

Danville-Pittsylvania Regional Industrial Facility Authority

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

AMENDED

AGENDA

March 8, 2021

12:00 P.M.

**Institute for Advanced Learning and Research
150 Slayton Avenue, Room 207
Danville, Virginia**

County of Pittsylvania Members

**Ronald S. Scarce, Vice Chairman
Robert W. Warren
Vic Ingram, Alternate**

City of Danville Members

**Sherman M. Saunders, Chairman
J. Lee Vogler, Jr.
Dr. Gary P. Miller, Alternate**

Staff

**Ken Larking, City Manager, Danville
David M. Smitherman, Pittsylvania County Administrator
Christian & Barton, LLP, 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 – APPROVAL OF MODIFIED AGENDA

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 FEBRUARY 8, 2021 MEETING

5. NEW BUSINESS

A. Financial Status Reports as of February 28, 2021 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia *[via Conference Line: +1 (646) 558-8656 and Meeting ID: 987 2961 0314]*

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

Danville-Pittsylvania Regional Industrial Facility Authority

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

RETURN TO OPEN SESSION

Reinstatement and Unmuting of Conference Line

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

6F. CONTINUATION OF NEW BUSINESS

- A. Consideration of Resolution No. 2021-03-08-6F, a Resolution authorizing the negotiation, execution and delivery of a Triple Net Short-Term Ground Lease with RealtyLink Investments, LLC, a South Carolina Limited Liability Company, for new lots 3C and 3D (Part of GPINS 2347-46-9915 and 2347-35-9589) in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, under which RealtyLink Investments, LLC, will cause the commencement of construction of intended improvements pursuant to a Sublease with the Ultimate Operator of the leased premises; and this Ground Lease is intended to replace the Contract of Sale between the parties, dated November 21, 2019, as amended. – Matthew D. Rowe, Director of Economic Development, Pittsylvania County and Michael C. Guanzon, Christian & Barton, LLP, legal counsel to the Authority.

7. COMMUNICATIONS FROM

- Authority Board Members
- Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	03/08/2021
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, February 8, 2021 Meeting.

ATTACHMENTS

Meeting Minutes – 02/08/2021

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:05 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 207, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Vice Chairman Ronald S. Searce, Robert W. Warren, and Alternate Vic Ingram.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, City of Danville Director of Economic Development Corrie Bobe, Pittsylvania County Director of Economic Development Matt Rowe, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present was Shawn Harden from Dewberry. *City of Danville Director of Finance/Authority Treasurer Michael Adkins, and City of Danville Accountant Henrietta Weaver, attended the meeting electronically.*

Chairman Sherman M. Saunders presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE JANUARY 11, 2021 MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Searce, Minutes of the January 11, 2021 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2020-02-08-5A, APPROVING A ONE-YEAR RENEWAL OF THE LEASE WITH MOUNTAIN VIEW FARMS OF VIRGINIA, L.C.

Pittsylvania County Director of Economic Development Matt Rowe explained this was an existing lease on the property for many years with Mountain View Farms of Virginia. It was on Lot 10, the cultural site that was not being utilized for development, and the total rental fee was \$1,200. Authority Attorney Michael Guanzon noted because the acreage of the Megasite was so large, having someone on the property provides some surveillance; if something was going on in that area, they would let the Board know. RIFA does have the ability for them to leave with 60 days' notice and RIFA would pro-rate the rent; if the Authority has to show that part of the property, the lease contains a confidentiality agreement. Mr. Harden noted this property was below the rail, between the rail and the river, all flood plain and will never be developed.

Mr. Warren **moved** for adoption of *Resolution No. 2020-02-08-5A, approving a one-year renewal of the Lease with Mountain View Farms of Virginia, L.C., a Virginia Limited Liability Company, as tenant, for that certain real property (being a Portion of GPIN 1356-80-4414) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Southern Virginia Megasite at Berry Hill Project, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

tobacco, at a total rental fee of \$1,200; such renewal also includes a 60-day early termination right and right to show the property to business recruits of the Authority.

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

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

5B. CONSIDERATION OF RESOLUTION NO. 2021-02-08-5B APPROVING THE NEGOTIATION, EXECUTION AND DELIVERY OF A GROUND LEASE WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA

City of Danville Director of Economic Development Corrie Bobe explained the Industrial Development Authority of Danville was able to secure through the City's Southside Allocation, a \$1M grant that will go toward the construction of a 30,000 square foot shell building. The grant was targeted for constructing the shell building within the Cyber Park. This request was to approve the IDA entering into a ground lease with RIFA for a portion of Lot 12C, which was to the right of the site of the Center for Manufacturing Advancement. The IDA will be considering the construction contract for this building tomorrow at their meeting, and staff wanted to make sure they had approval to move forward with any final negotiations of this ground lease. Given the time sensitivity of the grant, staff wanted to make sure that they were moving forward at a rapid pace. Mr. Guanzon noted this would be very similar to the CMA ground lease. Right now that part of the property in the Cyber Park was still subject to the United States EDA Grant; RIFA cannot give away property, they can only lease it at fair market value.

Mr. Vogler **moved** for adoption of *Resolution No. 2021-02-08-5B approving the negotiation, execution and delivery of a Ground Lease with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, for a portion of that certain real property containing approximately 20.20 acres (part of Pin 76441), commonly known as Lot 12C, in the Authority's Cyber Park Project, located in the City of Danville, Virginia, under which the lessee, at its expense, would cause to be installed an approximately 30,000 square feet building and related parking lot and driveway.*

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

Mr. Warren stated the purchase price was only \$1,000 for the ground, what did RIFA do when they did the one with the IDA and the County in Cane Creek. Mr. Rowe explained that was RealtyLink and they sold the property for \$30,000 per acre; with them building the building it would decrease to \$100,000 which RIFA then utilized to pay the brokerage firm, Marks & Millichek for bringing them the client. Mr. Warren stated he didn't have a problem with RIFA building a shell building, but in fairness to RIFA, if the IDA was to sell the building in the future and have a tenant that's paying fair market value, the number that's in here would not truly be fair market value for the property involved. Does RIFA have any options to make it fair to them so they could have some funds coming back to continue to do different things.

Ms. Bobe explained this was based off what RIFA has done in the past; even with the Institute, all of their agreements follow the same protocol and same purchase agreement. They were

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

performance based so the performance measures would be that the City IDA would finance and construct the facility, within a certain period of time, much like RIFA has approved to offer the CMA along those performance metrics that would be the end result.

Mr. Warren noted he thought it was a little different when they were doing the Institute, the other government funding versus an IDA situation, it doesn't matter whether it's the County's or the City's, it's a different area. Was there any possibility or any consideration to anyone else on the board that they start now having the two IDAs work together? What would prohibit them from building this shell building together, both IDAs. They were still partners and if they ever were to sell the property and the building, they were in it together.

Mr. Saunders questioned was that a decision they can make today, and because of what Mr. Warren just said, do they need to table this for more time for discussion, whether to have one or two IDAs. Ms. Bobe noted the grant has an expiration of next January, it was an extended period, and it was an old grant that had not been implemented before.

