, 2015, there has been no material adverse change in the financial position or results of operations of the City.

(d) All information, reports and other papers and data that the City has furnished with respect to itself and to the Cane Creek Centre Project and the 2016 Refunding are complete and correct in all material respects, to the extent necessary to give true and accurate knowledge of the subject matter. No fact is known to the City which, in the City's judgment may have a material adverse effect which has not been set forth in the financial statements previously furnished or in other such information, reports, papers and data or otherwise disclosed in writing. No document furnished or statement made by the City in connection with the negotiation, preparation or execution of the Support Agreement or the issuance of the 2016 Bond contains any untrue statement of a fact material to its creditworthiness or omits to state a material fact necessary in order to make the statements contained therein not misleading.

(e) The execution and delivery of this Letter of Representations, the Support Agreement and all other documents and instruments required to be executed in connection therewith, the consummation of the transactions herein and therein contemplated and compliance by the City with the provisions hereof and thereof will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage or other agreement or instrument to which the City, is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which it is subject.

(f) The City has obtained all consents and approvals of governmental or regulatory authorities that are required to be obtained by the City, as a condition precedent to the execution of all documents required to effectuate the transactions described in this Letter of Representations and the Financing Agreement, provided, however, that no representation is given as to any action required under state securities or blue sky laws in connection with the purchase, sale or distribution of the 2016 Bond.

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

(h) The City will comply with the obligations set forth in the Support Agreement relating to the City, including without limitation the obligations set forth in Section 7.6 thereof relating to expenses.

(i) The City has confidence in the Authority's management with respect to the obligations it undertakes and currently intends to assist the Authority in maintaining the necessary liquidity to discharge its obligations to the Bank in respect of the Support Agreement and the Financing Agreement.

(j) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending of which we have received notice or, to the best of our knowledge, threatened against the City affecting the corporate existence of the City or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of revenues by the City which the City may use to make payments under the Support Agreement or in any way contesting the powers of the City to execute and deliver or to consummate the transactions contemplated in such documents (nor, to the best knowledge of the City, is there any basis therefor).

The City acknowledges that the Bank has requested but is not requiring that the City post, on or after the Closing Date, with the Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board (i) the Authority's bond resolution approving the Loan Documents and (ii) the Financing Agreement. If the City agrees to post the same, the Bank will provide to the City the information in the Authority's bond resolution and the Financing Agreement that the Bank proposes to be redacted and thus not be disclosed. Any failure of the City to post with EMMA the documentation referenced in the first sentence of this paragraph or any failure of the City to redact information from such posting as requested by the Bank shall not in any way constitute a default or violation of this Letter of Representations by the City. The City also acknowledges that the Bank has requested that the City provide copies of the Loan Documents to the rating agencies that rate the City's bond issues.

The agreements and indemnities contained herein shall survive the Closing Date under the Financing Agreement and any investigation made by or on behalf of either of you or any person who controls you (as aforesaid) of any matters described in or related to the transactions contemplated hereby and by Financing Agreement, this Letter of Representations and the Support Agreements.

This Letter of Representations shall be binding upon and inure solely to the benefit of each of you and, to the extent set forth herein, your members, officers, directors, employees and agents, persons controlling either of you, and their respective personal representatives, successors and assigns, and no other person or firm shall acquire or have any rights under or by virtue of this Letter of Representations.

Very truly yours,

CITY OF DANVILLE, VIRGINIA,
a political subdivision of the
Commonwealth of Virginia

By:_____

Name: _____

Title: _____

EXHIBIT B-2
COUNTY LETTER OF REPRESENTATIONS

August 1, 2016

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

Wells Fargo Bank, National Association
10 South Jefferson Street
Roanoke, Virginia 24011

Ladies and Gentlemen:

The undersigned, on behalf of the **COUNTY OF PITTSYLVANIA, VIRGINIA** (the "***County***") has requested that the **DANVILLE – PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY** (the "***Authority***") issue $3,700,000 aggregate principal amount of its Revenue Refunding Bond (Cane Creek Project), Series 2016 (the "***2016 Bonds***"). The 2016 Bonds will be issued pursuant to a Financing Agreement, dated as of August 1, 2016 (the "***Financing Agreement***"), between the Authority and Wells Fargo Bank, National Association (the "***Bank***"), pursuant to which the Bank will acquire the 2016 Bond. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Financing Agreement.

