DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY AGENDA

City of Danville, Virginia
County of Pittsylvania, Virginia

Institute for Advanced Learning and Research
150 Slayton Avenue, Room 206
Danville, Virginia

July 8, 2024

12:00 PM

County of Pittsylvania Members

William V. ("Vic") Ingram, Chairman
Robert M. Tucker, Jr.
Darrell W. Dalton, Alternate

City of Danville Members

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

Staff

Kenneth F. Larking, City Manager Officer
Interim County Administrator Officer
Christian & Barton, L.L.P., Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

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

A. Consideration of Approval of Minutes from Regular Meeting held on June 10, 2024.

5. NEW BUSINESS

A. Consideration of Resolution No. 2024-07-08-5A, appointing Vincent E. Shorter, as the County Administrator Officer of the Authority – Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority.

B. Consideration of Resolution No. 2024-07-08-5B, authorizing the negotiation, execution and delivery of a ground lease with Tupelo Storage, LLC, a North Carolina limited liability company, an affiliate of Strata Solar, LLC, a North Carolina limited liability company, for a portion of that certain real property containing approximately 2,089.93 acres (GPIN 1367-30-1931), commonly known as Lot 6, in the Authority's Southern Virginia Megasite at Berry Hill project, located in the Pittsylvania County, Virginia, under which the lessee, at its expense, would cause the construction, installation and operation of an energy storage system on approximately 85 acres; the ground lease term will consist of a development term of up to five (5) years, a subsequent construction term of up to two (2) years, and thereafter an initial operations term of thirty (30) years with lessee having the option to extend the initial operations term for two (2) additional successive five- (5-) year terms; the ground lease shall be for the use collection, storage, transmission and sale of electricity and such incidental uses acceptable to the Authority; annual rent during the development term shall be $5,000.00; annual rent during the construction term shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land; and annual rent during the initial operations term and any applicable extension terms shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land subject to annual escalation starting on the fifth (5^{th}) anniversary of initial operations term – Matthew D. Rowe, Director of Economic Development, Pittsylvania County and Mr. Guanzon.

C. Consideration of Resolution No. 2024-07-08-5C, authorizing the negotiation, execution and delivery of Deeds of Dedication and Deeds of Easement for public street purposes and approving related development plans, consisting of certain portions of real property located in, or in close proximity to, the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, in furtherance of the Virginia Department of Transportation's Project 0311-071-835 to widen or improve State Highway Route 311 – Mr. Rowe and Mr. Guanzon.

D. Consideration of Resolution No. 2024-07-08-5D authorizing the Chairman of the Authority to execute, deliver and record that Third Amendment to Declaration of Restrictive Covenants for the Cyber Park, amending the Original Declaration of Protective Covenants dated September 20, 2004, and recorded in the City of Danville's land records as Instrument No. 05-1671 (as amended), providing for the Review Committee's discretionary review and approval related to screening of outside equipment and architectural features – Corrie Teague Bobe, Director of Economic Development, City of Danville and Mr. Guanzon.

E. Financial status reports as of June 30, 2024 - Michael L. Adkins, Authority Treasurer.

6. CLOSED MEETING

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; 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

D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and

E. *As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.*

7. RETURN TO OPEN SESSION

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

B. Motion to Certify Closed Meeting.

COMMUNICATIONS

A. Authority Board Members

B. Staff

9. ADJOURN

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 4.A.

DATE: July 8, 2024

FROM: Susan DeMasi | Authority Secretary

RE: Consideration of Approval of Minutes from Regular Meeting held on June 10, 2024.

ATTACHMENTS

1. Meeting Minutes

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
June 10, 2024

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 206, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, J. Lee Vogler, Jr. and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Chairman William V. Ingram, Robert Tucker and Alternate Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking, Interim County Administrator Dave Arnold, Pittsylvania County Director of Finance Kim Van Der Hyde, Authority Treasurer Michael Adkins, City of Danville Accountants Meredith Franklin and Jaime Pritchett, Pittsylvania County Director of Finance Kim Van Der Hyde, City of Danville Director of Economic Development Corrie Bobe, Assistant Director of Economic Development Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Legal Counsel to the Authority Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner, Shawn Harden and Joseph Snead from Dewberry, Linda Green, Ken Gillie, Director of Community Development, City of Danville, Marc Adelman, Director of Transportation, City of Danville, and John Crane, Register & Bee.

Chairman William V. Ingram presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE MAY 13, 2024, REGULAR MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Tucker, Minutes of the May 13, 2024, Regular Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION 2024-06-10-5A APPROVING THE INSTALLATION OF A 9,000 GALLON TANK BY EIT AT THE CYBER PARK

City of Danville Director of Community Development Ken Gillie noted the company has requested to install a 9,000-gallon nitrogen tank at the EIT building. As it stands, the proposal does not comply with the protective covenants. The tank would have to be in a fully enclosed building or screened, and the proposal does not include that; at this point, staff can't support it as presented, and has requested the applicant go back and possibly change the design; they have not heard back from them. Legal Counsel to the Authority Michael Guanzon stated the Resolution was written so that there were conditions that Renee Burton had stated that included features Mr. Gillie had set forth. If the Board chooses to approve this item, subject to those two conditions being satisfied, for purposes of Restrictive Covenants, RIFA will have given its consent. What they were talking about today was a conditional consent.

Mr. Ingram questioned what they were going to do with 9,000 gallons of nitrogen and Mr. Gillie stated he did not know what the use for that. Mr. Guanzon noted if that was a question needed for the Board to accept even conditionally, they can table this item, but they might have to have a special meeting depending on if the Board needed to give them approval earlier.

Mr. Tucker questioned if the company had done their due diligence as far as safety, and Pittsylvania County Director of Economic Development Matt Rowe stated this company was very well known, very well regarded and followed all the safety protocols. This was part of their process; typically the gas was utilized in some form doing modifications to their products. It was the staff's opinion that it was in the best interest doing a conditional approval. The company has to meet the requirements of the covenants regardless, and this just allows them to know that if they meet those covenants, which was getting the approval from Mr. Gillie's office, that RIFA has approved it. Ms. Bobe noted the company would like this to be approved this month based off their internal timelines. If this was not conditionally approved, they would seek out a special called meeting.

Mr. Vogler noted staff had the conditions in place and if they approve this today, they don't move forward unless those conditions were met; he does not want to hold up progress. Mr. Saunders questioned if there was a time constraint and Mr. Larking stated he believed there was. He had not spoken directly to the company but based on Ms. Burton's emails to the company, they stated they wanted this approved in June and will come back with a revised plan. Mr. Gillie stated as of this morning they had not heard back from the company, and as to the safety concerns, there was the Uniform Statewide Building Code; all the review would be the building department and fire department, the safety was the City's concern. RIFA was looking at a 30-foot-tall tank that they cannot screen unless it was in an enclosed building, and they would have to determine how that would work. There were options available to them, but at this point, he cannot say to RIFA he has options that comply with the covenants.

Mr. Vogler **moved** for adoption of *Resolution 2024-06-10-5A, approving those certain plans and specifications for improvements to Lot 3F (PIN 78471) in the Authority's Cyber Park located in Danville, Virginia, for the installation of a 9,000-gallon nitrogen tank by Electronic Instrumentation and Technology, LLC, a Virginia limited liability company, subject, however, to the satisfaction of certain technical conditions*.

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

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

5B. CONSIDERATION OF RESOLUTION 2024-06-10-5B AUTHORIZING THE ABANDONMENT OF CERTAIN PORTIONS OF OAK HILL ROAD

Pittsylvania County Director of Economic Development Matt Rowe explained this Resolution was to execute, deliver and record a plat of abandonment on Oak Hill Road and related documents to abandon certain portions of Oak Hill Road at the Megasite. The Resolution passed by the Board of Supervisors in 2019 stated should a project need the abandonment of Oak Hill Road, the Board would support such a project. At this point, staff was doing everything they could to be proactive; if a company were to locate there, they have a mechanism in place in order to do this quickly. Mr. Guanzon noted the Resolution in the agenda packet does specify they were approving it in advance, but subject to actually having an end user that would require the road being abandoned. If RIFA has a recruit that comes into the Megasite, it has been preapproved and the time to get it done will be shortened.

Mr. Ingram noted he has had citizens inquire about this over the years, agreed RIFA needed to be proactive, and asked how many residents would be displaced by this. Mr. Rowe noted no residents would be displaced; it would be from the Transco Gas Line to the north to where it intersects with Route 311 Berry Hill to the south. Harmony United Methodist Church would still be accessing Oak Hill Road, it was just the thru movement down to US 311 would be impacted. Staff had Dewberry, in the past, look at how that would impact emergency services. Having Brosville Fire Station and Bachelor Hall Fire station, they still have seamless service for emergency response. There would be a cul de sac where the new substation AEP just built. Mr. Ingram questioned whether VDOT had input and Mr. Rowe stated they had been integrally involved as part of this, and will look at all types of eventual outcomes, but it will be dependent on the final, potential project at the site. At this point, there have been no discussions of VDOT re-routing the roadway through the Megasite property; it would stop there. VDOT has done traffic counts and demonstrated that the number of vehicles going through that section was very small.

Mr. Saunders **moved** to adopt *Resolution 2024-06-10-5B, authorizing the Chairman of the Authority to execute, deliver and record a plat of abandonment of Oak Hill Road and related documents to abandon certain portions of Oak Hill Road adjacent to the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia.*

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

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

5C. CONSIDERATION OF RESOLUTION 2024-06-10-5C APPROVING AMENDMENT NO. 39 WITH DEWBERRY ENGINEERS INC.

(Dewberry staff, Brian Bradner, Shawn Harden and Joseph Snead, stepped out of the meeting for the Board to discuss this item.)

Mr. Rowe explained this was a proposal from Dewberry, for $90,000, lump sum, to provide additional planning related services for a preliminary ALTA survey and Phase I environmental site assessment. The Phase I environmental site assessments that were done were typically good for a five-year period; RIFA's was going to be coming due by the end of this year, and needed to be updated. The other component was that RIFA had done a preliminary ALTA for the main Megasite and the Megasite lot, now staff wants to make sure they have the ALTA survey completed for the entire park as a whole. Staff has done title work for all 3,528 acres, this was additional due diligence associated with getting the property in a saleable condition.

Mr. Guanzon stated when RIFA had a potential recruit come in, trying to conceptualize what the lots could be, it was easier if there was a survey of what the lot lies would look like. RIFA has to have the title work to note all the easements and it was typical for the engineer to have those easements listed in the survey. This information was so that RIFA could have an ALTA survey ready for prospective recruits so they don't have to spend money trying to title thousands of acres. As far as the Phase I environmental, that was to see if there might be any type of environmental issues. If they do find preliminary items, the issue was whether RIFA needed to move forward and get a Phase II environmental. This was a normal procedure that needed to be done and updated.

Mr. Tucker **moved** for adoption of *Resolution 2024-06-10-5C approving Amendment No. 39, dated May 28, 2024, with Dewberry Engineers Inc., a New York Corporation, for engineering services related to the Mega Park Master Plan Southern Virginia Megasite at Berry Hill, to provide services relating to ALTA Survey and Phase I Environmental Site Assessment, located in Pittsylvania County, Virginia, at a lump sum fee of $90,000.00.*

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

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

<u>5D. CONSIDERATION OF RESOLUTION 2024-06-10-5D APPROVING THE THIRD AMENDMENT TO THE STORAGE LEASE AGREEMENT WITH APPALACHIAN POWER</u>

Mr. Rowe explained this was to amend the current agreement with Appalachian Power where they were leasing space from RIFA to use as a laydown yard; it was modifying that to a month-to-month term, at $1,500 per month. It was associated with them being able to restore premises; it was gravel, so they have to get that back to a stand of new grass, to close out their stormwater permit.

Mr. Vogler **moved** for adoption of *Resolution 2024-06-10-5D approving the negotiation, execution and delivery of a Third Amendment to that certain Construction Materials Storage Lease Agreement with Appalachian Power Company, approved under Resolution No. 2021-10-10-5D modifying the term to a month-to-month lease at a lease rate of $1,500.00 per month, to complete certain Transmission Line and Substation construction activities at the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, including without limitation restoring the lease premises by replacing the existing gravel with new grass and closing out environmental permitting*.