Mr. Warren **made a Substitute Motion to TABLE** this until Mr. Larking and Mr. Smitherman can have some discussion about the possibilities of the IDAs working together on this project. Mr. Scearce **seconded** the Motion.

Ms. Bobe noted if that was the desire of the Board, they can discuss this moving forward, however construction materials have substantial delays at this point in time, so the further they push back any approval, at least from the IDA board's perspective tomorrow, the chance they wouldn't meet the construction timeline will be greater. In response to Mr. Saunders, Ms. Bobe explained the net gain for the Danville IDA would be that the County IDA would share in the expenses, so less would come out the City coffers. She was concerned more about the timelines and the commitments they have associated with those timelines, and they would have to go back to the Tobacco Commission to make them aware of the additional partner.

Mr. Warren stated he thought it was wonderful that they build a shell building, he just doesn't think 30 days makes that big a difference. He was not going to support personally moving forward today, they were in this together, they decided they were going to be in it together and would like them to try every avenue to be in everything together if possible; this gives them an opportunity to branch out, it controls the debt a little better for the City and they hope it happens that if they have a big wind fall project from this, both IDAs could benefit. Mr. Warren noted he just doesn't see a lot of downside from a financial perspective in them doing this jointly.

Mr. Larking noted it was his understanding the reason the staff moved in the direction they did was that the County was working on a building in the County and staff was working on a building in the City in their respective industrial parks; each had a different approach to doing it. Their goal was to be fair partners when it comes to putting up the risk and doing what was necessary to be a good partner with the County. They were open to working together and would imagine when it comes to attracting a client into the building, what they were hoping to get out of it was to cover the cost of the construction and a little bit of an administrative fee, not a windfall; that was not their expectation. If some sort of windfall happens, that would be interesting, but based on past experience it does not seem like that happens in economic development deals because they were trying to incentivize the project. They were likely only going to get a repayment on the cost, they were going to be taking on the risk of having nobody

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

in there and paying debt service payments. If the County wants to help the City pay debt service payments while they wait for a client, that was fine.

Mr. Vogler noted it sounded like this could be a good thing if they were able to get it figured out relatively soon; was it possible for them to just move forward today with both bodies or does it have to come back a month from now. Mr. Saunders stated, as he understood it, the net difference was sharing in the risk as Mr. Larking just talked about. If that was the case, to Mr. Vogler's question, if no one had a problem with that and they vote to move in that direction, what do they want to do, do they want to carry the motion that was on the table, the motion to table.

Mr. Warren stated he thought they would have to table it because both IDA boards would have to be informed of it, and they were going to have to be on board with this; Mr. Smitherman noted both IDAs meet tomorrow. Mr. Guanzon explained they have the option to just go ahead and approve it with joint participation subject to their agreement.

Mr. Warren **withdrew** his **TABLE** motion, and Mr. Scarce noted his **second**.

Mr. Guanzon noted they can make an amended motion because Mr. Warren has withdrawn his motion; the initial motion was still on the table to approve this. They would say the difference was that the county IDA would be in addition to the City IDA and everything else was the same, pending their approval.

Mr. Vogler **moved** for an **Amended Motion** for Resolution 2021-02-08-5B to include the Pittsylvania County Industrial Development Authority to be a partner, pending their approval at their meetings tomorrow. The Motion was **seconded** by Mr. Warren.

Ms. Bobe thanked the Board for agreeing to take care of this in an expedited time frame and being creative about it; staff was concerned about meeting the deadline based on the availability of and pricing of steel. They anticipate that steel costs would go up again, not too long from now.

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

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

5C. FINANCIAL STATUS REPORTS AS OF JANUARY 31, 2021

Authority Treasurer Michael Adkins gave the Financial Status report as of January 31, 2021 beginning with the Cane Creek Bonds which showed no expenditures for January. General Expenditures for Fiscal Year 2021 show RIFA received \$35,905 from Dominion Energy for legal fees; that will apply as a credit to this. Expenditures included \$1,220 to Sellers Brothers for bush hogging at Cane Creek, \$225 for meals and \$31 for the monthly utility bill. Berry Hill Funding Other than Bonds showed no activity for the month of January. Lot 1 and 2 Development at Berry Hill showed no activity for January. For Water and Sewer infrastructure at Berry Hill, RIFA expended \$243,378 to Haymes Brothers for continued work on Phase 1. Under Rent, Interest and Other Income, RIFA received \$1,200 from Mountain View Farms in

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

anticipation of their lease, \$39 earned in interest, \$10,000 from RealtyLink for the extension of their option, and \$1,057 from Pittsylvania County for their share of the monthly rent for Gefertec. Under Expenditures, \$22,817 to the Institute for the Hawkins' Building Maintenance, \$2,115 to the Institute for the monthly Gefertec rent and \$365,000 to Harlow Fastech for incentives. Dr. Miller questioned the refund for Dominion and Mr. Rowe explained Dominion repaid all of RIFA's legal fees associated with the original agreement; they still have an active option on the property.

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

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and 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 12:28 p.m. Mr. Scarce **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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

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

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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

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

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

Return to Open Session

On **Motion** by Mr. Scarce and **second** by Mr. Vogler and by unanimous vote at 1:25 p.m., the Authority returned to open meeting. (Reinstatement/Unmuting of Conference Line [see Agenda Item 5C above].)

Mr. Scarce **moved** for adoption of the following Resolution:

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

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

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

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

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

Mr. Warren **moved to Amend** the Agenda to add the Appalachian Power Company's relocation of the Ridgeway Corning Glass 69kV transmission line. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

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

6F. RESOLUTION 2021-02-08-6F (ADDED TO AGENDA AT MEETING)

Mr. Warren **moved** for adoption of a *Resolution approving that certain Letter Agreement dated February 4, 2021, with Appalachian Power Company, a Virginia Public Service Corporation, to facilitate the Relocation of a 69 Kv Transmission Line located in the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, under which the Authority will reimburse Preliminary Engineering, Environmental Studies, Right-of-Way Acquisition, and Line Design Costs not to Exceed \$150,000.00, in the event that the Authority*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 8, 2021

elects to cancel the Relocation Project or delays completion of the Relocation beyond the Authority's requested December 31, 2022 Relocation Project Completion Date, subject to certification by the Authority's Treasurer that funds are available for such Purpose.

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

Mr. Guanzon noted there was a Letter of Agreement from Appalachian Power Company dated February 4, 2021 to follow up on the relocation of that line. Originally, the RIFA Board had authorized the estimated cost of moving such line at \$4.5M pending the financing. The Appalachian Power Company was willing to begin work on the relocation so long as the Authority authorized a limit of \$150,000, and the requested motion would also say that RIFA allocated the \$150,000 amount to the budget so long as it was available, even though the actual out of pocket cost would not be pulled out unless the relocation or the further development of the Megasite would cease.