The 2016 Bond is a limited obligation of the Authority payable from payments made by the County and the City of Danville, Virginia, pursuant to respective Support Agreements dated as of August 1, 2016 (each, a "***Support Agreement***"), between the Authority and, as appropriate, the City and the County.

The defined terms in the Financing Agreement are used herein as used therein and the County acknowledges and accepts all the terms and conditions set forth therein relating to the sale and delivery of the 2016 Bond.

In order to induce the Authority to issue and sell the 2016 Bond and the Bank to acquire the 2016 Bond as therein contemplated, the County hereby represents, warrants and agrees with you as follows:

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

(b) The County has full power and authority to execute this Letter of Representations and enter into the Support Agreement and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such documents.

(c) The financial statements of the County delivered to the Bank present fairly and accurately the financial position of the County as of the dates specified therein, and the results of its operations and changes in its financial position for the periods specified therein, in conformity with generally accepted accounting principles applied on a consistent basis. Subsequent to June 30, 2015, there has been no material adverse change in the financial position or results of operations of the County.

(d) The execution and delivery of this Letter of Representations, the Support Agreement and all other documents and instruments required to be executed in connection therewith, the consummation of the transactions herein and therein contemplated and compliance by the County with the provisions hereof and thereof will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage or other agreement or instrument to which the County, is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which it is subject.

(e) All information, reports and other papers and data that the County has furnished with respect to itself and to the 2016 Refunding and the Cane Creek Centre Project are complete and correct in all material respects, to the extent necessary to give true and accurate knowledge of the subject matter. No fact is known to the County which, in the County's judgment may have a material adverse effect which has not been set forth in the financial statements previously furnished or in other such information, reports, papers and data or otherwise disclosed in writing. No document furnished or statement made by the County in connection with the negotiation, preparation or execution of the Support Agreement or the issuance of the 2016 Bond contains any untrue statement of a fact material to its creditworthiness or omits to state a material fact necessary in order to make the statements contained therein not misleading.

(f) The County has obtained all consents and approvals of governmental or regulatory authorities that are required to be obtained by the County, as a condition precedent to the execution of all documents required to effectuate the transactions described in this Letter of Representations and in the Financing Agreement; provided, however, that no representation is given as to any action required under state securities or blue sky laws in connection with the purchase, sale or distribution of the 2016 Bond.

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

(h) The County will comply with the obligations set forth in the Support Agreement relating to the County, including without limitation the obligations set forth in Section 7.6 thereof relating to expenses.

(i) The City has confidence in the Authority's management with respect to the obligations it undertakes and currently intends to assist the Authority in maintaining the necessary liquidity to discharge its obligations to the Bank in respect of the Support Agreement and the Financing Agreement.

(j) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending of which we have received notice or, to the best of our knowledge, threatened against the County affecting the corporate existence of the County or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of revenues by the County which the County may use to make payments under the Support Agreement or in any way contesting the powers of the County to execute and deliver or to consummate the transactions contemplated in such documents (nor, to the best knowledge of the County, is there any basis therefor).

The County acknowledges that the Bank has requested but is not requiring that the County post, on or after the Closing Date, with the Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board (i) the Authority's bond resolution approving the Loan Documents and (ii) the Financing Agreement. If the County agrees to post the same, the Bank will provide to the County the information in the Authority's bond resolution and the Financing Agreement that the Bank proposes to be redacted and thus not be disclosed. Any failure of the County to post with EMMA the documentation referenced in the first sentence of this paragraph or any failure of the County to redact information from such posting as requested by the Bank shall not in any way constitute a default or violation of this Letter of Representations by the County. The County also acknowledges that the Bank has requested that the County provide copies of the Loan Documents to the rating agencies that rate the County's bond issues.

The agreements contained herein shall survive the Closing Date under the Financing Agreement and any investigation made by or on behalf of either of you or any person who controls you (as aforesaid) of any matters described in or related to the transactions contemplated hereby and by the Financing Agreement, this Letter of Representations and the Support Agreements.