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

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

<u>5E. CONSIDERATION OF RESOLUTION 2024-06-10-5E AUTHORIZING A SUBDIVISION PLAT FOR LOT 7D IN THE CYBER PARK</u>

City of Danville Director of Economic Development Corrie Bobe explained RIFA recently completed grading of Lot 7D which was at the intersection of Stinson and Slayton Drives. Within that there were some bike trails and trailheads, and they asked Dewberry to subdivide these parcels to best accommodate industry as well as best segment the natural assets.

Mr. Tucker **moved** for adoption of *Resolution 2024-06-10-5E, a Resolution authorizing the Chairman of the Authority to execute, deliver and record Subdivision Plat and related documents to subdivide Lot D of the Authority's Cyber Park Project, located in the City of Danville, Virginia, where Lot D will be subdivided into New Lots E and 7F.*

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

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

5F. CONSIDERATION OF RESOLUTION 2024-06-10-5F AUTHORIZING THE CHAIRMAN TO COMMISSION A REGIONAL BUS FEASIBILITY STUDY

City Manager Ken Larking explained they have had prospects express interest in having regional bus transit serve the Megasite and other industrial sites within the community. This need has been expressed by prospects but also existing businesses as well, not only in the county but in the city and other parts of the region. In order to move forward and be ready to serve a prospect in the future, they need to start with the feasibility study. There was a timing aspect to this as it will take some time to accomplish. Once it was done, it can be used to proceed toward getting state and federal funding to help pay for the service. There were lead times in order to purchase equipment; that would add time to implement this service. The City received a number of proposals and the one that was recommended was Option 1 of the most recent proposal they received; it was about $75,000 and would be paid for by RIFA in order to accommodate this first step in the process. Danville Transit and Transportation Department was happy to work as staff toward accomplishing this project helping the consultant.

Dr. Miller questioned if there were any projections of the usage rate and City of Danville Director of Transportation Marc Adelman stated he thought that the Danville to Greensboro route was extremely popular. There was a bus service provided previously by Greyhound, they terminated it, and he does expect there will be a lot of interest both for people traveling from Danville to Greensboro as well as individuals traveling from Greensboro to Danville. Mr. Adelman noted he was not sure about the interest with Danville to Lynchburg and Danville to Martinsville. The study will look at how many times a day the service will be provided. There was a similar type of service from Fishersville to Waynesboro to Staunton and Charlottesville and they offer five round trips; one of those round trips can be up to three hours in length even though Waynesboro is only thirty five minutes away. They have twelve stops in that route; the more stops, the longer the time frame. Mr. Adelman stated he would expect two hours one way, planning stops for example, going north to Chatham and Gretna and then on to Lynchburg, easily two hours one way; also to provide layover time. It would be similar going to Greensboro, stopping at Reidsville as well as Greensboro. Dr. Miller noted that involved two different states, would there be problem with that, and Mr. Adelman stated there could be funding issues, that was another part of the feasibility study to examine opportunities to secure state and federal funding since the operation would be primarily in North Carolina for one route.

Mr. Vogler noted he was glad they were talking about it, they talked so much about the connectivity of the region and how important that was. The feasibility study seemed like a good step in the right direction to see how they can continue to improve their capability of attracting prospects and the connectivity of the region; this was a good thing.

Ms. Bobe thanked Mr. Adelman; when staff brought this to him, he immediately began working on what strategy they could use and was very thorough in his process. He has tried to identify every resource available to help cover the costs for such a service.

Dr. Miller noted both he and Mr. Vogler were on the West Piedmont Planning District Commission, and they talked about this, what they could do to help and Mr. Adelman noted they will be involved in the feasibility study. WPPDC was involved with community ride sharing and thought there would be a direct link from what they were doing on that end. There was a possibility there might be less cost to the user than traveling by car in a commuter arrangement. Mr. Saunders questioned if they were talking about all the jurisdictions including Rocky Mount or just certain parts, and Mr. Adelman explained the proposed route identified in the RFP showed going as far west as Martinsville, there might be the possibility for people to travel from Rocky Mount to Martinsville and then get on the bus.

Mr. Vogler stated Halifax and anything to the east was not included, and Mr. Adelman noted that was correct. Mr. Vogler questioned the reasoning for that and Mr. Adelman stated spatial density, viability of success, also the number of the routes the City offers was directly tied to driver availability. Danville Transit could potentially right now offer service for one route but not all three; that was something that could be done later on but he would recommend the study contain it to certain routes with the possibility of expansion in the future. Mr. Saunders questioned if the City had recently done a study that included South Boston and Halifax and found that the numbers were not there and Mr. Adelman explained the Southern Virginia Higher Education Center, prior to the pandemic completed a study. The reason that service could not be provided was the City could not find enough drivers to support the operation; they never really learned if there was sufficient demand or not. Mr. Adelman noted adding anything else will increase the cost of the study. In order to meet the grant deadline of February 1st, the consultant needs to start this month, so that by January it would be finished in time to submit a grant application for buses; it can take up to 14-18 months to deliver. If everything were to go to plan, if there was interest in implementing service, the earliest service could start would be the fall/winter of 2026. If the study was delayed, it would be 2027. Mr. Saunders suggested letters of support from the various localities and Mr. Adelman noted that would be part of the feasibility study to do that outreach to the different participating groups.

Mr. Vogler noted he wished Halifax could be involved in this, there were a lot of new industries located there, and Mr. Adelman noted if an organization were interested in looking at that, a change order could be added.

Mr. Tucker **moved** for adoption of *Resolution 2024-06-10-5E authorizing the Chairman of the Authority to commission a Regional Bus Feasibility Study, the scope of which would, at a minimum, include the availability and cost of implementing and operating Regional Bus Service, the potential operator(s) of the services, the scope of services and the size of the market passengers.*

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

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

5D. FINANCIAL STATUS REPORTS AS OF MAY 31, 2024.

Authority Treasurer Michael Adkins gave the Financial Status report as of May 31, 2024, beginning with the $7.3M Bonds for Cane Creek, which had no activity for May. General Expenditures for the current fiscal year showed RIFA paid Abstracts & Titles Inc., $1,048 for title work on Project Nora, monthly legal fees to Christian & Barton of $24,145, marketing expenditures include payment to the Institute of $3,250 to reimburse Parker Productions for drone footage, rental of a helicopter for a prospect visit of $3,580, and Topshelf Company for a trailer rental of $7,500. Also, meals at the Institute of $455.88, monthly utilities of $130.83, and monthly maintenance from Sellars Brothers for Cane Creek and Berry Hill of $4,890.

Mr. Adkins noted as they approach the end of the fiscal year, as was routine, he always asked the Board if they can get their permission or a motion to move money from the unrestricted fund balance to cover any additional expenses for this fiscal year; RIFA was already over by about $72,000. This was the result of having increased activity at the sites; the more activity, the more expenses.

Funding Other than Bonds for Berry Hill had a payment to Dewberry for work under Amendment #37 of $16,400, legal fees to Troutman Pepper Hamilton Sanders of $13,790, and $2,500 to Froehling & Robertson for Berry Hill seismic commentary. Lot 4 Site Development, Lots 1 and 2, Water and Sewer, and Cyber Park Site Development had no expenditures for the month of May. Rent, Interest and Other Income for May show RIFA received rent from the Institute for the Hawkins' Building of $23,342, interest on the money market account of $10,312 and the expense paid for May was a payment to the Institute for Hawkins Building Maintenance in the amount of $23,342.

Mr. Saunders **moved** to accept the Financial Report as presented as well as authorize staff to move funds from unrestricted fund balance of at least $72,000 up to $100,000; the Motion was **seconded** by Mr. Tucker and carried by the following vote:

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

<u>5H. CONSIDERATION OF A RESOLUTION APPROVING THE FISCAL YEAR 2025 GENERAL EXPENDITURES BUDGET (NO WRITTEN RESOLUTION)</u>

Mr. Adkins explained this was the Fiscal Year 2025 budget for RIFA and there was one correction. Both localities, the city and county, increased their funding for the next year from $100,000 per locality to $125,000 per locality. The correction he needed to make was increasing the City/County contribution up to $125,000 and decreasing the amount that they anticipated being transferred from unrestricted funds from $90,500 to $40,000. The totals stay the same, this was just an allocation between those two funding sources. The Budget was in line with what was experienced this past year; they increased legal fees and also added a line item for the monthly maintenance for Sellars Brothers for Cane Creek and Berry Hill.

Mr. Tucker **moved** to accept the Fiscal Year 2025 General Expenditures Budget. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

<u>6. CLOSED SESSION</u>

At 12:59 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

[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; 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

D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and

E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

7. RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Tucker and by unanimous vote at 2:00 p.m., the Authority returned to open meeting.

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

That the Authority certify that, to the best of each Member's knowledge:

(i) only public business matters lawfully exempted from 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 Authority.

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

VOTE:	4-0
AYE:	Ingram, Tucker, Saunders, Vogler (4)
NAY:	None (0)

8. COMMUNICATIONS

Board Members

Mr. Dalton thanked everyone for the great job they were doing and recognized Linda Green for her accomplishment at the Chamber of Commerce meeting. Mr. Tucker appreciated each team member and the work they do; they do an excellent job and was glad to be a part of this team. Mr. Vogler thanked staff and the Board. Mr. Saunders noted he was proud to be a part of this body and was looking forward to the region moving forward. Mr. Ingram noted he still hears criticisms about Berry Hill, the time and money spent, but his commitment was still strong. To work with the Board and staff helps to validate what he believed.

Staff

Mr. Larking noted the Board probably received invitations from the Partnership for Regional Prosperity; they were hosting a childcare summit on Wednesday at noon; lunch was provided. If they haven't signed up, staff can sign them up.

Meeting adjourned at 2:07 p.m.

APPROVED:

____
Chairman

____
Secretary to the Authority

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.A.

DATE: July 8, 2024

FROM: Michael Guanzon | Legal Counsel to Authority

RE: Consideration of Resolution No. 2024-07-08-5A, appointing Vincent E. Shorter, as the County Administrator Officer of the Authority – Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority.

SUMMARY

Paragraph 6 of Article VI of the Authority By-laws state that the County Administrator officer must the County administrator of the county, should the permanent county administrator position then be vacant, may include an interim or acting county administrator. The Pittsylvania County Board of Supervisors has named Vincent Shorter as the Interim County Administrator, therefore, the RIFA Board needs to appoint him as the Interim County Administrator Officer.

ATTACHMENTS

1. Resolution

Resolution No. 2024-07-08-5A

A RESOLUTION APPOINTING VINCENT E. SHORTER, AS THE COUNTY ADMINISTRATOR OFFICER OF THE AUTHORITY

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

WHEREAS, the Authority, pursuant to paragraph 6 of Article VI of the Amended and Restated Bylaws of the Authority (the "**Bylaws**"), is required to appoint a County Administrator Officer (as defined in the Bylaws) in the event of a vacancy; and

WHEREAS, a vacancy in the office of County Administrator Officer occurred as of July 1, 2024, when the Board of Supervisors of Pittsylvania County, Virginia, appointed Vincent E. Shorter, as the Interim County Administrator of Pittsylvania County, Virginia, thereby succeeding Dave Arnold as the Interim County Administrator of Pittsylvania County, Virginia; and

WHEREAS, under paragraph 2 of Article VI of the Bylaws, the term of office of the County Administrator Officer (as defined in the Bylaws) shall be for the calendar year; and

WHEREAS, Vincent E. Shorter, as interim county administrator for Pittsylvania County, Virginia, meets the County Administrator Officer Eligibility Criteria (as defined in the Bylaws), under paragraph 6(b) of Article VI of the Bylaws.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Board hereby appoints Vincent E. Shorter, to serve the Authority in the office of County Administrator Officer and to have such powers and duties as prescribed to that person by the Bylaws.

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 they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. 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 July 8, 2024, 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 July 2024.

(SEAL)

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

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.B.