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

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

7. COMMUNICATIONS

Board Members thanked staff for all the work they do.

Meeting adjourned at 1:31 p.m.

APPROVED:

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	March 8, 2021
Subject:	Financial Status Reports – February 28, 2021
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through February 28, 2021 will be provided at the meeting. The financial status reports as of February 28, 2021 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of February 28, 2021 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2021
- C. SVM at Berry Hill – Funding Other than Bond Funds
- D. SVM at Berry Hill – Lots 1 & 2 Site Development
- E. SVM at Berry Hill – Water & Sewer
- F. Rent, Interest, and Other Income Realized
- G. Monthly Checks
- 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 February 28, 2021

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
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}		76,986.46	50,001.62	26,984.84	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	247,837.83	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	347,194.30	-	
Total	\$ 7,578,582.12	\$ 4,316,245.58	\$ 7,548,722.28	\$ 26,984.84	<u><u>\$ 2,875.00</u></u>

Notes:

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

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

³ Project completed under budget

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

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

⁵ The budget amount decreased \$71,279.61 from the 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 2021

As of February 28, 2021

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 25,000.00				
County Contribution	25,000.00				
Carryforward from FY2020	(50,019.37)				
Transfer from Unrestricted Fund Balance	200,000.00				
Reimbursement from Dominion Energy	35,905.00				
Contingency					
Miscellaneous contingency items		\$ 45,905.00	\$ 3,620.05	\$ -	\$ 42,284.95
Total Contingency Budget		45,905.00	3,620.05	-	42,284.95
Legal		160,080.63	60,384.50	-	99,696.13
Accounting		22,400.00	22,400.00	-	-
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	1,726.76	-	2,273.24
Utilities		400.00	184.20	-	215.80
Insurance		3,000.00	2,353.00	-	647.00
Total		<u>\$ 235,885.63</u>	<u>\$ 90,668.51</u>	<u>\$ -</u>	<u>\$ 145,217.12</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of February 28, 2021

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ^{1,4}	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Comm. FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
TIC #2264 - Phase II Land and Engineering	3,700,000.00				
VA Economic Development Partnership MEI Grant Funds	577,503.14				
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	-	
401 Buford Road		246,082.96	246,082.96	-	
Off State Road 1055		181,890.19	181,890.19	-	
604 Buford Road		361,896.60	361,896.60	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	987,879.29	2,970.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Dewberry Engineers (related to #2264)		160,500.00	160,500.00	-	
Dewberry Engineers		405,090.00	388,915.00	16,175.00	
Appalachian Power Company		1,655,000.00	678,500.00	976,500.00	
Banister Bend Farm, LLC		199,064.00	199,064.00	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 18,509,027.97	\$ 17,441,048.58	\$ 16,445,402.87	\$ 995,645.71	\$ 1,067,979.39

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

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

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

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

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

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

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

⁸ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Lots 1&2 Site Development

As of February 28, 2021

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
<i>TIC #3358 Site Improvements</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
<i>Expenditures</i>					
Dewberry Engineers Inc.		379,300.00	115,800.00	263,500.00	
<i>Total</i>	\$ 2,624,800.00	\$ 379,300.00	\$ 115,800.00	\$ 263,500.00	<u>\$ 2,245,500.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of February 28, 2021

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #2641 Phase I Sanitary Sewer					
Tobacco Commission Grant 2641	\$ 4,840,977.86				
Local Match for Contractual Services	274,926.43				
Local Match for Property & Imp.	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Imp.	224,160.00				
City of Danville Utilities	3,839,130.76				
Expenditures					
Dewberry Engineers Inc.		1,019,764.99	736,939.99	282,825.00	
Haymes Brothers, Inc. - Phase I Sanitary Sewer		5,092,668.30	5,092,668.30	-	
Haymes Brothers, Inc. - Phase I Sanitary Sewer (City)		3,225,090.76	1,921,004.01	1,304,086.75	
C.W. Cauley & Son - Phase 1 Water		1,843,540.00	950,565.25	892,974.75	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		7,900.00	7,900.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Danville Register & Bee		600.00	600.00	-	
Total	\$ 11,683,722.05	\$ 11,218,635.05	\$ 8,738,748.55	\$ 2,479,886.50	\$ <u>465,087.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized for Fiscal Year 2021

As of February 28, 2021

<i>Source of Funds</i>	<u>Funding</u>		<u>Expenditures</u> <u>FY2021</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2020</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>		
<i>Carryforward</i>	\$ 1,034,570.10			
<i>Current Lessees</i>				
Institute for Advanced Learning and Research (IALR) ¹		\$ 22,817.05	\$ 194,984.61	
Mountain View Farms of Virginia, L.C.		-	1,200.00	
<i>Total Rent</i>		\$ 22,817.05	\$ 196,184.61	
<i>Interest Received</i> ²		\$ 38.75	\$ 433.63	
<i>Miscellaneous Income</i>		\$ 1,057.00	\$ 768,785.60	
<i>Expenditures</i>				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 172,167.56	
Hawkins Research Bldg. Repairs & Maintenance			\$ 868.36	
Transfer to General Expenditures budget			\$ 200,000.00	
Disbursements for Gerfertec incentives			\$ 16,917.36	
Disbursements for Harlow Fastech incentives			\$ 365,000.00	
<i>Totals</i>	\$ 1,034,570.10	\$ 23,912.80	\$ 965,403.84	\$ 754,953.28
				\$ 1,245,020.66

Restricted ¹	\$ 335,643.75
Unrestricted	\$ 12,376.91
Committed	\$ 897,000.00

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 Ind. Facility Authority
Check Detail
February 2021

<u>Check Number</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Paid Amount</u>
2394	02/08/2021	Haymes Brothers, Inc	64,168.13
2395	02/08/2021	Haymes Brothers, Inc	394,263.48
2396	02/08/2021	IALR	22,817.05
2397	02/08/2021	IALR	2,114.67
2398	02/08/2021	IALR	241.07

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position ^{1, 2}
February 28, 2021*

	Unaudited FY 2021
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,669,297
Cash - money market	456,383
<i>Total current assets</i>	2,125,680
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	36,360
Restricted cash - debt service fund CCC bonds	468,279
Capital assets not being depreciated	24,560,850
Capital assets being depreciated, net	22,136,588
Construction in progress	19,115,392
<i>Total noncurrent assets</i>	66,317,469
Total assets	68,443,149
Liabilities	
<i>Current liabilities</i>	
Unearned income	600
Economic development payable - current portion	147,000
Bonds payable - current portion	445,000
<i>Total current liabilities</i>	592,600
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	1,675,000
<i>Total noncurrent liabilities</i>	1,675,000
Total liabilities	2,267,600
Net Position	
Net investment in capital assets	63,729,190
Restricted - debt reserves	468,279
Unrestricted	1,978,080
Total net position	\$ 66,175,549