This Letter of Representations shall be binding upon and inure solely to the benefit of each of you and, to the extent set forth herein, your members, officers, directors, employees and agents, persons controlling either of you, and their respective personal representatives, successors and assigns, and no other person or firm shall acquire or have any rights under or by virtue of this Letter of Representations.

Very truly yours,

COUNTY OF PITTSYLVANIA, VIRGINIA,
a political subdivision of the
Commonwealth of Virginia

By:_____

Name: _____

Title: _____

#28730565v6

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-C
Meeting Date:	8/8/2016
Subject:	FY2016 General Expenditures Budget
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

At June 30, 2016, the *General Expenditures for Fiscal Year 2016* budget sheet has a remaining budget of only $55,052 in the "Legal" line item. Staff is requesting an increase to the "Legal" budget to cover expenses for the remainder of the fiscal year. Staff proposes transferring $21,000.00 from the "Contingency" budget to the "Legal" budget.

RECOMMENDATION

Staff recommends the Board approve transferring $21,000.00 from the "Contingency" budget to the "Legal" budget.

ATTACHMENTS

General Expenditures for Fiscal Year 2016 budget sheet as of June 30, 2016.

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2016
As of June 30, 2016

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City Contribution	$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2015	85,503.42				
Contingency					
Miscellaneous contingency items		$ 127,003.42	$ 1,118.07	$ -	$ 125,885.35
Total Contingency Budget		127,003.42	1,118.07	-	125,885.35
Legal		80,000.00	24,948.00	-	55,052.00
Accounting		20,300.00	19,700.00	600.00	-
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	3,294.81	-	705.19
Utilities		500.00	349.67	-	150.33
Insurance		3,000.00	2,140.00	-	860.00
Total	$ 235,503.42	$ 235,503.42	$ 52,100.55	$ 600.00	**$ 182,802.87**

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-D
Meeting Date:	8/8/2016
Subject:	Financial Status Reports – July 31, 2016
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through July 31, 2016 will be provided at the meeting. The financial status reports as of July 31, 2016 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of July 31, 2016 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

Table of Contents

A. $7.3 Million Bonds - Cane Creek Centre

B. General Expenditures for FY2016

C. General Expenditures for FY2017

D. Mega Park – Funding Other than Bond Funds

E. Berry Hill Mega Park – Lot 4 Site Development

F. Rent, Interest, and Other Income Realized FY2016

G. Rent, Interest, and Other Income Realized FY2017

H. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of July 31, 2016

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
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	28,554.12	43,326.88	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	59,418.80	-	
CCC - Lots 3 & 9 project - RIFA Local Share [6]		142,190.00	112,464.98	-	
Other expenditures		-	339,846.72	-	
Total	$ 7,578,582.12	$ 4,311,140.12	$ 7,331,508.17	$ 43,326.88	**$ 203,747.07**

notes:

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

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

[3] *Project completed under budget*

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

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

[5] *The budget amount decreased $71,279.61 from the 9/30/2010 reports. This amount represented the remaining budget amount carried from the $1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.*

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

[7] *The $7.3 million bonds were refunded on 8/1/2013 with the issuance of refunding bonds in the amount of $5,595,000.*

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2016
As of July 31, 2016

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City Contribution	$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2015	85,503.42				
Contingency					
Miscellaneous contingency items		$ 106,003.42	$ 1,118.07	$ -	$ 104,885.35
Total Contingency Budget		106,003.42	1,118.07	-	104,885.35
Legal		101,000.00	100,693.70	-	306.30
Accounting		20,300.00	19,700.00	600.00	-
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	3,579.70	-	420.30
Utilities		500.00	380.46	-	119.54
Insurance		3,000.00	2,140.00	-	860.00
Total	$ 235,503.42	$ 235,503.42	$ 128,161.93	$ 600.00	**$ 106,741.49**

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2017

As of July 31, 2016

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City Contribution	$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2016	TBD				
Contingency					
Miscellaneous contingency items		$ 41,500.00		$ -	$ 41,500.00
Total Contingency Budget		41,500.00	-	-	41,500.00
Legal		80,000.00			80,000.00
Accounting		20,300.00		20,300.00	-
Annual Bank Fees		600.00			600.00
Postage & Shipping		100.00			100.00
Meals		4,000.00			4,000.00
Utilities		500.00			500.00
Insurance		3,000.00			3,000.00
Total	$ 150,000.00	$ 150,000.00	$ -	$ 20,300.00	**$ 129,700.00**