DATE: July 8, 2024

FROM: Matt Rowe | Pittsylvania County Director of Economic Development

RE: Consideration of Resolution No. 2024-07-08-5B, authorizing the negotiation, execution and delivery of a ground lease with Tupelo Storage, LLC, a North Carolina limited liability company, an affiliate of Strata Solar, LLC, a North Carolina limited liability company, for a portion of that certain real property containing approximately 2,089.93 acres (GPIN 1367-30-1931), commonly known as Lot 6, in the Authority's Southern Virginia Megasite at Berry Hill project, located in the Pittsylvania County, Virginia, under which the lessee, at its expense, would cause the construction, installation and operation of an energy storage system on approximately 85 acres; the ground lease term will consist of a development term of up to five (5) years, a subsequent construction term of up to two (2) years, and thereafter an initial operations term of thirty (30) years with lessee having the option to extend the initial operations term for two (2) additional successive five- (5-) year terms; the ground lease shall be for the use collection, storage, transmission and sale of electricity and such incidental uses acceptable to the Authority; annual rent during the development term shall be $5,000.00; annual rent during the construction term shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land; and annual rent during the initial operations term and any applicable extension terms shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land subject to annual escalation starting on the fifth (5th) anniversary of initial operations term – Matthew D. Rowe, Director of Economic Development, Pittsylvania County and Mr. Guanzon.

SUMMARY

Strata Solar wishes to enter into a ground lease agreement for a battery storage facility on 85-acres located on Lot 6 of the Southern Virginia Megasite (adjacent to the APCo substation). The lease terms include an up to 5-year development period where Strata Solar may conduct due diligence and pursue needed permitting and a construction term of up to two years (which shall commence at the start of project construction), followed by the actual operations term of thirty years plus 2 additional 5-year extension terms. The payment schedule will be $5,000 per year during the development period; $1,800 per acre of buildable land and $500 per acre of non-buildable acre for both the construction and operations term. In addition, any funds generated from the County's siting agreement with Strata Solar is part of RIFA's shared revenues per the recently amended By-Laws and Ordinance.

ATTACHMENTS

1. Resolution
2. Exhibit A - Ground Lease

Resolution No. 2024-07-08-5B

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A GROUND LEASE WITH TUPELO STORAGE, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, AN AFFILIATE OF STRATA SOLAR, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, FOR A PORTION OF THAT CERTAIN REAL PROPERTY CONTAINING APPROXIMATELY 2,089.93 ACRES (GPIN 1367-30-1931), COMMONLY KNOWN AS LOT 6, IN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN THE PITTSYLVANIA COUNTY, VIRGINIA, UNDER WHICH THE LESSEE, AT ITS EXPENSE, WOULD CAUSE THE CONSTRUCTION, INSTALLATION AND OPERATION OF AN ENERGY STORAGE SYSTEM ON APPROXIMATELY 85 ACRES; THE GROUND LEASE TERM WILL CONSIST OF A DEVELOPMENT TERM OF UP TO FIVE (5) YEARS, A SUBSEQUENT CONSTRUCTION TERM OF UP TO TWO (2) YEARS, AND THEREAFTER AN INITIAL OPERATIONS TERM OF THIRTY (30) YEARS WITH LESSEE HAVING THE OPTION TO EXTEND THE INITIAL OPERATIONS TERM FOR TWO (2) ADDITIONAL SUCCESSIVE FIVE- (5-) YEAR TERMS; THE GROUND LEASE SHALL BE FOR THE USE COLLECTION, STORAGE, TRANSMISSION AND SALE OF ELECTRICITY AND SUCH INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY; ANNUAL RENT DURING THE DEVELOPMENT TERM SHALL BE $5,000.00; ANNUAL RENT DURING THE CONSTRUCTION TERM SHALL BE $1,800.00 PER ACRE OF BUILDABLE LAND AND $500.00 PER ACRE OF SETBACK LAND; AND ANNUAL RENT DURING THE INITIAL OPERATIONS TERM AND ANY APPLICABLE EXTENSION TERMS SHALL BE $1,800.00 PER ACRE OF BUILDABLE LAND AND $500.00 PER ACRE OF SETBACK LAND SUBJECT TO ANNUAL ESCALATION STARTING ON THE FIFTH (5^th^) ANNIVERSARY OF INITIAL OPERATIONS TERM

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

WHEREAS, the Authority, pursuant to Resolution Nos. 2021-04-12-5B, 2021-04-12-5C, and 2021-06-14-5J, entered into those certain agreements with Berry Hill Solar, LLC, a North Carolina limited liability company (or its affiliates) in connection with the eventual development and operation of a solar energy storage system on certain real property located within and/or adjacent to the Authority's Southern Virginia Megasite at Berry Hill project (the "**SVM**") located in Pittsylvania County, Virginia; and

WHEREAS, the Authority desires to enter into a ground lease (the "**Ground Lease**") with Tupelo Storage, LLC, a North Carolina limited liability company (and an affiliate of Strata Solar, LLC, a North Carolina limited liability company) ("**Tupelo**") as lessee, substantially in the form attached hereto as **<u>Exhibit A</u>**, incorporated herein by this reference, under the following minimum business terms:

(i) Tupelo will lease approximately eighty-five (85) acres of real property (portion of GPIN 1367-30-1931; commonly known as Lot 6) (the "**Premises**");

(ii) Tupelo will cause the development, construction and ultimate operation of a solar energy storage system (the "**System**") on the Premises;

(iii) the Ground Lease term will consist of a development term of up to five (5) years, a subsequent construction term of up to two (2) years, and thereafter an initial operations term of thirty (30) years with lessee having the option to extend the initial operations term for two (2) additional successive five- (5-) year terms;

(iv) the intended use of the Premises will be for the use collection, storage, transmission and sale of electricity and such incidental uses acceptable to the authority;

(v) annual rent during the development term shall be $5,000.00; annual rent during the construction term shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land; and annual rent during the initial operations term and any applicable extension terms shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land subject to annual escalation starting on the fifth anniversary of initial operations term; and

(vi) Tupelo will be required to decommission the System and restore the Premises within three hundred sixty five days (365) following the expiration or termination of the Ground Lease;

(vii) Tupelo will provide the Decommissioning Security (as defined in the Ground Lease) in an amount equal to the estimated cost to decommission the System as determined by a Virginia licensed engineer experienced with solar systems and acceptable to the Authority;

and

WHEREAS, each of the Authority, the County of Pittsylvania, Virginia (the "**County**"), and the City of Danville, Virginia (the "**City**") finds that the provisions of the Ground Lease and commitments of Tupelo will promote the expansion of industry by inducing industrial development within the SVM project, and that such development will promote the safety, health, welfare, convenience and prosperity of the citizens of the County and the City; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of the City and the County, and in furtherance of the development of the SVM project, for the Authority to approve, to negotiate, to execute and to deliver the Ground Lease, as applicable, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

1. The Authority hereby approves the negotiation, execution and delivery of the Ground Lease substantially in the form of **Exhibit A**, subject to the approval by legal counsel to the Authority as to legal form. The Authority hereby authorizes the Chairman and the Vice

Chairman, either of whom may act independently of the other, in consultation with the other, to further negotiate and amend the Ground Lease, on behalf of the Authority, consistent with this Resolution and as approved by legal counsel to the Authority as to legal form, such execution of any such amendments by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any such amendments.

2. The Authority hereby authorizes and directs the City Manager Officer, the County Administrator Officer, and the Authority's 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 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 July 8, 2024, 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 as of the 8th day of July 2024.

____

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

(SEAL)

Exhibit A

(Form of Ground Lease – Tupelo)

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "**Lease**") is made and entered into by and between Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia ("**Landlord**"), and Tupelo Storage, LLC a North Carolina limited liability company ("**Tenant**"), effective as of the date that this Lease has been fully executed by both Landlord and Tenant as reflected on the signature page(s) (the "**Effective Date**").

WHEREAS, Landlord is the owner of certain real property commonly identified as Tax Parcel Number 1367-30-1931 located in the City of Danville in Pittsylvania County (the "**County**"), Commonwealth of Virginia (the "**State**"), consisting of approximately Two Thousand Eighty-Five and 93/100 (2,085.93) acres as more particularly described on Exhibit A attached hereto (the "**Land**").

WHEREAS, Tenant and/or its affiliates wish to develop, build and operate an energy storage system (the "**System**") on the Premises (defined below) for the Intended Use (defined below).

WHEREAS, Tenant desires to lease Eighty-Five (85.00) acres of the Land, more or less, (the foregoing, together with the Land, collectively, the "**Premises**") from Landlord for the Intended Use and for the purposes and on the terms set forth in this Lease.

NOW THEREFORE, in consideration of the amounts to be paid to Landlord by Tenant and the other promises and premises set forth herein, the receipt and sufficiency of which is hereby conclusively established, Landlord and Tenant hereby agree as follows:

AGREEMENT

1. **Recitals**. The Recitals are incorporated in and made a part of this Lease as if fully set forth in this Lease.

2. **Leased Premises**. For good and valuable consideration, the receipt of which is hereby acknowledged by Landlord, Landlord hereby grants to Tenant: an exclusive lease of the Premises, together with all rights and benefits appurtenant thereto, and improvements thereon, and any water rights and subsurface/mineral rights pertaining thereto, upon the terms and subject to the conditions set forth in this Lease. Notwithstanding the foregoing, the Premises do not and shall not include Tenant's Property (defined in Section 7 below). Landlord acknowledges that the final size of the Premises to be leased by Tenant hereunder will be determined, in Tenant's sole discretion, following the Effective Date and will be dependent on the final System design and size as well as other System development requirements. Once Tenant has determined the final size of the Premises it desires to lease from Landlord, Tenant may obtain an ALTA survey of the Premises, which shall set forth and conclusively establish (1) the metes and bounds legal description of the Premises and (2) the final acreage of the Premises, net of any unusable rights of way (the "**Acreage**", and each such acre, an "**Acre**"). At Tenant's request, Landlord and Tenant shall promptly enter into an amendment to this Lease which shall (i) replace Exhibit A to this Lease with the final legal description of the Premises contained in such ALTA survey and (ii) provide that all references to the "Premises" in the Lease and all terms and calculations in this Lease based on the size of the Premises (including, without limitation, Rent and Tenant's Portion of Taxes (as each are defined below)) shall be amended to mean and refer to the Premises as re-defined in such amendment. As used in this Lease, "**Buildable Land**" means any portion of the Premises identified as built-upon land for equipment or

environmental regulation controls on the final permitted site plan. As used in this Lease "**Setback Land**" means any portion of the Premises identified as required setback on the final permitted site plan.

3. **Lease Term**. The term of this Lease (the "**Term**") shall include, as applicable, the Development Term, the Construction Term and the Operations Term (as each term is defined below).

(a) Development Term. The initial term of this Lease shall commence on the Effective Date and continue until the fifth (5^{th}) anniversary of the Effective Date (the "**Development Term**") unless (i) Tenant elects to commence the Construction Term pursuant to Section 3(b) below, or (ii) this Lease is earlier terminated as provided herein.

(i) During the Development Term, Tenant (and its agents) shall be permitted access to the Premises at reasonable times and upon reasonable notice to Landlord, for purposes of conducting (at Tenant's expense) any and all investigations or testing of the Premises as Tenant may deem necessary, appropriate or convenient, including without limitation, the surveying or investigation of environmental, biological, cultural, historical, boundary or geotechnical matters. In the event Tenant's activities during the Development Term damage any crops then in commercial cultivation on the Premises and, as a result of such damage such crops are no longer commercially viable, Tenant shall pay to Landlord, or Landlord's tenant as applicable, a one-time payment equaling the then current fair market value of any crops damaged by Tenant, provided that such value must be in excess of One Thousand Dollars ($1,000.00). For avoidance of doubt, Tenant shall not commence construction activities (including grading) on the Premises during the Development Term (provided that any work performed by or on behalf of the servicing utility company to upgrade or install electrical equipment within the boundaries of existing easements, and any inspections and investigations performed during the Development Term shall not be deemed to be construction activities prohibited by this Section 3(a)(i)).

(ii) Landlord shall provide to Tenant any of the following in Landlord's possession within five (5) days following the Effective Date: (1) copies of any unrecorded deeds, leases, easements, licenses or other documents granting any third-party a right to possess or otherwise enter upon or use all or any portion of the Premises (including, without limitation, farm leases and documents governing mineral rights), (2) any written notice of violation of any law or regulation, including zoning laws applicable to the Premises, (3) any "Phase I" and other environmental assessment reports regarding the Premises, (4) Landlord's most recent survey and title insurance policy relating to the Premises, (5) any governmental permits for the Premises, (5) any other surveys, physical condition reports, notices regarding zoning or government action with respect to the Premises. Landlord does not make any representations or warranties regarding the accuracy of Landlord's deliveries under this paragraph, or the extent to which Tenant can rely on the same, either expressly, or implied from delivery of the same, or the completeness of the same.