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
February 28, 2021*

	Unaudited FY 2021
Operating revenues	
Virginia Tobacco Commission Grants	349,339
Rental income	199,060
Other Income	366,992
Total operating revenues	915,391
Operating expenses⁴	
Mega Park expenses ³	2,372,152
Cane Creek Centre expenses ³	50,624
Cyber Park expenses ³	215,991
Professional fees	50,432
Other operating expenses	7,285
Total operating expenses	2,696,484
Operating income (loss)	(1,781,093)
Non-operating revenues (expenses)	
Interest income	434
Total non-operating expenses, net	434
Net income (loss) before capital contributions	(1,780,659)
Capital contributions	
Contribution - City of Danville	2,102,677
Contribution - Pittsylvania County	286,836
Total capital contributions	2,389,513
Change in net position	608,854
Net position at July 1, 2020	65,566,695
Net position at February 28, 2021	\$ 66,175,549

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
February 28, 2021*

	Unaudited FY 2021
Operating activities	
Receipts from grant reimbursement requests	\$ 1,620,691
Receipts from leases	196,185
Other receipts	795,905
Payments to suppliers for goods and services	(4,235,649)
Net cash used by operating activities	(1,622,868)
Capital and related financing activities	
Capital contributions	2,389,513
Interest paid on bonds	(37,496)
Net cash provided by capital and related financing activities	2,352,017
Investing activities	
Interest received	434
Net cash provided by investing activities	434
Net increase (decrease) in cash and cash equivalents	729,583
Cash and cash equivalents - beginning of year (including restricted cash)	1,900,736
Cash and cash equivalents - through February 28, 2021 (including restricted cash)	\$ 2,630,319
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (1,781,093)
Changes in assets and liabilities:	
Change in other receivables	1,700,265
Change in accounts payable	(1,186,821)
Change in unearned income	(355,219)
Net cash used by operating activities	\$ (1,622,868)

Components of cash and cash equivalents at February 28, 2021:	
American National - Checking	\$ 1,669,297
American National - General money market	456,383
Wells Fargo - \$7.3M Bonds CCC Debt service fund	468,279
Wells Fargo - \$7.3M Bonds CCC Project fund	36,360
	\$ 2,630,319

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 6ABCDE

Meeting Date: 03/08/2021

Subject: Closed Session

From: Chairman

- 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; and

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

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

RETURN TO OPEN SESSION

Reinstatement/Unmuting of Conference Line.

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

E. Motion to Certify Closed Meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 6F
Meeting Date:	03/08/2021
Subject:	Resolution 2021-03-08-6F
From:	Matthew Rowe, Pittsylvania County Director of Economic Development, and Michael C. Guanzon, Esq., Legal Counsel to the Authority

SUMMARY

The Board will be asked to consider Resolution 2021-03-08-6F, Authorizing the Negotiation, Execution and Delivery of a Triple Net Short-Term Ground Lease with Realtylink Investments, LLC.

ATTACHMENTS

Resolution
Lease

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A TRIPLE NET SHORT-TERM GROUND LEASE WITH REALTYLINK INVESTMENTS, LLC, A SOUTH CAROLINA LIMITED LIABILITY COMPANY, FOR NEW LOTS 3C AND 3D (PART OF GPINS 2347-46-9915 AND 2347-35-9589) IN THE AUTHORITY'S CANE CREEK CENTRE PROJECT LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, UNDER WHICH REALTYLINK INVESTMENTS, LLC, WILL CAUSE THE COMMENCEMENT OF CONSTRUCTION OF INTENDED IMPROVEMENTS PURSUANT TO A SUBLEASE WITH THE ULTIMATE OPERATOR OF THE LEASED PREMISES; AND THIS GROUND LEASE IS INTENDED TO REPLACE THE CONTRACT OF SALE BETWEEN THE PARTIES, DATED NOVEMBER 21, 2019, AS AMENDED

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

WHEREAS, pursuant to Resolution Nos. 2019-09-09-5E, 2019-11-12-5A, 2019-12-09-5B, and 2020-12-14-7A, the Authority authorized the negotiation, execution and delivery, and subsequently ratified and amended that certain contract of sale (the "**CoS**") with RealtyLink Investments, LLC, a South Carolina limited liability company ("**RealtyLink**") for New Lots 3C and 3D (part of GPINs 2347-46-9915 and 2347-35-9589; formerly known as Lots 3A and 3B), containing approximately 23.156 acres and 18.860 acres, respectively (the "**Property**"), in the Authority's Cane Creek Centre project ("**Cane Creek**"), located in the Pittsylvania County, Virginia; and

WHEREAS, under the CoS, RealtyLink is obligated to close on the purchase of the Property; however, due to a request by the ultimate operator and lessee of the Property (with whom the Authority has entered into a Local Performance Agreement) (the "**Ultimate Operator**") to have certain site work and improvement construction begun in advance of RealtyLink's ownership of the Property, RealtyLink now desires to forgo the immediate purchase of the Property, to terminate the CoS, and instead to enter into a short-term triple net ground lease for the Property with an option to purchase (the "**Ground Lease**"); and

WHEREAS, the Authority desires to enter into the Ground Lease, substantially in the form set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, under the following minimum business terms:

- (i) the term of the Ground Lease would be for ninety (90) days, with an option to extend the term to July 31, 2021, upon payment of a Ten Thousand and 00/100 Dollars (\$10,000.00) non-refundable extension fee; and
- (ii) RealtyLink would pay Ten Thousand Five Hundred and 00/100 Dollars (\$10,500.00) as non-refundable base rent for the initial term of the Ground Lease; and

Resolution No. 2021-03-08-6F

- (iii) the Ground Lease would be a triple net ground lease, and RealtyLink would be responsible for all taxes related to the Property during the term and any extension period, which would have come due if RealtyLink owned the Property, maintenance and insurance; and
- (iv) RealtyLink would cause certain site work and other improvements on the Property pursuant to a sublease agreement with the Ultimate Operator; and
- (v) RealtyLink would have the option to purchase the Property for a price of One Hundred Fourteen Thousand Five Hundred and 00/100 Dollars (\$114,500.00) so long as RealtyLink is not then in default under the Ground Lease; and
- (vi) RealtyLink would be responsible for certain remediation work on the Property should RealtyLink not exercise such option to purchase the Property;

and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, and in furtherance of the development of the Authority's Cane Creek Centre Industrial Park project, for the Authority to approve, to negotiate, to execute and to deliver the Ground Lease, as applicable, as a functional replacement of the CoS, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of the Ground Lease, substantially in the form of **Exhibit A**, and as described in this Resolution, together with such amendments, deletions or additions thereto as may be approved by the Chairman or the Vice Chairman of the Authority, and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the Ground Lease, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Ground Lease, and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

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

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Ground Lease and the matters contemplated therein or related thereto on or before the date of this Resolution is adopted.

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on March 8, 2021, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of March 2021.

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

(SEAL)

Exhibit A

(Ground Lease)

EXHIBIT A TO RESOLUTION

GROUND LEASE

THIS GROUND LEASE (“Lease”) made and entered into this ____ day of _____, 2021 (the “Effective Date”), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as “Landlord” and **VA DANVILLE GREENLIGHT, LLC**, a South Carolina limited liability company, hereinafter referred to as “Tenant”.