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of July 31, 2016

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property [1, 4]	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion [5]	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 [6]	11,854.39				
Land					
Klutz property		$ 8,394,553.50	$ 8,394,553.50	$ -	
Canter property [2]		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis[3]		990,850.00	973,629.29	17,220.71	
Consulting Services - McCallum Sweeney [7]		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project [8]		-	11,203.15	-	
Total	$ 14,231,524.83	$ 14,231,524.83	$ 14,214,304.12	$ 17,220.71	**$ (0.00)**

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

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

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

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

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

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

[7] *Unencumbered the remaining $11,203.15 due to termination of contract.*

[8] *As approved by RIFA Board on 10/16/2014*

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of July 31, 2016

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
Tobacco Commission FY12 Megasite Allocation	$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion [1]	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion [1]	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion [2]	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget[3]	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,637,985.74	1,095,503.24	542,482.50	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	-	12,000.00	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		141,996.00	76,966.39	65,029.61	
Transfers to "General Expenditures Fiscal Year 2015" Contingency [3]					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	-	(12,000.00)	
Total	$ 7,900,356.15	$ 1,729,218.39	$ 1,121,706.28	$ 607,512.11	**$ 6,171,137.76**

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized for Fiscal Year 2016
As of July 31, 2016

Source of Funds			Carryforward from FY2015	Funding Receipts Current Month	Receipts FY2016	Expenditures FY2016	Unexpended / Unencumbered
Carryforward			$ 460,739.60				
Current Lessees	*Park*	*Property*					
Institute for Advanced Learning and Research (IALR) [1]	Cyberpark	Hawkins Research Bldg. at 230 Slayton Ave.		$ -	$221,432.52		
Institute for Advanced Learning and Research (IALR)	Cyberpark	IALR Building at 150 Slayton Ave.		-	-		
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.		-	3,600.00		
Guilford Whitetail Management	Berry Hill	Kluttz Farm off State Rd. 863/U.S. 311		-	5,000.00		
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.		-	1,200.00		
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland		-	1,000.00		
Capital Outdoor, Inc.	Cane Creek	Lot 6		-	1,800.00		
Clodfelter Hunting Lease	Berry Hill	371.13 acres off State Road 863		-	-		
Total Rent				$ -	$234,032.52		
Interest Received [2]				$ 458.42	$ 3,557.83		
Yorktowne Repayment				$ -	$ 76,834.52		
Expenditures							
Hawkins Research Bldg. Property Mgmt. Fee						$ 221,432.52	
Guilford Whitetail Management lease refund						$ 5,000.00	
Totals			$ 460,739.60	$ 458.42	$314,424.87	$ 226,432.52	$ 548,731.95

Restricted [1]	$ 357,391.06
Unrestricted	$ 191,340.89

[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

Rent, Interest, and Other Income Realized for Fiscal Year 2017
As of July 31, 2016

Source of Funds			Carryforward from FY2016	Funding Receipts Current Month	Receipts FY2017	Expenditures FY2017	Unexpended / Unencumbered
Carryforward			$ 548,731.95				
Current Lessees	*Park*	*Property*					
Institute for Advanced Learning and Research (IALR) [1]	Cyberpark	Hawkins Research Bldg. at 230 Slayton Ave.		$ 18,875.83	$ 18,875.83		
Institute for Advanced Learning and Research (IALR)	Cyberpark	IALR Building at 150 Slayton Ave.		-	-		
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.		300.00	300.00		
Guilford Whitetail Management	Berry Hill	Kluttz Farm off State Rd. 863/U.S. 311		-	-		
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.		-	-		
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland		-	-		
Capital Outdoor, Inc.	Cane Creek	Lot 6		-	-		
Clodfelter Hunting Lease	Berry Hill	371.13 acres off State Road 863		-	-		
Total Rent				$ 19,175.83	$ 19,175.83		
Interest Received [2]				$ -	$ -		
Yorktowne Repayment				$ -	$ -		
Expenditures							
Hawkins Research Bldg. Property Mgmt. Fee						$ -	
Guilford Whitetail Management lease refund						$ -	
Totals			$ 548,731.95	$ 19,175.83	$ 19,175.83	$ -	$ 567,907.78