(iii) At no out-of-pocket cost to Landlord, Landlord shall reasonably assist and cooperate with Tenant (including, if and when necessary or required, signing applications and related documentation for governmental approvals) in applying for, complying with or obtaining any governmental permits and approvals, exemptions, waivers, special exceptions, building permits, environmental reviews or any other approvals required for the financing, construction, installation, replacement, relocation, maintenance, operation and/or removal of the System, including without limitation signing necessary affidavits with regard to claims of exemption under any applicable subdivision ordinance and agreeing to comply with the terms of applicable subdivision requirements for any future leases or conveyances; however, in no event shall Landlord be required to indemnify any party.

(iv) Tenant may terminate the Lease for any reason or no reason during the Development Term, exercisable upon written notice from Tenant to Landlord of its election to terminate (the "**Initial Termination Notice"**) delivered on or prior to the expiration of the Development Term. If

Tenant does not deliver either the Initial Termination Notice or the Construction Notice (defined below) on or prior to the expiration of the Development Term, this Lease shall automatically terminate upon the expiration of the Development Term.

(b) Construction Term. If, prior to the expiration of the Development Term, Tenant notifies Landlord in writing (which notwithstanding Section 16 may be by electronic mail, facsimile, or commencement of payment of Rent as provided in Section 4(b)) (the "**Construction Notice**") of Tenant's election to commence construction activities at the Premises and extend the Term of this Lease into the Construction Term (defined below), then without any further action by the Parties, the Term of this Lease shall be automatically extended for an additional period of twenty-four (24) months (the "**Construction Term**"). Tenant shall identify the date that the Construction Term commences in the Construction Notice (the "**Construction Commencement Date**"). If Tenant does not deliver the COD Notice (defined below) on or prior to the expiration of the Construction Term, this Lease shall automatically be extended into the Initial Operations Term as described in Section 3(c) below.

(c) Initial Operations Term. Upon Tenant's written notice to Landlord that the System has achieved "commercial operation" (as defined in the relevant agreement between Tenant and the ultimate purchaser of power generated by the System) (the "**COD Notice**"), or upon the expiration of the Construction Term in the event COD Notice is not provided, then without any further action by the Parties the Term of this Lease shall be automatically extended for a term of thirty (30) years (the "**Initial Operations Term**") expiring on the day preceding the thirty-first (31st) anniversary of the Operations Commencement Date (defined below), unless the Initial Operations Term is earlier terminated or further extended pursuant to the provisions of this Lease. The "**Operations Commencement Date**" means the date Tenant delivers the COD Notice to Landlord or expiration of the Construction Term, as applicable, in accordance with this Section 3(c).

(d) Extended Operations Term. Tenant shall have the option to extend the Initial Operations Term for two (2) additional successive five (5) year periods ("**Extended Operations Term**") upon written notice delivered to Landlord no less than one hundred eighty (180) days prior to the expiration of the Initial Operations Term or the then current Extended Operations Term, as applicable. The Initial Operations Term and the Extended Operations Term(s) are collectively referred to herein as the "**Operations Term**".

4. **Rent**. During each applicable portion of the Term of this Lease, Tenant shall pay to Landlord, as and when due, the following annual rent (collectively, "**Rent**") by ACH or wire transfer to a bank account provided to Tenant pursuant to Section 16. Landlord shall furnish Tenant with a signed, completed form ACH within ten (10) days following the Effective Date and thereafter within ten (10) days before any event causing a change in any of the information set forth in the previously delivered ACH form, including any Transfer (defined below) of the Landlord's interest in the Lease. For convenience, a form ACH form is attached hereto as Exhibit F. Without limiting Tenant's obligation to pay Rent or other amounts due to Landlord hereunder, Tenant shall be entitled to delay making any such payments to Landlord until Landlord has provided such completed ACH form. For clarification only, if a payment is delayed in accordance with this Section 4, such delay shall not invalidate or affect an otherwise valid extension of the Term (including the Construction Term, Initial Operations Term or any Extended Operations Term) or cause Tenant to be in default under this Lease or cause interest to accrue.

(a) Development Term. Rent for each year during the Development Term shall be as follows:

DEVELOPMENT TERM YEAR	RENT

1	$ 5,000
2	$ 5,000
3	$ 5,000
4	$ 5,000
5	$ 5,000

Rent during the Development Term shall be payable as follows: (i) Rent for the first year of the Development Term shall be due within twenty (20) days following the Effective Date; and (ii) during the remainder of the Development Term, Rent shall be payable in advance in annual installments starting on the first (1st) anniversary of the Effective Date with subsequent payments of Rent due on the successive anniversaries of the Effective Date. Rent for the Development Term shall be non-refundable, except that if the Construction Term commences before the applicable Development Term year has elapsed, the pro rata portion of the Development Term Rent allocable to the unelapsed portion of the applicable Development Term year shall be applied to the Construction Term Rent described in Section 4(b) below.

(b) Construction Term. Rent for each year during the Construction Term shall be One Thousand Eight Hundred and 00/100 Dollars ($1,800) per Acre (prorated for any fractional Acre) of Buildable Land and Five Hundred and 00/100 Dollars ($500) per Acre (prorated for any fractional Acre) of Setback Land, payable in advance in quarterly installments with the first payment of Rent due on the Construction Commencement Date and subsequent payments of Rent due every three (3) months thereafter during the Construction Term, provided that any installment of Construction Term Rent for a period less than three (3) months shall be prorated on a daily basis.

(c) Initial Operations Term.

(i) Rent for each year during the Initial Operations Term (and Extended Operation Terms, if applicable) shall be One Thousand Eight Hundred and 00/100 Dollars ($1,800) per Acre (prorated for any fractional Acre) of Buildable Land and Five Hundred and 00/100 Dollars ($500) per Acre (prorated for any fractional Acre) of Setback Land, subject to escalation in accordance with Section 4(c)(iii) below. For the avoidance of doubt, in the event the Acreage is reduced (a) in connection with Tenant's final determination of the size of the Premises pursuant to Section 2, or (b) due to a Taking pursuant to Section 13, Rent shall be recalculated accordingly. Notwithstanding the foregoing, the total monthly Rent for the Initial Operations Term (and Extended Operation Terms, if applicable) shall in no event be less than Ten Thousand and 00/100 Dollars ($10,000).

(ii) Rent during the Initial Operations Term (and Extended Operations Term, if applicable) shall be payable in advance in semi-annual installments with the first payment of Rent for the Initial Operations Term due on the Operations Commencement Date and subsequent payments of Rent due every six (6) months thereafter during the Initial Operations Term (or Extended Operations Term, if applicable); provided, that any installment of Rent for a period of less than six (6) months shall be prorated on a daily basis.

(iii) Starting on the fifth (5th) anniversary of the Operations Commencement Date and for each annual anniversary thereafter, the annual Rent shall be increased by three percent (3%) over the Rent otherwise then in effect.

(iv) For purposes of clarification only, Tenant and Landlord acknowledge and agree that Rent shall be determined in accordance with this Section 4 during the entire Term of the Lease, including any Extended Operations Term(s).

(d) Conditions to Tenant's Obligation to Pay Rent. Tenant's obligation to continue this Lease is at all times expressly subject to Tenant's (i) obtaining, and the ongoing effectiveness of, any agreement, instrument, license, permit, approval or consent that is necessary for the lawful operation of the System and the distribution and sale of the electricity generated by it, including without limitation an interconnection agreement and power purchase agreement with the applicable utility company, and (ii) continued ability to operate the System in an economically feasible manner, both as determined by Tenant in its sole discretion; provided, however that Tenant shall use diligent efforts to attain and maintain the conditions set forth in (i) and (ii) and if a failure of either condition is caused by Tenant's intentional action or inaction, then Tenant shall not be excused from its obligations under this Lease.

5. **Utilities**. During the Term, Tenant shall arrange and pay for all public utility services used on the Premises by Tenant.

6. **Crops and Timber**.

(a) Prior to the delivery by Tenant of the Construction Notice, Landlord may plant farm crops or enter into a lease for the planting of farm crops on the Premises and shall notify Tenant of the same along with a copy of such lease (provided that any such lease shall include a provision stating that such lease shall automatically terminate upon receipt of the Construction Notice from Tenant, subject to Tenant's obligations with respect to payment for the value of any planted crops as set forth in this Section 6). If Landlord or such tenant have planted crops before Tenant delivers the Construction Notice, Tenant may, in Tenant's sole discretion, elect to (i) delay the commencement of the Construction Term until the earlier of (a) the date that any crops actually planted on the Premises are harvested, or (b) one year following the date of such notice (even if such extension would result in the commencement of the Construction Term occurring after the expiration of the Development Term), or (ii) commence the Construction Term and pay the owner of any crops actually planted an amount equal to the fair market value of the portion of any crop that cannot reasonably be harvested and sold solely as a result of the anticipated construction of the System on the Premises. Notwithstanding anything herein to the contrary, if Tenant delivers the Construction Notice prior to April 1 of a calendar year, then Landlord shall not permit the planting of farm crops on the Premises from or after the date of the Construction Notice, and Tenant shall not owe Landlord any payment pursuant to this Section 6(a).

(b) From and after the Effective Date and for so long as this Lease is in effect, Landlord may not conduct any timbering operations on the Premises without the express written approval of Tenant. If Tenant, in Tenant's sole discretion, grants Landlord permission to conduct any timbering operations on the Premises, Landlord shall comply with all applicable federal, state and local laws and regulations, including Tenant's permits, applicable to the removal of timber from the Premises.

(c) Tenant may, but shall not be obligated to, cause timber to be removed from all or any portion of the Premises, and in such case Tenant shall be solely responsible for the cost of such timber removal and, provided that Tenant has fulfilled the requirements of Section 6(d) below, Tenant shall be entitled to keep any proceeds from the sale of any such timber. Tenant shall also bear the costs of stump and debris removal and preparation of the Premises for installation of the System.

(d) Within thirty (30) days of the Effective Date, Landlord and Tenant shall mutually agree on a timber appraiser who is respected and knowledgeable about the value of timber in the geographic area of the Premises (the "Timber Appraiser"). Prior to Tenant beginning any timbering operations on the Premises, Tenant shall provide to the Timber Appraiser a map of the Premises showing the areas of timber that Tenant intends to clear (the "Subject Timber"). The Timber Appraiser shall then perform an appraisal and determine the appraised value of the Subject Timber (the "Appraised Value"). The Timber Appraiser shall also provide an estimate of the standard costs to clear and sell the Subject Timber (the "Logging Costs").

The Appraised Value minus the Logging Costs shall be the "Net Timber Value". Within thirty (30) days of Tenant completing timbering operations on the Premises, Tenant shall pay to Landlord the Net Timber Value, which Net Timber Value shall be prorated in the event Tenant does not harvest all of the Subject Timber. Tenant shall be responsible for timely payment of the Timber Appraiser's fee.

7. **Tenant's Property**. Security interests, and the creation, attachment and perfection thereof, in Tenant's personal property, including without limitation the solar panels, inverters, racks, cables and other equipment comprising the System, shall be governed exclusively by Title 8.9A of the Virginia Commercial Code or any replacement or successor statute ("**Title 8.9A**"), notwithstanding the manner of attachment or installation of the System on the Land. The System and its constituent parts, together with any and all improvements or other features constructed on, or personal property installed or placed on the Premises by or for Tenant, including without limitation, machinery, fixtures, trade fixtures, equipment, racking, inverters, cables, solar panels, batteries, the System and other personal property (collectively, "**Tenant's Property**") are personal property within the meaning of Title 8.9A regardless of the manner of attachment to the Premises. Tenant's Property is and shall at all times during the Term be deemed to be the property of Tenant (subject to any Transfer in accordance with Section 24(a)), to be removed at Tenant's expense upon the expiration or earlier termination of the Term. For the avoidance of doubt and without limiting the foregoing, Landlord hereby waives all rights to distraint, possession or landlord's lien against Tenant's Property, if any, and shall not cause the creation of, or attachment to, Tenant's Property of any liens (including mechanics' and judgment liens) or other encumbrances. For the avoidance of doubt, Landlord is not responsible for payment of any Taxes assessed on Tenant's Property. Landlord further acknowledges that Tenant is the exclusive owner of all economic benefits generated by Tenant's Property, including, but not limited to, any real property tax rebates or abatements, any carbon credits, any production energy or investment tax credits, incentives, renewable energy credits or tradable renewable certificates, and any other federal, state, and/or local benefits effective now or in the future.