WITNESSETH

WHEREAS, Landlord owns certain lots, pieces or parcels of land, together with all rights easements and appurtenances pertaining thereto, situate in Pittsylvania County, Virginia, more commonly known as New Lot 3C and New Lot 3D in Seller's Cane Creek Centre Industrial Park, to contain approximately 23.156 acres and 18.860 acres (hereinafter “Leased Premises”) and further described and as depicted on the site plan attached hereto as **Exhibit A** and specifically incorporated herein by reference.

WHEREAS, Tenant intends to enter into a lease (“Sublease”) with [_____] (“Subtenant”) for Lot 3C, and in conjunction therewith develop certain improvements on a portion of the Leased Premises.

WHEREAS, Tenant desires to secure a short term leasehold interest in the Leased Premises for the purposes of commencing construction of its intended improvements pursuant to the terms of the Sublease, as more particularly described herein.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter mentioned to be kept and performed by Tenant, Landlord does hereby sublet, lease and demise the Leased Premises unto Tenant, for the period of time and upon the terms and conditions hereinafter set out.

1. Term

The initial term of the Lease shall be ninety (90) days from the Effective Date. Tenant shall have the option to extend this Lease to expire on July 31, 2021, upon at least ten (10) days prior written notice and the payment of a non-refundable extension fee of \$10,000.00.

2. Delivery of Possession

Landlord shall put Tenant into exclusive physical possession of the Leased Premises upon the Effective Date, "AS IS", "WHERE IS", and "WITH ALL FAULTS".

3. Rent; Reimbursement

Upon the execution of this Lease, Tenant agrees to remit to Landlord, as nonrefundable base rent, the sum of \$10,500.00 for the initial term and any extension thereof.

4. Use

Tenant shall have the right to use the Leased Premises for any lawful purpose, and no use shall be made thereof which shall be unlawful, improper or contrary to any law of the Commonwealth of Virginia, or any easement, covenant, or restriction of record affecting the Leased Premises.

5. Taxes

Tenant hereby binds itself to pay all taxes related to Tenant's use of the Leased Premises which may be levied and assessed by any governmental authority upon the surface of the Leased Premises or any improvements placed by Tenant thereon, throughout the initial term of this Lease or any renewal thereof and shall provide evidence of same to Landlord. In the event that such taxes are not charged on any portion of the Leased Premises or any of the improvements at one hundred percent (100%) because of Landlord's status as a political subdivision or otherwise, Tenant shall pay to Landlord, as additional rent, a sum equal to all real estate taxes which would have come due, had Tenant, instead of Landlord, owned the Leased Premises and any building or improvements thereon, less the amount of real estate taxes charged and payable by Tenant. Moreover, in the event such taxes (or additional rent as the case may be) cover periods outside of the term of this Lease, such taxes (or additional rent as the case may be) shall be adjusted pro rata.

6. Triple Net Lease

It is the intent of the parties hereto that this Lease be a triple net Lease with Tenant being responsible for all taxes, utilities, insurance and maintenance on or relating to the Leased Premises including any real property taxes or assessments.

7. Indemnification

Tenant binds itself to indemnify and save harmless Landlord from any loss arising out of any claim of any third party for injury or damage suffered or sustained upon the Leased Premises as a result of the

use or occupancy of the Leased Premises by Tenant or Subtenant, its contractors, employees, agents, customers, licensees and invitees during the term of this Lease.

8. Insurance

Tenant agrees that at all times during the term of this Lease, it or its sub-Tenants will maintain a policy or policies of general commercial liability insurance on the Leased Premises in a minimum amount of \$3,000,000.00 naming Landlord as an additional insured and shall provide evidence of same to Landlord. Tenant shall also insure, or cause to be insured, any improvements built on the Leased Premises, which policy shall also include the Landlord as a loss payee. Tenant shall also provide Landlord with evidence of payment of all such insurance premiums upon request.

9. Rights to Site Work and Improvements

Tenant shall conduct certain site work and other improvements (collectively, the “Improvements”) on the Leased Premises as set forth on Schedule 9, attached hereto and incorporated herein by this reference. Title and ownership to the Improvements shall be vested in Tenant (including any subsequent or further improvements, modifications and additions to same). Landlord shall have no right to encumber all or any portion of the Improvements from time to time located on the Leased Premises. It is understood and agreed that any and all permanent improvements to the real estate are to become the property of Landlord upon termination of this Lease, unless Tenant purchases the Leased Premises as set forth in Section 26 below. Notwithstanding the immediately preceding sentence, Landlord covenants and agrees that during the continuance of this Lease, Landlord shall not, without Tenant's express written consent, make any alterations or additions to the Leased Premises, or the improvements constructed thereon. Tenant shall not permit any mechanics' or other liens to stand against the Leased Premises for work or material furnished to Tenant. After possession of the Leased Premises from Landlord is delivered to Tenant, Tenant is authorized to demolish all existing buildings, structures and improvements now located on the Leased Premises, to remove, raze and destroy such trees, plants, shrubs and top soil as Tenant deems necessary or appropriate, and to excavate and remove earth from the Leased Premises in such quantities necessary or appropriate to complete the construction of the Improvements.

Landlord and Tenant acknowledge that funds relating to the performance of the Improvements are being held by Stewart Title Guaranty Company (“Escrow Agent”) pursuant to the terms of that certain Construction Escrow and Disbursement Agreement entered into by and among Escrow Agent, Tenant, and Subtenant (“Escrow Agreement”). Prior to the execution of this Lease, Tenant shall obtain the consent of Landlord to the terms and conditions of the Escrow Agreement, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant shall cause Escrow Agent to provide information to Landlord

regarding the Escrow Agreement and the status of the funds held thereunder. There shall be no obligation by Tenant or Subtenant to provide any additional funds or pay any additional costs outside of the funds held for the Improvements by Escrow Agent under the Escrow Agreement. This provision shall survive expiration of the Lease.

10. [LEFT INTENTIONALLY BLANK.]

11. Condemnation

A. In the event the entire Leased Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Tenant shall thereupon be released from any liability thereafter accruing hereunder. Tenant shall be entitled to participation in the condemnation proceeds in accordance with Paragraph C of this section.

B. In the event of a partial taking of the Leased Premises, other than referred to in Paragraph A above, which renders the Leased Premises unsuitable for Tenant's continued use thereof, then and in that event, Tenant shall have the right to terminate this Lease by giving to Landlord at least thirty (30) days notice after the nature and extent of the taking has been finally determined. Or, if such partial taking does not render the Leased Premises unsuitable for its purposes, Tenant may elect to continue the Lease. In the event of such partial taking, Tenant shall be entitled to participate in the condemnation proceeds in accordance with Paragraph C of this section.

C. In the event of the condemnation of this Lease by reason of total or partial taking of the Leased Premises by eminent domain, then in any such condemnation proceedings, Landlord and Tenant shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result thereof.