Restricted [1]	$ 376,266.89
Unrestricted	$ 191,640.89

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position [1, 2]
July 31, 2016*

		Unaudited FY 2017
Assets		
Current assets		
Cash - checking	$	1,043,275
Cash - money market		1,146,510
Total current assets		2,189,785
Noncurrent assets		
Restricted cash - project fund CCC bonds		253,574
Restricted cash - debt service fund CCC bonds		921,903
Restricted cash - debt service fund Berry Hill bonds		-
Restricted cash - debt service reserve fund Berry Hill bonds		2,001,929
Capital assets not being depreciated		25,071,362
Capital assets being depreciated, net		25,369,730
Construction in progress		4,051,228
Total noncurrent assets		57,669,726
Total assets		59,859,511
Liabilities		
Current liabilities		
Bonds payable - current portion		808,450
Total current liabilities		808,450
Noncurrent liabilities		
Bonds payable - less current portion		7,250,090
Total noncurrent liabilities		7,250,090
Total liabilities		8,058,540
Net Position		
Net investment in capital assets		46,687,354
Restricted - debt reserves		2,923,832
Unrestricted		2,189,785
Total net position	$	51,800,971

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

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

*Please note these statements are for the period ended July 31, 2016 as of July 27, 2016, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
July 31, 2016*

	Unaudited FY 2017
Operating revenues	
Rental income	22,451
Total operating revenues	22,451
Operating expenses [4]	
Mega Park expenses [3]	230
Cane Creek Centre expenses [3]	-
Cyber Park expenses [3]	-
Professional fees	-
Insurance	2,140
Other operating expenses	-
Total operating expenses	2,370
Operating income (loss)	20,081
Non-operating revenues (expenses)	
Interest income	-
Interest expense	-
Total non-operating expenses, net	-
Net income (loss) before capital contributions	20,081
Capital contributions	
Contribution - City of Danville	75,000
Contribution - Pittsylvania County	75,000
Total capital contributions	150,000
Change in net position	170,081
Net position at July 1, 2016	51,630,890
Net position at July 31, 2016	$ 51,800,971

[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 this statement will change once all FY2016 entries are made and may also change depending on audit adjustments, if any, for FY2016 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*July 31, 2016**

		Unaudited FY 2017
Operating activities		
Receipts from grant reimbursement requests	$	-
Receipts from reimbursement of incentive grants		-
Receipts from leases		19,176
Payments to suppliers for goods and services		(97,199)
Net cash used by operating activities		(78,023)
Capital and related financing activities		
Capital contributions		150,000
Interest paid on bonds		-
Principal repayments on bonds		-
Net cash provided by capital and related financing activities		150,000
Investing activities		
Interest received		-
Net cash provided by investing activities		-
Net increase (decrease) in cash and cash equivalents		71,977
Cash and cash equivalents - beginning of year (including restricted cash)		5,295,214
Cash and cash equivalents - through July 31, 2016 (including restricted cash)	$	5,367,191
Reconciliation of operating loss before capital contributions to net cash used by operating activities:		
Operating income (loss)	$	20,081
Adjustments to reconcile operating loss to net cash used by operating activities:		
Non-cash operating in-kind expenses		-
Changes in assets and liabilities:		
Change in prepaids		2,370
Change in due from other governments		-
Change in other receivables		-
Change in accounts payable		(97,199)
Change in unearned income		(3,275)
Net cash used by operating activities	$	(78,023)

Components of cash and cash equivalents at July 31, 2016:		
American National - Checking	$	1,043,275
American National - General money market		1,146,510
Wells Fargo - $7.3M Bonds CCC Debt service fund		921,903
Wells Fargo - $7.3M Bonds CCC Project fund		253,574
US Bank - $11.25M Bonds Berry Hill Debt service fund		-
US Bank - $11.25M Bonds Berry Hill Debt service reserve fund		2,001,929
	$	5,367,191