8. **Use and Occupancy**.

(a) Intended Use. Tenant shall use the Premises solely for the Intended Use (defined below), or any other lawful uses that are incidental to the Intended Use, and for no other purpose. For purposes of this Lease, the term "**Intended Use**" shall mean the exclusive right of Tenant to use and access the Premises for the following purposes with respect to the System and other improvements, fixtures, facilities, machinery, and equipment associated with the collection, storage, transmission and sale or other use or conveyance of electricity (i) development (including, without limitation, performing such investigations, studies and other due diligence activities as may be necessary to determine the feasibility of developing the System on the Premises), (ii) construction (including, without limitation, grading, grubbing, seeding, removal of improvements and other obstructions, and installing the System and related roads, access ways, and parking facilities, and above and below utility lines, appurtenances, and equipment), (iii) operation (including, without limitation, the collection, storage, transmission and sale of electrical energy,), and (iv) maintenance (including, without limitation, using, monitoring, repairing, replacing, relocating and removing, from time to time, the System and related utility lines, appurtenances, and equipment, the measurement and analysis of the performance of the System, and performing periodic vegetative maintenance at the Premises).

(b) Exclusive Possession. Subject to Landlord's rights with respect to the Premises during the Development Term, Landlord shall deliver sole and exclusive physical possession of the Premises to Tenant and Tenant shall have the right to control and restrict access to the Premises in its sole discretion from and after the commencement of the Construction Term. Commencing with the Construction Term and continuing during the remaining Term, neither Landlord nor any agent of Landlord shall, without a Tenant representative, enter upon any portion of the Premises except as specifically permitted hereunder.

9. **Tenant's Alteration, Removal and Construction Rights**. Subject to the limitations set forth in Section 3(a)(i), Tenant may, at its expense and without the consent of Landlord, (i) use, remove, demolish and/or alter any existing improvements, structures, trees, shrubs, plants or other vegetation, or other impediment or obstructions on the Premises, or (ii) install or construct any fencing security devices, weather stations and/or signage that Tenant deems reasonably necessary for the Intended Use; provided, that such use, removal, demolition, alterations, additions, improvements and changes are made in compliance with applicable laws. At no cost to Landlord, Landlord shall sign and deliver all applications and other documents, and shall take all such other actions, as are reasonably requested by Tenant in connection with obtaining any re-zonings, waivers of setback requirements, variances or other approvals as Tenant shall deem necessary or desirable in connection with the operation of the Premises.

10. **End of Term Decommissioning**.

(a) Within three hundred sixty five (365) days following the expiration or earlier termination of the Term (the "**Decommissioning Period**"), Tenant shall decommission the System, remove Tenant's Property, vacate the Premises and restore the Premises to substantially the condition in which it existed as of the Effective Date, subject to any alterations that are unrelated to Tenant's use or occupancy of the Premises and any clearing (including tree removal) and grubbing of the Premises. The removal of Tenant's Property and restoration of the Premises shall be completed in a manner that does not unreasonably and adversely affect the suitability of the Premises for economic development or industrial purposes. For avoidance of doubt, notwithstanding the termination or expiration of this Lease, Tenant shall continue to pay Rent (in the amount due at such time, prorated on a daily basis) to Landlord during the Decommissioning Period, provided, if Tenant fails to vacate the Premises prior to the expiration of the Decommissioning Period, then in addition to any other right or remedy available to Landlord, Landlord shall be entitled to holdover rent in the amount equal to one hundred twenty-five percent (125%) of Rent for the final year of the Term, prorated on a daily basis, for each day that Tenant fails to so vacate the Premises following the expiration of the Decommissioning Period. If Tenant fails to remove any portion of the System within the Decommissioning Period, Landlord may, but shall not be obligated to, remove such portion of the System from the premises and dispose of the same in its sole discretion without notice or liability to Tenant and restore the Premises to the condition required by this paragraph, all at Tenant's sole cost and expense.

(b) Tenant shall provide security in favor of Landlord to assure Tenant's performance of its decommissioning obligations pursuant to Section 10(a), in the amount of one hundred twenty five percent (125%) of the Decommissioning Cost as described below in Section 10(c) (the "**Decommissioning Security**") and in the form of either (i) an escrow account into which Tenant will deposit one-fifth (1/5) of the required security amount each year beginning five (5) years before the scheduled expiration date of any applicable power purchase agreement and continuing until fully funded, and to which Landlord will have access if and to the extent Tenant fails to perform its decommissioning obligations; or (ii) a letter of credit or performance bond, reasonably acceptable to Landlord, in favor of Landlord provided as of the date that is five (5) years before the scheduled expiration date of any applicable power purchase agreement entered into by Tenant, which can be used in the event and to the extent Tenant fails to perform its decommissioning obligations set forth above. Landlord may use such Decommissioning Security to reimburse itself for costs of decommissioning it incurs. Notwithstanding the forgoing, in the event any Governmental Authority with jurisdiction over the Project requires equivalent bonding or other security in an equivalent amount to the Decommissioning Security, then Tenant's satisfaction of such requirements shall satisfy all bonding or other security requirements under this Section 10(b), provided if the Governmental Authority releases such bond or other security, or such bond or other security otherwise lapses, Tenant shall be obligated to provide the Decommissioning Security as security for its obligation to decommission the System.

(c) Tenant shall provide a cost estimate to decommission the System (the "**Decommissioning Cost**") prepared by a Virginia licensed engineer experienced with solar systems and acceptable to Landlord, which shall include the following: (1) the estimated cost to decommission the System as set forth in Section 10(a) above (the "**Gross Cost**"); and (2) the estimated resale and salvage values associated with Tenant's Property (the "**Salvage Value**"). The Decommissioning Cost shall be equal to the Gross Cost, without consideration of the Salvage Value. Tenant shall deliver the opinion of the Decommissioning Cost to Landlord on or before the date that is one hundred eighty (180) days prior to the date that Tenant is required to first provide the letter of credit, bond or escrow account as set forth above. Tenant shall provide a revised and updated Decommissioning Cost estimate on every fifth (5^{th}) anniversary of the date of the first Decommissioning Cost estimate, which shall account for inflation, cost and value changes, and advances in decommissioning technologies and approaches, and, if different than previously estimated, the amount of security provided by Tenant shall be adjusted to equal the new estimated Decommissioning Cost within sixty (60) days of the end of the applicable lease year.

11. **Taxes**. Tenant acknowledges and agrees that Landlord does not pay real estate taxes. Any real estate taxes or other taxes due and payable in connection with this Lease, or Tenant's operations on the Premises shall be the sole responsibility of Tenant.

12. **Fire or Other Casualty**. If during the Term, all or part of the Premises or Tenant's Property are damaged by fire, wind, flood, earthquake or other casualty, with the result that, in Tenant's sole discretion, it would not be commercially or economically reasonable or desirable to repair and restore the Premises and/or Tenant's Property, as applicable, then Tenant may terminate this Lease by providing Landlord with written notice of the same and vacating the Premises in compliance with Section 10 hereof. Tenant, or its successor in interest, shall be entitled to 100% of any proceeds from casualty insurance policies maintained by Tenant.

13. **Condemnation**.

(a) Total Taking. If during the Term, all or part of the Premises and/or Tenant's Property shall be subject to condemnation, the exercise of the power of eminent domain, or other governmental taking (the foregoing, collectively, a "**Taking**") with the result that, in Tenant's sole discretion, the unaffected portion of the Premises is insufficient or otherwise unsuitable for Tenant's continued use of the Premises and/or Tenant's Property for the Intended Use or such other use as existed at the time of the Taking (a "**Total Taking**"), then Tenant may terminate this Lease by providing Landlord with written notice of the Total Taking, the Lease shall terminate effective as of the date set forth in such notice, and Tenant shall vacate the Premises in accordance with Section 10.

(b) Partial Taking. If during the Term, all or part of the Premises and/or Tenant's Property shall be subject to a Taking that, in Tenant's sole determination, does not constitute a Total Taking (a "**Partial Taking**") then Tenant shall notify Landlord of the occurrence of the Partial Taking and (i) concurrently with such Taking this Lease shall terminate with respect to the affected portion of the Premises, which Tenant shall vacate in accordance with Section 10, (ii) this Lease shall continue in full force and effect with respect to the unaffected portion of the Premises and (iii) the Acreage shall be reduced for each Acre subject to the Taking. For purposes of clarification only, Tenant shall be entitled to remove Tenant's Property from any portion of the Premises that is subject to a Taking.

(c) Tenant's Right to Participate in Proceedings. Tenant, at Tenant's own expense, shall have the right but not the obligation to participate in any proceedings with respect to a Taking; in such event Landlord shall cooperate with Tenant to facilitate such participation. Neither Landlord nor Tenant shall enter voluntarily into any binding agreement or settlement related to a Total Taking or a Partial Taking without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) Proceeds. The proceeds of any Total Taking or Partial Taking shall be apportioned as between Landlord and Tenant as follows: First, to Landlord, an amount equal to the fair market value of the Land subject to the Taking and calculated with reference to the value of the Land for industrial/economic development use. Second, to Tenant, such amounts as are necessary to compensate Tenant for the loss of use of the Premises so Taken, excluding consequential losses. If after giving effect to the foregoing there remain any apportioned proceeds, they will be apportioned to the parties in an equitable manner.

14. **Default**. The failure by a Party hereto to perform its obligations under this Lease, if not remedied within thirty (30) calendar days of written notice of such failure from the other Party, or if such failure is not capable of being remedied within thirty (30) days, remedial action is not commenced and diligently pursued within such thirty (30) day period, shall constitute a default hereunder (a "**Default**"). Following an event of Default, the non-defaulting party may pursue any available remedies in law or in equity, subject to Section 25(d). Notwithstanding the foregoing, the non-defaulting party shall take commercially reasonable measures to mitigate damages resulting from such Default. Notwithstanding the foregoing, Landlord expressly waives the right to terminate this Lease for any non-monetary Default by Tenant, and Landlord's only remedy in such case shall be a cause of action at law to seek damages. Despite any provision in this Lease to the contrary, neither Tenant nor Landlord shall be liable to the other for incidental, consequential, special, punitive or indirect damages, including without limitation, loss of use, loss of profits, cost of capital or increased operating costs, arising out of this Lease whether by reason of contract, indemnity, strict liability, negligence, intentional conduct, breach of warranty or from breach of this Lease. The foregoing provision shall not prohibit Tenant or Landlord from seeking and obtaining general contract damages and/or specific performance for a breach of this Lease.

15. **Indemnifications**. Tenant shall indemnify, defend and hold harmless Landlord and all of its board members, officers, directors, employees, representatives and agents from and against any and all losses, damages, claims, expenses and liabilities for physical damage to property and for physical injury to any person, including, without limitation, reasonable attorneys' fees, to the extent resulting from or arising in connection with this Lease or Tenant's use of or presence on the Premises, except to the extent caused by the gross negligence or willful misconduct of Landlord or any of Landlord's agents or employees. This indemnification will survive the termination of this Lease.

16. **Notices**. All notices, elections, demands, requests, and other communications hereunder shall be in writing, signed by the party making the same and shall be sent by national overnight courier service which provides tracking and acknowledgement of receipts, addressed to:

If to Landlord: Danville-Pittsylvania Regional Industrial Facility Authority
427 Patton Street
Room 428
Danville, VA 24541
Attn: Susan M. DeMasi, Authority Secretary
Phone: 434-797-8928, Ext 2298
Email: demassm@danvilleva.gov

with a copy to

If to Tenant: Tupelo Storage, LLC
c/o Strata Solar Services, LLC
800 Taylor Street, Suite 200
Durham, NC, 27701
(919) 960-6015
Attn: Asset Management Department
Email: assetmanagement@stratacleanenergy.com

with a copy to Tupelo Storage, LLC
c/o Strata Solar Development, LLC
800 Taylor Street, Suite 200
Durham, NC, 27701
(919) 960-6015
Attn: General Counsel
Email: legal@stratacleanenergy.com

or at such other address as may hereafter be designated in writing by either Party, or by any other method if actually received (including electronic communication at the e-mail addresses noted above). Such notices shall be deemed received when (a) actually received if delivered in person or via email or (b) on the next business day after being sent, if delivered via overnight mail. Notwithstanding the foregoing, receipt shall be deemed to occur upon actual receipt or refusal, regardless of method of delivery.