12. Forfeiture

If Tenant shall be in default in the performance of any of the covenants, terms and provisions of this Lease and the Tenant shall fail to remedy such default, or is not taking reasonable and appropriate steps to remedy such, within thirty (30) days after written notice thereof from Landlord, Landlord may, at its option, elect to cancel this Lease and retake possession of the Leased Premises.

13. Attorney Fees and Expenses

In the event either party shall be required to engage legal counsel for the enforcement of any of the terms of this Lease, whether such employment shall require institution of suit or other legal services

required to secure compliance on the part of the defaulting party, the defaulting party shall be responsible for and shall promptly pay to the non-defaulting party all reasonable attorney fees and expenses incurred as a result of such default. In consideration for the mutual termination of the Existing Agreement (as hereafter defined) and the execution of this Lease, Tenant shall pay for the reasonable attorneys' fees of Landlord in negotiating and drafting this Lease.

14. Rental Payments

The rent to be paid pursuant to this Lease shall be paid as may be designated in writing by Landlord from time to time. Landlord may designate in writing an agent for all purposes connected with this Lease for and on behalf of such Landlord.

15. Notices

Notices required to be given hereunder shall be given in writing by certified mail or private courier service (e.g., Federal Express, UPS, DHL Express, etc.) which provides evidence of receipt as part of its service.

Such notices when given to Tenant shall be addressed to:

VA Danville Greenlight, LLC
Attention: Maude B. Davis
201 Riverplace, Suite 400
Greenville, SC 29601
Telephone: (864) 263-5422
Facsimile: (864) 232-0160
Email: mdavis@realtylinkdev.com

With copy to: Oliver Perdomo
Email: operdomo@realtylinkdev.com

With copy to: Graybill, Lansche & Vinzani, LLC
Attention: Brett Budlong
225 Seven Farms Drive, Suite 207
Charleston, SC 29492
Telephone: (843) 628-3737
Facsimile: (803) 404-5701
Email: bbudlong@glvlawfirm.com

Such notices when given to Landlord shall be addressed to:

Danville-Pittsylvania Regional Industrial
Facility Authority
Attn: Susan M. DeMasi, Authority, Secretary
427 Patton Street
Danville, VA 24541
Telephone: (434) 797-8928

Email: demassm@danvilleva.gov

With a copy to:

Christian & Barton, LLP
Attn: Michael C. Guanzon
909 East Main Street, Suite 1200
Richmond, VA 23219
Telephone: (804) 697-4133
Email: mguanzon@cblaw.com

Either party may by written notice to the other party change the address to which notices directed to such party shall be sent. A notice given under this Lease shall be deemed given on the date of deposit to the U.S. Postal Service or a courier service properly addressed with all charges prepaid, as appropriate. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request, or other communication. Copies hereunder are provided as a matter of courtesy and shall not constitute notice themselves.

Landlord agrees to give any Leasehold mortgagee of Tenant a copy of any default notice served on Tenant provided that Landlord has received prior written notice from said mortgagee of its identity and address. Such copy shall be sent in the manner set forth for notices in this Section.

16. Warranties of Title, Quiet Possession and Adverse Title Opinion

Landlord covenants that:

A. Except as noted above:

1. The Landlord is lawfully seized of the Leased Premises;
2. The Landlord has the full right and power to enter into this Lease with respect to the Leased Premises.

B. The Tenant, upon payment of the rent herein reserved and upon the performance of all the terms of this Lease, shall at all times during the Lease term and during and extension or renewal terms, peaceably and quietly enjoy the Leased Premises without any disturbance from the Landlord or any other person claiming through Landlord.

17. Heirs, Successors and Assigns

The terms and conditions contained herein shall apply to and bind the heirs, personal representatives, successors, and assigns of the parties hereto.

18. Waiver

Failure of either party to insist upon strict performance by the other of any term, condition or covenant to be performed pursuant to the terms of this Lease, or the exercise any option, right, power or remedy of either party contained in this Lease, shall not be deemed or construed as a waiver of such performance or relinquishment of such right now or subsequent hereto.

19. Headings

The headings to the various sections of this Lease have been inserted for purposes of reference only and shall not limit or define the express terms and provisions of this Lease.

20. Applicable Law

This Lease shall be construed under and enforced in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Lease, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Lease shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Lease.

21. Amendment or Modification

Tenant acknowledges and agrees that Landlord has not relied upon any statements, representations, agreements or warranties, except as expressed herein, that this Lease contains the entire agreement of the parties as to the subject matter hereof, and no amendment or modification of this Lease shall be valid or binding unless expressed in writing, and executed by the parties hereto in writing, in the same manner as the execution of this Lease.

22. Estoppel Certificate

Landlord and Tenant agree to execute and deliver to the other within thirty (30) days after receipt of such request, an estoppel certificate in form and substance acceptable to the party issuing such certificate, which certificate may include information as to any modification of this Lease, dates of commencement of

term and the termination date of this Lease, and to the best of Landlord's or Tenant's knowledge, whether or not Landlord or Tenant is in default of this Lease.

23. Memorandum of Lease

The parties shall be execute and acknowledge a memorandum of this Lease in form and content reasonably satisfactory to their respective counsel complying with the statutory requirements for recordation thereof. The memorandum shall be recorded at the time possession of the Leased Premises is delivered to Tenant and at the sole expense of Tenant.

24. Consent and Non-Disturbance

Upon request of Tenant, Landlord agrees to execute an instrument entitled "Consent and Non-Disturbance Agreement," substantially in the form attached hereto as **Schedule 24** (the "CNDA"), with Subtenant subleasing a portion of the Leased Premises. In the event of a conflict between the terms of this Lease and any executed CNDA, the terms of the CNDA shall control (provided the CNDA is in substantially the same form as **Schedule 24**).

25. Release of Existing Claims.

Concurrent with the execution of this Lease, Landlord and Tenant have terminated that certain Contract of Sale dated November 21, 2019 (as amended, the "Existing Agreement") relating to the Leased Premises, and Tenant shall cause all deposits held under the Existing Agreement to be paid to Landlord as base rent described in Section 3 above. In conjunction therewith, Landlord and Tenant hereby acknowledge and agree to mutually release any and all claims that have arisen, or may arise, against one another relating to the Existing Agreement.

26. Option to Purchase.

Landlord hereby grants to Tenant the right to purchase the entirety of the Leased Premises ("Option") for a price of ONE HUNDRED FOURTEEN THOUSAND FIVE HUNDRED and 00/100 DOLLARS (\$114,500.00) (the "Purchase Price"), so long as Tenant is not then in default of this Lease, and subject to prorations and adjustments as set forth herein, payable by Tenant to Landlord at the closing of the purchase and sale of the Leased Premises (the "Closing"). The Purchase Price shall be payable by immediately available funds at Closing. Commencing on the Effective Date and expiring on the last day of the Lease term, Tenant must submit its notice of its exercise of the Option no less than ten (10) days prior to any proposed closing on the Leased Premises, and the terms governing such transaction and all closing documents related thereto shall be consistent with the terms attached hereto as Schedule 26, incorporated

herein by this reference. Either party may record a memorandum reflecting the Option in the real estate records, at such recording party's sole cost and expense. The sale of the Leased Premises shall include the sale of any tangible personal property of Landlord located on the Property, which shall be conveyed at Closing (as hereafter defined), "AS IS", "WHERE IS", and "WITH ALL FAULTS".