17. **Easements**. Landlord hereby grants to Tenant the following easements for the benefit of Tenant and the Premises as Tenant or the utility to which the System is interconnected (the "**Utility**") reasonably requires to facilitate the construction, operation, and removal of the System: (i) an ingress and egress easement for access, ingress, and egress to and from the System and the Premises over, across, on, under, in, along and above the Land, including without limitation any existing roads on the Land and by other roads as Tenant may construct on the Land from time to time in locations reasonably agreed between Tenant and Landlord; (ii) an irrevocable, exclusive easement to convert all of the solar resources above the Site to electricity; (iii) an easement over, under, below, across, on, and above the Premises and Land for the installation, maintenance, repair, and replacement of required utility poles or lines, including without limitation underground or overhead transmission lines and facilities, and underground or overhead communications lines and facilities; and (iv) any other easements over the Land and Premises as reasonably required by Tenant or the Utility in connection with Tenant's use of the Premises during the Term (collectively, the "**Easements**"). Should Tenant or the Utility require any of the Easements separately memorialized and/or recorded, then within forty-five (45) days of such request Landlord shall execute a document appropriate for recording in the County clerk's office, which document shall run with the Lease, be co-terminous with the Lease, and inure to the benefit of Tenant or the Utility, as applicable, and its transferees, successors and assigns hereunder. Landlord's failure to execute any of the Easements delivered by Tenant or the Utility to Landlord in accordance with this Section 17 shall be deemed a Default under the Lease and Tenant shall have no obligation to make any payment of Rent until such executed Easement is received. Further, Landlord acknowledges that commercial operation of the System may require additional easements in favor of Tenants, the Utility, or third parties involved in the operation of the System on the Land, Premises. Accordingly, Landlord shall grant such easements in such locations as such party may reasonably request upon reasonably agreed upon terms.

18. **Non-Disturbance Agreement**. Upon Tenant's request, Landlord shall execute, and take commercially reasonable efforts to cause any current beneficiaries of any mortgages, deeds of trust, deeds

to secure debt or security deeds, or any other parties with an interest secured by Landlord's interest in the Land, to enter into an agreement with Tenant confirming that no such party will disturb or extinguish Tenant's interest in the Land and in this Lease. Such agreement shall be in form and substance reasonably agreeable to Tenant and any Additional Notice Party (defined in Section 25).

19. **Landlord's Representations and Warranties**.

(a) Landlord represents and warrants, that as of the Effective Date:

(i) Landlord is a political subdivision of the Commonwealth of Virginia, duly formed and validly existing pursuant to the Virginia Regional Industrial Facilities Act. Landlord has the power to own its property and carry on its business as and where it is now conducted, and, but the authority of tis signature as shown on this Lease, has the power and unrestricted authority to enter into this Lease and perform its obligations and consummate the transactions contemplated under this Lease without the joinder of any other person or entity;

(ii) Landlord has not received any written notice of any Taking, zoning change or legal noncompliance relating to the Premises, notwithstanding the foregoing, Landlord hereby discloses that the County of Pittsylvania, Virginia, is considering adoption of the ordinance (as the same may be amended or modified prior to adoption) attached hereto as Schedule 19(a)(ii);

(iii) Landlord has not entered into any unrecorded use or occupancy restrictions or unrecorded declarations of restrictive covenants with respect to the Premises, except as disclosed on Schedule 19(a)(iii);

(iv) there are no service or maintenance contracts affecting the Premises;

(v) there are no delinquent or outstanding Taxes, liens or other impositions levied or assessed against the Premises or any larger parcel of property of which the Premises is a part;

(vi) except for this Lease, there are no unrecorded leases, options to purchase, license agreements or other third party rights to use or possess the Premises, whether written or oral, except as may be set forth on Schedule 19(a)(vi) attached hereto and made a part hereof;

(vii) Landlord is not in the hands of a receiver nor is an application for such a receiver pending, nor has Landlord made an assignment for the benefit of creditors, nor filed, or had filed against it, any petition in bankruptcy nor is Landlord a defendant in any ongoing or pending litigation proceedings;

(viii) There are no unrecorded mortgages, deeds to secure debt, security deeds or other instruments securing debt affecting the Premises; and

(ix) This Lease and all documents executed and delivered by Landlord in connection herewith are, or at the time of such execution and delivery, will be duly authorized, executed and delivered by Landlord and the legal, valid and binding obligations of Landlord.

(b) The foregoing representations and warranties (and any other representations and warranties of Landlord under this Lease) shall be true and correct on the Operations Commencement Date. If requested by Tenant, Landlord shall deliver a certificate to such effect and/or such affidavits as may be requested by (i) any financing party or potential purchaser of the System, or (ii) any title company in connection with obtaining a title insurance policy on the Premises, relating to the same; provided Landlord shall not be required to indemnify any such financing party, potential purchaser or title company.

20. **Insurance**. During the Term, Tenant shall maintain, at Tenant's cost and expense, a policy or policies of insurance providing Commercial General Liability Insurance for Tenant's liability arising out of claims for bodily injury (including death) and property damage in an amount not less than $1 million of combined, single-limit liability coverage per occurrence, accident or incident, in each case having a deductible not in excess of $50,000. All such policies will provide for at least thirty (30) days' prior written notice to Landlord of any cancellation or material change. Landlord shall be included as an additional insured on such policies. Tenant shall provide Landlord with copies of certificates of insurance evidencing this coverage within three (3) business days following a request therefor from Landlord. Policies will provide coverage for any costs of defense or related fees incurred by Tenant. Tenant may elect to satisfy the requirements of this Section 20 through a program of self-insurance.

21. **Landlord Covenants**. From and after the Effective Date until the expiration or earlier termination of the Term,

(a) Landlord shall not, without the prior written consent of Tenant,

(i) institute or consent to any rezoning of the Premises;

(ii) lease any portion of the Premises to another party or further encumber or suffer to exist the further encumbrance or Transfer (defined below) of the Premises (except as caused by or on behalf of Tenant) except in accordance with Section 6 (pertaining to farm leases) or as otherwise permitted by Section 24 of this Lease; or

(iii) cause or permit any activities or conditions on the Premises or any adjacent property owned or controlled by Landlord that will materially and adversely impact Tenant's ability to utilize the Premises for the Intended Use (including, without limitation, by erecting or permitting to be erected any cell towers, water towers, billboards, silos, trees or any other natural or man-made structures to be placed, constructed, or to otherwise exist that will diminish the quantity of sunlight that otherwise would reach the System or any portion thereof, or by grading adjacent or nearby land or any other activity that would cause damaging water runoff onto the Land).

(b) Landlord shall provide notice to Tenant within fifteen (15) days following the commencement of any proceedings in bankruptcy, insolvency or similar proceedings with respect to Landlord, and

(c) Landlord shall promptly give Tenant a copy of any notice of any kind received by Landlord regarding the Premises or any Taxes during the Term.

22. **Hazardous Materials.**

(a) Tenant. Tenant shall not use, place, dispose of, or release in or onto or from the Premises any Hazardous Materials (as defined below), except as permitted in this Section 22, and in strict compliance with all Environmental Laws (as defined below). If Tenant uses, places, disposes of or releases any Hazardous Materials (defined below) in or onto or from the Premises in violation of any Environmental Laws, or if such use, placement, disposal or release results in the contamination of the Premises or any other property, then Tenant shall correct such violation and remediate such Hazardous Materials in accordance with any remediation order or requirements of any governmental authority with jurisdiction at Tenant's sole cost and expense. Landlord acknowledges that Tenant has disclosed to Landlord that in connection with the ordinary course of construction, operation and maintenance of the System, Tenant will use limited quantities of Hazardous Materials, at all times in strict compliance with Environmental Laws. "**Hazardous Materials**" means asbestos, lead and any and all pollutants, dangerous substances, toxic substances, hazardous wastes, hazardous materials and hazardous substances as referenced or defined in, or regulated under, any federal, state, local or other applicable environmental law, statute, ordinance, rule, order, regulation or standard in effect on the date hereof including, without limitation, the Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.), as amended ("**RCRA**"), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136, et seq.), as amended ("**FIFRA**"), the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, et seq.), as amended ("**CERCLA**"), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), as amended ("**HMTA**"), and the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), as amended ("**TSCA**"), and any other federal, state or local law governing such substances, as such laws may be amended from time to time. "**Environmental Laws**" means any and all federal, state, and local laws relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials. Environmental Laws includes, but is not limited to, CERCLA, RCRA, HMTA, TSCA, and the common law.

(b) Tenant shall notify Landlord promptly in writing if: (i) Tenant becomes aware of the presence or release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Premises in any quantity or manner which could reasonably be expected to violate in any material respect any Environmental Laws or this Lease or give rise to any material liability or the obligation to take remedial action under any Environmental Laws or this Lease; or (ii) Tenant receives any written notice, claim, demand, request for information, or other communication from a governmental authority regarding the presence or release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Premises. Tenant shall provide Landlord with copies of all tests, studies, notices, claims, demands, requests for information, or other communications relating to the presence or release of any Hazardous Materials at, on, under, over, emanating from, or migrating to the Premises.

(c) Indemnification. If Tenant breaches any of its obligations with respect to Hazardous Materials or Environmental Laws, or if a release of any Hazardous Material is caused or permitted by Tenant or its agents, employees, sub-lessees, assignees or contractors in violation of any Environmental Laws and/or which causes any contamination of the Premises or any other property, then Tenant shall indemnify, defend, protect and hold harmless Landlord and all of its board members, officers, directors, employees, representatives and agents from and against any and all losses, damages, claims, actions, suits, proceedings, losses, costs, damages, liabilities (including without limitation, sums paid in settlement of claims), deficiencies, fines, penalties or expenses (including without limitation, reasonable attorneys' fees and consultants' fees actually incurred) which arise during or after the Term of this Lease as a result of such breach or contamination, except to the extent any such claims, damages or liabilities are finally and judicially determined to be caused by the gross negligence or willful misconduct of Landlord, its employees, contractors or agents. This indemnity includes, without limitation, and Tenant shall pay all costs and expenses relating to (1) any claim, action, suit or proceeding for personal injury (including sickness, disease or death), property damage, nuisance, pollution, contamination, spill or other effect on the environment; (2) any investigation, monitoring, repair, clean-up, treatment or detoxification of the Premises; and (3) the preparation and implementation of any closure plan, remediation plan or other required action in connection with the Premises. The obligations of Tenant pursuant to this Section 22, including the remediation and indemnity obligations, shall survive expiration or termination of this Lease.

23. **Memorandum of Lease**. This Lease shall not be recorded; however, within ten (10) days following Tenant's request, Landlord and Tenant shall execute a memorandum of this Lease in recordable form set forth in Exhibit B to this Lease, setting forth the following provisions of this Lease, without limitation: (a) all information required by law, (b) restrictions on Transfers, (c) any unexercised options to

extend the Term, (d) rights of first offer or of first refusal, if any, of Tenant with respect to the Premises and/or Land, and (e) such other provisions of this Lease as the Parties may mutually agree to incorporate therein. Tenant shall cause the memorandum of lease to be recorded at Tenant's sole cost and expense in the Clerk's Office of the Circuit Court of the County of Pittsylvania, Virginia. Upon expiration of the Term, or if this Lease is otherwise terminated for any reason, within five (5) days following such expiration or termination Tenant shall record a release of the memorandum in the Clerk's Office, Circuit Court, Pittsylvania County, Virginia at Tenant's sole cost and expense, which obligation shall survive termination or expiration of this Lease. If Tenant fails to record such release, Landlord shall have the right, but not the obligation, to record same and Tenant shall immediately upon request reimburse Landlord for the cost thereof.

24. **Assignments, Mortgages, Transfers**. This Lease shall be binding upon and inure to the benefit of the Parties and their legal representatives, successors and assigns.

(a) Transfers by Tenant. Tenant may pledge, sell, grant and/or assign, sublease, mortgage and otherwise transfer (each, a "**Transfer**") this Lease or Tenant's leasehold interest in the Premises, in whole or in part, without Landlord's prior consent; provided that (i) such transfer is for the Intended Use and no other purpose, (ii) the transferee has an audited net worth and maintains a net worth of not less than $50,000,000.00 and has the operational experience of at least two (2) years to operate the System and the legal authority and financial means to perform as Tenant under this Lease, and (iii) Tenant shall notify Landlord of any such Transfer no later than thirty (30) days prior to such Transfer. Subject to the foregoing, if Tenant assigns its entire interest in this Lease to a party that meets the foregoing requirements and assumes in writing all of Tenant's rights and obligations under this Lease, Tenant shall be automatically released from all obligations accruing under the Lease as of the date of such Transfer.

(b) Transfers by Landlord. Landlord shall give Tenant at least thirty (30) days' prior notice of any Transfer by Landlord of its interest in the Land or in this Lease. In addition, any such Transfer shall be expressly subject to this Lease. For example, but without limiting the foregoing, the Lease shall remain prior in interest to any mortgage, deed to secure debt or security deed entered into by Landlord after the Effective Date. Landlord shall notify Tenant of the closing of such Transfer, and if applicable, the name and contact information of the successor to Landlord's interest hereunder and payment instructions for future payments of Rent and other amounts due under the Lease.

25. **Third Party Protections**. If Tenant shall notify Landlord in writing of the existence of, and contact information for, any third party with a security interest or similar interest in the Lease, the System, or the Premises whether via a Transfer or otherwise (any such third party, an "**Additional Notice Party**"), then the following provisions shall apply until such time as Landlord shall receive written confirmation that such Additional Notice Party's interests in this Lease, the System or the Premises are released:

(a) Amendment, Assignment, Termination or Modification of Lease. Without limiting Section 24, no assignment, amendment, termination or other modification of this Lease shall be effective unless approved by the Additional Notice Party in writing.

(b) New Lease. Upon the termination of this Lease pursuant to a Default by Tenant, provided any outstanding monetary defaults are cured, Landlord shall enter into a new lease with Additional Notice Party or its assignee/nominee on the same terms as set forth herein, and for a term equal to the then-unelapsed portion of this Lease, with an option to extend for any then-remaining Extended Operations Term(s). Such new lease shall be effective as of the date of termination of this Lease. For avoidance of doubt, the liability of such Additional Notice Party or its assignee/nominee under such new lease shall be limited to such Additional Notice Party's interest in the Premises and such Additional Notice Party or its assignee/nominee shall have no personal liability to Landlord for the performance of any obligations under such new lease or for any defaults of Tenant under the prior Lease (other than the cure of any monetary defaults). Moreover, Tenant shall remain responsible for any non-monetary defaults of Tenant under the prior Lease and for the non-monetary obligations of the System operator under the new lease.

(c) Bankruptcy. If this Lease is terminated pursuant to a rejection in bankruptcy or other similar proceeding with respect to Landlord, then Landlord, or its successor in interest to the Land, if any, shall enter into a new lease with Tenant on substantially the same terms as this Lease and for the then otherwise unexpired portion of the Term. Such new lease shall be effective as of the date of termination of this Lease.

(d) Additional Notice and Cure Period. If any event of Default by Tenant remains uncured following the applicable cure period under Section 14, Landlord shall send written notice of such uncured Default to each Additional Notice Party at the address provided therefor, whereupon the Additional Notice Party shall have an additional (i) thirty (30) days in the event of a payment Default, or (ii) thirty (30) days in the event of a non-payment Default (provided that so long as such Additional Notice Party has commenced diligent efforts to cure such non-payment default during such thirty (30) day period, such Additional Notice Party shall be given additional reasonable time in which to cure such Default) during which it may, in its sole discretion, cure such Default on Tenant's behalf. Landlord may not pursue any remedy for such Default unless it remains uncured following the expiration of such Additional Notice Party's cure period as set forth in the preceding sentence. No notice shall be effective against an Additional Notice Party unless and until given by one of the methods set forth in Section 16 hereof..

(e) Additional Documents. Landlord agrees to execute and deliver such documents and instruments, including estoppels, affidavits and amendments to this Lease, as may be reasonably requested by an Additional Notice Party or in furtherance of a Transfer related to the financing or re-financing of the System, to allow such Additional Notice Party reasonable means to protect or preserve the System or its collateral interest in the Lease; provided, that Landlord shall not be required to amend this Lease in any way that would extend the Term, decrease the Rent or otherwise in any material respect adversely affect any rights of Landlord, or indemnify any party, and provided further that Tenant and/or such Additional Notice Party shall reimburse Landlord for Landlord's reasonable expenses, including legal expenses, in connection with any request for the execution and delivery of additional documents and instruments in accordance with this Section 25(e).

26. **Estoppel**. Upon the request of either party to this Lease or an Additional Notice Party, the non-requesting party shall deliver to the requesting party a certificate setting forth the material terms of the Lease, the existence of any Default under the Lease, the date through which Rent has been paid and any amounts on deposit with Landlord, the current Rent rate, and such other reasonable terms requested by the requesting party; provided that Landlord shall not be required to indemnify any party. The failure by the non-requesting party to respond to such request within thirty (30) days shall constitute an event of Default.

27. **Brokerage Commission**. Landlord and Tenant each warrant and represent to the other that, except for N/A whose commission will be the responsibility of N/A, there are no brokers' commissions, finders' fees or any other charges due to any broker, agent or other party in connection with the negotiation or execution of this Lease. TENANT SHALL INDEMNIFY, DEFEND, PROTECT AND HOLD LANDLORD HARMLESS FROM AND AGAINST ALL DAMAGES, LOSSES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED), LIABILITIES AND CLAIMS WITH RESPECT TO ANY CLAIMS MADE BY ANY BROKER OR FINDER BASED UPON SUCH BROKER'S OR FINDER'S REPRESENTATION OR ALLEGED REPRESENTATION OF TENANT. This Section 27 shall survive termination or expiration of this Lease.

28. **Force Majeure**. If performance of this Lease or any obligation hereunder (other than the obligation of Tenant to pay Rent or any other amount due under this Lease) is prevented or substantially restricted or interfered with by reason of an event of Force Majeure (defined below), the affected Party, upon giving written notice to the other Party, shall be excused from such performance to the extent and for the duration of such prevention, restriction or interference. The affected Party shall use its reasonable efforts to avoid or remove such causes of nonperformance and shall continue performance as soon as such causes are removed. "**Force Majeure**" means fire, earthquake, flood, tornado or other acts of God and natural disasters, strikes or labor disputes; war, terrorist act, epidemic, pandemic, quarantine, civil strife or other violence; any law, order, proclamation, regulation, ordinance, action, demand or requirement of any government agency or utility; generalized lack of availability of raw materials or energy; or any other act or condition beyond the reasonable control of a Party. For avoidance of doubt, economic hardship shall not constitute Force Majeure for purposes of this Lease.

29. **Confidentiality.** This Lease, the terms and conditions hereof (including, without limitation, the financial terms of this Lease), Tenant's site design and product design, methods of operation, methods of construction and power production of the System; all studies, measurements, readings, data and any other information concerning or relating to the System that Tenant provides to or that is otherwise obtained by Landlord, whether written or oral, tangible or intangible, constitutes Tenant's proprietary and confidential intellectual property ("**Confidential Information**"). Landlord shall not use such Confidential Information for its own benefit, publish or otherwise disclose it or permit its use by others, except as expressly permitted in this Section 29 or as otherwise expressly agreed by Tenant in writing. Without limiting the foregoing, Landlord's obligation of confidentiality and non-disclosure with respect to the Confidential Information shall not apply to any information which (i) is in the public domain or can be proven to have been known to Landlord prior to disclosure by Tenant to Landlord; (ii) following disclosure, becomes generally known or available through no act or omission of Landlord; (iii) is independently developed by or on behalf of Landlord without any use of the Confidential Information; or (iv) is known, or becomes known, to Landlord from a source other than Tenant or its representatives, provided that disclosure by such source is not in breach of an obligation of confidentiality to Tenant. Further, notwithstanding anything herein to the contrary, Landlord may, upon prior written notice to Tenant, provide copies of this Lease (but not any other Confidential Information) and disclose the terms thereof to Landlord's immediate family members who also have an interest in the Premises and Landlord's attorneys, accountants, financial advisors, agents employees and any existing or prospective mortgagee, lessee, or purchaser of the Land (each a "**Related Person**"), as necessary to fulfill Landlord's obligations hereunder or under its agreements or obligations to such parties, so long as they likewise agree to be subject to the same confidentiality provisions as Landlord under this Section 29. Landlord agrees with Tenant that any disclosure of Confidential Information by any other party, including without limitation a Related Person of Landlord or of another landlord within the Premises shall not relieve Landlord of Landlord's obligations under this Section 29. Tenant may require Landlord to have any person, including a Related Person, sign a reasonable non-disclosure agreement as a condition to Tenant's consent under this Section 29. The provisions of this Section 29 shall survive the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Tenant acknowledges and agrees that Landlord is subject to the Virginia Freedom of Information Act, Code of Virginia (1950, as amended) § 2.2-3700, *et seq.* ("FOIA"). The entirety of this Section 29 is subject and subordinate to Landlord's obligations under FOIA and Landlord shall not be in default hereunder for making any disclosures that are required by its obligations under FOIA, in Landlord's reasonable determination.

30. **Legal Expenses**. If either Party brings any action or proceeding against the other (including any cross-complaint, counterclaim or third-party claim) to enforce or interpret this Lease, or otherwise arising out of this Lease, the prevailing Party in such action or proceeding shall be entitled to recover its costs and expenses of suit (including, without limitation, reasonable attorneys' fees actually incurred, accountants' fees, consulting fees, court costs and other legal expenses), and such amounts shall be payable whether or not such action or proceeding is prosecuted to judgment. For purposes hereof, the term "prevailing Party"

includes a Party who dismisses an action for recovery in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action. Any provision of this Lease which entitles a Party to recover attorneys' fees shall for all purposes be deemed to mean and refer to reasonable attorneys' fees actually incurred, without regard to any statutory presumption or formula.

31. **Governing Law**. This Lease shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia and any disputes arising from or relating to this Lease shall be construed, governed and interpreted and regulated under the laws of the Commonwealth of Virginia. If the parties are unable to resolve amicably any dispute arising out of or in connection with this Lease, they agree that such dispute shall be resolved in the state Circuit Court, Pittsylvania County, Virginia, and the parties agree to submit to the jurisdiction and venue of such court for the resolution of any such dispute(s), with the allowed appellate process for that jurisdiction.

32. **Interpretation; Amendment**. The terms of this Lease shall not be amended, restated, changed or otherwise modified except in a writing signed by Landlord, Tenant and any Additional Notice Party. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each other term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

33. **Integration; Anti-Merger**. This instrument, including the attached Exhibits, contains the complete agreement of the Parties regarding the subject matter of this Lease, and there are no oral or written conditions, terms, understandings or other agreements pertaining thereto which have not been incorporated herein. This instrument creates only the relationship of landlord and tenant between the Parties as to the Premises, and nothing in this Lease shall in any way be construed to impose upon either Party any obligations or restrictions not expressly set forth in this Lease. This Lease shall continue until the expiration or termination of the Lease and Term, and shall not be extinguished by operation of law pursuant to the acquisition by a single party of the interests in both Tenant and Landlord hereunder.

34. **Exclusive Control; Quiet Enjoyment**. Tenant shall have exclusive control, possession, occupancy, use and management of the Premises during the Construction Term and Operations Term(s), subject to any easements or security instruments existing and disclosed by Landlord to Tenant or in the public record on the Effective Date, or as caused by Tenant. Landlord shall warrant and defend Tenant's right to quietly hold and enjoy the Premises during the Construction Term, Development Term, and Operations Term against any person or party claiming to have an interest in the Premises.

35. **Waiver**. The waiver by any Party (or any Additional Notice Party) of any instance of a breach of any covenant or agreement herein shall not be deemed to constitute waiver of any subsequent breach of the same or any other covenant or agreement under this Lease.

36. **Nonrecourse**. It is expressly acknowledged and agreed by Tenant that any liability of the Landlord of any nature under this Lease or by statute or at common law shall be limited in value to, and collectible only out of, Landlord's interest in the Premises. Tenant expressly agrees that Landlord has and shall have no duties, liabilities, or obligations to Tenant, its agents, employees, officers, managers, members, shareholders or independent contractors, arising from or related to any open, obvious, or latent conditions of the Premises, whether known or unknown.