So long as Tenant is not then in default of this Lease, Tenant may assign this Option to an Affiliate (as hereafter defined) of Subtenant. For the purposes herein, an "Affiliate" shall mean any firm or entity which is owned by Subtenant or owned or controlled by any entity which owns or controls Subtenant. For the purposes herein, an entity shall be deemed to own or control another entity if it owns more than fifty percent (50%) of the beneficial interest therein, or can direct one or more actions by the entity or is required to consent to one or more actions by such entity.

In the event the Option is not exercised, then, Tenant agrees that it shall perform (or cause to be performed) certain remedial work on the Leased Premises with respect to the construction activities, as such remedial work and timeline shall be agreed upon by Landlord and Tenant (the "Remediation Work"). Landlord and Tenant acknowledge that funds relating to the performance of the Remediation Work are being held by Escrow Agent for that purpose pursuant to the Escrow Agreement. Landlord and Tenant shall work together in good faith with respect to timely completion of the Remediation Work and coordination under the Escrow Agreement, provided Landlord acknowledges and agrees that to the extent Landlord requires the Remediation Work, there shall be no obligation by Tenant or Subtenant to provide any additional funds or pay any additional costs outside of the funds held for such Remediation Work by Escrow Agent under the Escrow Agreement. This provision shall survive expiration of the Lease.

27. Time Periods.

In the event that any period or term of time as described in this Lease, including but not limited to any cure period or notice period, ends on a holiday recognized by the Commonwealth of Virginia where nonessential state offices are closed or on a Saturday or Sunday, then such period or term shall be extended to the next regular business day following such holiday or weekend day.

28. Counterparts.

This Lease may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. A facsimile or scanned copy (*.pdf) signature to this Lease shall have the same effect as an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Ground Lease to be executed as of the date first written above.

TENANT:

VA DANVILLE GREENLIGHT, LLC, a South Carolina limited liability company

By: _____

Name: _____

Its: _____

Date: _____

LANDLORD:

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

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PREMISES

LOTS 3C and 3D, as shown on that certain Plat Showing Consolidation and Subdivision of New Lots 3C, 3D and 3E Cane Creek Centre for: Danville-Pittsylvania Regional Industrial Facility Authority dated May 29, 2020, made by Dewberry Engineers Inc., File V3290B, and recorded as Instrument 20-02743 in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, in Map Sheet 45, Slide 18F.

SCHEDULE 9
Site Work and Improvements

SCHEDULE 26

PURCHASE TERMS

[FOR PURPOSES OF THIS SCHEDULE 26 THE TERMS: (i) "SELLER" SHALL MEAN LANDLORD, (ii) "PURCHASER" SHALL MEAN TENANT; and (iii) "CONTRACT" OR "AGREEMENT" SHALL MEAN THIS SCHEDULE 26. ANY OTHER CAPITALIZED TERMS SHALL HAVE THE MEANING ASCRIBED IN THE LEASE, AND TO THE EXTENT NOT DEFINED THEREIN THEN THE MEANING ASCRIBED IN THE EXISTING AGREEMENT]

Section 2.1. Payment of Purchase Price. The purchase price of the Property is **ONE HUNDRED FOURTEEN THOUSAND FIVE HUNDRED and 00/100 DOLLARS** (\$114,500.00) (the "**Purchase Price**"), subject to prorations and adjustments as set forth herein, payable by Purchaser to Seller at the closing of the transactions contemplated hereunder (the "**Closing**"). The Purchase Price shall be payable by immediately available funds at Closing.

ARTICLE IV

Conditions to the Parties' Obligations

Section 4.1. In General. If any one or more of the conditions to a party's obligations listed in this Article are not satisfied within the period of time specified, such party may (i) waive the condition and proceed to the Closing, subject to any other conditions which may be required to be satisfied thereafter, (ii) terminate this Contract by written notice to the other party, or (iii) if the condition relates to the failure of the other party to perform its obligations hereunder, pursue its legal rights and remedies available on account of such nonperformance. If a party terminates this Contract, neither party thereafter shall have any further liability hereunder except as otherwise provided in this Contract. Unless the parties otherwise agree in writing, the satisfaction or waiver of a condition to a party's obligations shall not affect the liability of the other party with respect to any of its representations or warranties relating to the same subject matter.

Section 4.2. Conditions to Purchaser's Obligations. Purchaser's obligation to proceed to Closing under this Contract is subject to the satisfaction of the following conditions on or before the Closing:

(a) Seller's Representations and Warranties. Except as otherwise stated in the representations and warranties, all of the representations and warranties of Seller set forth in this Contract shall be true and correct in all material respects as of the Closing.

(b) Closing Documents. All of the documents required under this Contract to be executed and/or delivered by Seller on or before Closing shall have been so executed and delivered.

(c) Performance by Seller. Seller shall have performed in all material respects all of its other obligations required to have been performed hereunder on or before the Closing.

(f) Purchaser. At Purchaser's expense, may have the Property subdivided or replatted prior to closing date hereunder. Seller agrees to cooperate with Purchaser on any required application and submittals.

(e) Monetary Liens. Seller shall pay or otherwise discharge as a monetary lien against the Property all mortgages, deeds of trust and other consensual monetary liens against the Property, which can be satisfied by payment of a fixed amount prior to or at the Closing. In the event of such a payment at Closing, payment may be evidenced by a payment from the sale proceeds shown on the settlement statement signed by the parties on or before Closing.

Section 4.3. Conditions to Seller's Obligations. Seller's obligation to proceed to Closing under this Contract is subject to the satisfaction of the following conditions on or before the Closing:

(a) Purchaser's Representations and Warranties. All of the representations and warranties of Purchaser hereunder shall be true and correct in all material respects as of the Closing.

(b) Closing Obligation. Purchaser shall have delivered the Purchase Price at Closing in accordance with this Contract.

(c) Performance by Purchaser. Purchaser shall have performed in all material respects all of its obligations required to have been performed hereunder on or before the Closing.

ARTICLE V

Representations and Warranties

Section 5.1. Representations and Warranties of Seller. Seller represents and warrants to Purchaser as follows:

(a) Seller is the sole owner of the Property and is a political subdivision of the Commonwealth of Virginia, and has the power and authority to execute and deliver this Contract and to consummate the transactions contemplated hereunder.

(b) There are no parties, other than Seller, in possession of any portion of the Property as lessees, and there are no leases applicable to or affecting the Property.

(c) There are no options or other contracts granted or entered into which are still outstanding which give any other party a right to purchase any interest in the Property.

(d) To Seller's knowledge, there are no condemnation or eminent domain proceedings pending or contemplated against the Property.

Section 5.2. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Purchaser has the power and authority to execute and deliver this Contract and to consummate the transactions contemplated hereunder.

(b) Purchaser shall be as of Closing in good standing in its state of domicile and be authorized to transact business in Virginia.

(c) The execution and performance of this Contract by Purchaser shall not violate any agreement Purchaser has with any third parties.

(d) Purchaser is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "**Specially Designated National and Blocked Person**" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and Purchaser is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

Section 5.2. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Purchaser has the power and authority to execute and deliver this Contract and to consummate the transactions contemplated hereunder.

(b) Purchaser shall be as of Closing in good standing in its state of domicile and be authorized to transact business in Virginia.

(c) The execution and performance of this Contract by Purchaser shall not violate any agreement Purchaser has with any third parties.

(d) Purchaser is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "**Specially Designated National and Blocked Person**" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and Purchaser is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

Section 6.2. Real Estate Commissions. Seller shall be solely responsible for any fees, commissions, or other compensation, which may be due and payable to Marcus & Millichap, Inc. Except as provided in the preceding sentence and except for any fees payable by Seller, if any, no commissions are due and owing any real estate broker or salesperson in connection with this

transaction. Purchaser shall hereby indemnify, save and hold harmless Seller from and against any claim for any other real estate or sales commission or similar fee, which claim results from an allegation that Purchaser employed any broker or agent or agreed to compensate such broker or agent in connection with this transaction.

Section 6.3. Condition of Property, etc. Except as expressly set forth in this Contract, Seller has not made any representations or warranties as to the condition of the Property, the current or anticipated income or expenses of the Property, the status of title to the Property, the compliance of the Property with applicable building codes or applicable zoning, environmental or other laws, ordinances or regulations, or any other matter whatsoever. Purchaser acknowledges that it must make its own determination as to such matters and as to the suitability of the Property generally. Accordingly, subject only to the conditions to Purchaser's obligations set forth in Article IV, Purchaser shall purchase the Property "**AS IS**", "**WHERE IS**", and "**WITH ALL FAULTS**".

ARTICLE VII

Closing

Section 7.1. Date and Place of Closing. Closing and delivery of all documents shall take place at the office of the Escrow Agent, and shall be handled by mail. Settlement (disbursement of funds) shall be handled by Stewart Title Guaranty Company Washington D.C. Office which is a licensed agent of the Commonwealth of Virginia complying with all rules and regulations related to property being handled in Virginia.

Section 7.2. (a) Deliveries by Seller. Seller shall execute as appropriate and deliver to Purchaser the following documents:

(i) A general warranty deed (the "**Deed**") conveying title to the Property to Purchaser subject only to encumbrances permitted by this Contract;

(ii) Proper authority documentation authorizing this Contract and the transaction contemplated hereby;

(iii) Seller's affidavit or lien waiver for the purpose of removing any mechanics' lien exception from any title insurance policy to be issued in connection with the purchase, Seller shall provide Seller's form of affidavit or lien waiver for approval by title company, except that Seller shall not be required to make statements regarding the construction of the Improvements by Purchaser; and

(iv) Any other certificate, document, or statement as may be reasonably necessary in order to consummate the transactions contemplated.

(b) Deliveries by Purchaser. At the Closing, Purchaser shall deliver the following:

(i) The Purchase Price in immediately available funds;

(ii) Proper authority documentation authorizing this Contract and the transaction contemplated hereby; and

(iii) Any other certificate, document, or statement as may be reasonably necessary in order to consummate the transactions contemplated.

(iv) An executed option to purchase in favor of Seller, form of option to be mutually agreed upon by Seller and Purchaser, triggered in the event that the construction of a shell building suitable for light industrial use on the Property has not been substantially completed within twelve (12) months after Closing. The substantially completed shell building shall include the construction of a “dry-in” building only, and not intended to require the completion of the building with a certificate of occupancy or any paving on the site. The term “dry-in” shall mean that the building’s interior is protected from all types of weather and all openings are closed with permanent construction or substantial temporary closures, and such construction shall be in a good workmanlike manner. However, Purchaser shall comply with all necessary permits from governing agencies to obtain approval of the construction of the shell building, at a minimum. The purchase price under such option shall be equal to the Purchase Price plus any out-of-pocket construction costs incurred by the Purchaser. The purchase price under such option shall not include soft-costs (architecture fees, engineering fees, financing fees and legal fees) or a project management/development fee paid to an affiliate of Purchaser. Such option shall be subordinate to any construction financing obtained by Purchaser, but Purchaser agrees that Purchaser shall cause the release of any lien related to such construction financing in connection with any repurchase by Seller of the Property as provided herein.

Section 7.3. Prorations. Rents, real estate taxes including any rollback taxes and assessments, and such other matters as are customarily apportioned in transactions similar to the transaction contemplated by this Contract shall be prorated between Seller and Purchaser on a per diem basis as of the Closing. Seller shall be responsible for all periods prior to Closing, whether due in the calendar year of Closing or due in subsequent years.

Section 7.4. Closing Costs.

(a) Generally. Purchaser shall pay all costs incurred in consummating the transactions contemplated hereunder, including without limitation, the cost of Purchaser's title insurance policy, the cost of the Investigations, the cost of any surveys and all recording taxes and fees for the Deed and all other recorded documents, other than any grantor's tax on recordation of the Deed which shall be paid by Seller and payment pursuant to Section 4.2(e). Each party shall pay its respective attorneys' fees. Seller shall be responsible for the cost of preparation of the Deed.

Section 8.9 Incentive from Pittsylvania County. Purchaser and Seller acknowledge that Pittsylvania County has applied for a state grant to provide an incentive up to \$700,000.00 for earthwork and water/drainage design for the Property. If the state grant is approved and Pittsylvania County contributes such funds to Seller, Seller would reimburse Purchaser up to \$700,000.00, to the extent Pittsylvania County contributes those funds to Seller, for Purchaser’s

earthwork and drainage construction costs on the Property in accordance with the executed Memorandum of Understanding between Pittsylvania County, Virginia and the Purchaser for a certain Collaborative Economic Development Performance Grant, said incentive outlined in this Section, attached hereto and incorporated herein by reference in this Schedule 26.

Section 8.10. Further Assurances. After the Closing, each party to this Contract shall, upon the request of the other party, execute and deliver such other documents and take such further action as may be reasonably necessary or proper to carry out the purposes of this Contract.

Section 8.11. Interpretation. For purposes of construing this Contract, unless the context otherwise indicates, words in the singular number shall include words in the plural number, and vice versa, and words in one gender shall be deemed to include words in the other genders. The titles to articles and headings for sections and paragraphs in this Contract are for convenience only and neither limit nor amplify the provisions of this Contract.

SCHEDULE 24

FORM OF LANDLORD'S CONSENT AND NON-DISTURBANCE AGREEMENT