37. **Consents; Further Assurances**. Each party shall execute and deliver such further documents, and perform such other acts, as may be reasonably necessary to achieve the Parties' intent in entering into this Lease. The Parties further agree that, to the extent the consent or approval of either of them is required, requested or appropriate under this Lease, such consent or approval shall not be unreasonably or unduly

withheld, delayed, or conditioned, and except as may otherwise be expressly provided for herein, each Party shall bear its own costs and expenses, including legal costs, in connection with such consent or approval.

38. **Counterparts**. This Lease may be executed in any number of counterparts, each of which shall be deemed an original once executed and delivered.

39. **Survival**. Upon the expiration or earlier termination of this Lease in accordance with its terms, this Lease shall cease to have force and effect, unless the context requires otherwise to achieve the Parties' intent with respect thereto.

40. **Compliance with Law**. In conducting its operations on the Premises, Tenant shall comply in all material respects with all laws (including Environmental Laws), inclusive of any obligations of Tenant to register the System, other related facilities or operations under RCRA due the presence of Hazardous Materials that are contained within, or are part of the construction of, the System; however, Tenant may contest the validity or applicability of any laws (including but not limited to Environmental Laws, and any property tax) related to the Premises, the Tenant, the System, the operations, or any other activity or property of Tenant, by appropriate legal proceedings brought in the name of Tenant or in the names of both Tenant and Landlord where appropriate or required; provided Landlord shall have the right to consent to being named in such proceedings. Any such contest or proceeding, including any initiated by Tenant and maintained in the name of Landlord, shall be at Tenant's expense and be controlled and directed by Tenant, but in consultation with Landlord and at no cost to Landlord, excepting proceedings which arise due to Landlord's violation of any laws (including Environmental Laws).

41. **Hunting Activities**. Subject to the provisions of this Section 41, after the Effective Date Landlord shall have the right to engage in hunting activities on the Premises until the Construction Term commences (the "**Hunting Period**"). Any such hunting activities shall be performed in accordance with applicable law. At any time during the Hunting Period, with at least twenty-four (24) hours advance notice, Tenant shall have the right to require Landlord to cease hunting activities on the Premises for a period of time specified by Tenant so that Tenant may conduct pre-construction activities as permitted in this Lease. Landlord shall not grant a hunting lease or a similar right to any third-party without the prior written approval of Tenant. For the avoidance of doubt, no hunting activities shall be permitted to occur after the expiration of the Hunting Period.

[END OF TEXT. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the later of the dates indicated below.

LANDLORD:

By: ______________________________

Name: ______________________________

Date: ______________________________

Landlord's Spouse, if any:

By: ______________________________

Name: ______________________________

Date: ______________________________

TENANT:

[PROJECT COMPANY/SOLAR DEVELOPMENT HOLDINGS, LLC]

By: Strata Manager, LLC

By: ______________________________

Name: Markus Wilhelm

Title: Manager

Date: ______________________________

Exhibit A
Description of the Land

[INSERT LEGAL DESCRIPTION]

Prepared by and mail to:
[PROJECT COMPANY/SOLAR DEVELOPMENT HOLDINGS, LLC]
800 Taylor Street, Suite 200
Durham, NC 27701
Attn: Legal Department

GPIN: ______________________________

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "**Memorandum**") dated as of _____________, 20__, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("*Landlord*"), having a mailing address at P.O. Box 3300, Danville, Virginia 24543, Attn: Chairman and [PROJECT COMPANY/**SOLAR DEVELOPMENT HOLDINGS, LLC]**, a North Carolina limited liability company ("*Tenant*"), having a mailing address at 800 Taylor Street, Suite 200, Durham, North Carolina 27701, recites and provides:

RECITALS

1. By that certain Ground Lease Agreement dated ______________, 20_____, (the "**Lease**"), Landlord leased to Tenant and Tenant leased from Landlord, upon the terms and conditions and for the rent set forth in the Lease, certain real estate situated in ___________ County, Virginia, (the "**County**"), and more particularly described on Exhibit A attached hereto as a part hereof and recorded herewith (the "**Premises**").

2. In lieu of the recording of the Lease in the Clerk's Office of the Circuit Court of the County (the "**Clerk's Office**"), Landlord and Tenant now desire to record this Memorandum in the Clerk's Office pursuant to Section 55.1-1601 of the Code of Virginia 1950, as amended (the "**Virginia Code**"), as a memorandum of lease.

NOW, THEREFORE, for and in consideration of the rent payable by Tenant to Landlord as required by the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in accordance with Section 55.1-1601 of the Virginia Code, Landlord and Tenant hereby set forth the following provisions of the Lease as a memorandum of lease.

1. The name of the lessor named in the Lease is **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia.

2. The name of the lessee named in the Lease is [PROJECT COMPANY/**SOLAR DEVELOPMENT HOLDINGS, LLC],** a North Carolina limited liability company**.**

3. By the Lease, Landlord demised and leased the Premises to Tenant, and Tenant leased and took the Premises from Landlord, upon the terms and conditions of the Lease.

4. As set forth in the Lease, the address of Landlord is as follows:

Danville-Pittsylvania Regional Industrial Facility Authority
1 Center Street
Chatham, Virginia 24531
Attn: ____________________

5. As set forth in the Lease, the address of Tenant is as follows:

c/o Strata Solar Services, LLC
800 Taylor Street, Suite 200
Durham, NC 27701
Attn: Asset Management Department

6. The Effective Date of the Lease is _______________, 20_____.

7. The Premises leased by the Lease is more particularly described in Exhibit A attached hereto.

8. The Lease is effective as of ___________, 20__. The Term of the Lease begins on the Effective Date and continues for a period of thirty (30) years from the Operations Commencement Date (as defined in the Lease), unless extended or earlier terminated as provided in the Lease. Tenant has the right to extend the Term for two (2) additional successive Extended Operations Terms of five (5) years each as set forth in the Lease.

9. The Parties agree to execute an amendment to this Memorandum which shall set forth the final metes and bounds legal description of the Premises.

10. Landlord has agreed (i) not to lease any portion of the Premises to another party or further encumber or suffer to exist the further encumbrance or Transfer (defined in the Lease) of the Premises except as caused by or on behalf of Tenant or as specifically allowed in the Lease; (ii) not to cause or permit any activities or conditions on the Premises or any adjacent property owned or controlled by Landlord that may, in Tenant's sole judgment, adversely impact Tenant's ability to utilize the Premises for the Intended Use as defined in the Lease, (including, without limitation, by erecting or permitting to be erected any cell towers, water towers, billboards, silos, trees or any other natural or man-made structures to be placed, constructed, or to otherwise exist that may diminish the quantity of sunlight that otherwise would reach the System or any portion thereof, or by grading adjacent or nearby land or any other activity that would cause damaging water runoff onto the Land), and (iii) to grant to Tenant at no additional cost such easements for the benefit of Tenant and the Premises as Tenant may reasonably request to facilitate the construction, operation, and removal of the System as described more fully in the Lease.

11. The provisions of the Lease are incorporated into this Memorandum as if set out in full. In the event of any conflict between the provisions of this Memorandum and those of the Lease, the provisions of the Lease shall control. All capitalized terms and terms of art used but not defined in this Memorandum will have the same respective meaning designated for such terms in the Lease. This Memorandum has been executed for the purpose of recordation in order to give notice of all of the terms, provisions and conditions of the Lease, and is not intended, and shall not be construed, to define, limit or modify the Lease. This Memorandum is not a complete summary of the Lease, nor shall any provisions of this Memorandum be used in interpreting the provisions of the Lease. Reference should be made to the Lease for a more detailed description of all matters contained in this Memorandum.

12. To facilitate execution, this Memorandum may be executed in as many counterparts as may be required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart. It shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more such counterparts. All counterparts shall together constitute a single agreement.

13. Upon expiration of the Term, or if the Lease is otherwise terminated for any reason, within five (5) days following such expiration or termination Tenant shall record a release of the memorandum in the Clerk's Office, Circuit Court, Pittsylvania County, Virginia at Tenant's sole cost and expense, which obligation shall survive termination or expiration of the Lease. If Tenant fails to record such release, Landlord shall have the right, but not the obligation, to record same and Tenant shall immediately upon request reimburse Landlord for the cost thereof.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Lease by authority duly given and effective as of the date first written above.

(Not a Signable Copy.)

Exhibit C

Reserved

Exhibit D

Reserved

Exhibit F
ACH Authorization Form

STRATA CLEAN ENERGY

800 Taylor St, Suite 200
Durham, NC 27701
919-960-6015
Accountspayable@stratacleanenergy.com

ACH AUTHORIZATION FORM

**e-mail a copy of voided check or bank letter for account verification*

Vendor Name ____

Vendor Address ____

____

Name of Financial Institution ______________________________

Name on Account ____

ABA/Routing Number _____________________________________

Account Number ____________________________ ____Checking ____Savings

I hereby authorize Strata Clean Energy LLC to initiate ACH direct deposits to my account at the financial institution named above.

This agreement will remain in effect until Strata Clean Energy LLC receives written notice of cancellation from me or my financial institution, or until I submit a new ACH authorization form.

Signature________________________________

Printed Name _____________________________

Date____________________________________

Updated 5/1/21

Schedule 19(a)(ii)
Pittsylvania Proposed Solar Ordinance

[to be attached]

Schedule 19(a)(iii)
Unrecorded Declarations of Restrictive Covenants

[to be identified here, if any]

Schedule 19(a)(vi)
Other Leases, Options and Licenses

[to be identified here, if any]

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.C.

DATE: July 8, 2024

FROM: Matt Rowe | Pittsylvania County Director of Economic Development

RE: Consideration of Resolution No. 2024-07-08-5C, authorizing the negotiation, execution and delivery of Deeds of Dedication and Deeds of Easement for public street purposes and approving related development plans, consisting of certain portions of real property located in, or in close proximity to, the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, in furtherance of the Virginia Department of Transportation's Project 0311-071-835 to widen or improve State Highway Route 311 – Mr. Rowe and Mr. Guanzon.

ATTACHMENTS

1. Resolution
2. Exhibit A - VDOT Deeds
3. Exhibit B - VDOT Sign Agreement

Resolution No. 2024-07-08-5C

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF DEEDS OF DEDICATION AND DEEDS OF EASEMENT FOR PUBLIC STREET PURPOSES AND APPROVING RELATED DEVELOPMENT PLANS, CONSISTING OF CERTAIN PORTIONS OF REAL PROPERTY LOCATED IN, OR IN CLOSE PROXIMITY TO, THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, IN FURTHERANCE OF THE VIRGINIA DEPARTMENT OF TRANSPORTATION'S PROJECT 0311-071-835 TO WIDEN OR IMPROVE STATE HIGHWAY ROUTE 311

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

WHEREAS, the Authority is to exercise its powers for the benefit of the inhabitants of the County of Pittsylvania, Virginia (the "**County**"), and the City of Danville, Virginia (the "**City**"), for the increase of commerce, and for the promotion of their safety, health, welfare, convenience and prosperity; and

WHEREAS, the Virginia Department of Transportation ("**VDOT**") desires to widen or improve certain portions of Route 311 (commonly known as Berry Hill Road) (the "**Berry Hill Road Widening Project**") in Pittsylvania County, Virginia, as part of VDOT's Project 0311-071-835, to serve the Authority's Southern Virginia Megasite at Berry Hill project (the "**SVM**"); and

WHEREAS, in furtherance of the Berry Hill Road Widening Project to serve the SVM, the Authority desires to convey to the below described parties (collectively, the "**Grantees**") by deed of dedication and/or deed of easement (collectively, the "**Deeds**"), substantially in the forms attached hereto on **Exhibit A**, and incorporated herein by this reference, the following certain tracts or parcels of land, or portions thereof, of real property (collectively, the "**Land**"):

GPIN	Conveyance	Grantee
1356-75-0037	Parcel 1 - Deed of Gift and Donation	VDOT
1356-75-0037	Parcel 1 - Deed of Easement (Utilities)	VDOT
1367-30-1931	Parcel 3 - Deed of Gift and Donation	VDOT
1367-30-1931	Parcel 3 - Deed of Easement (Utilities)	VDOT
1366-54-5996	Parcel 4 - Deed of Gift and Donation	VDOT

; and

WHEREAS, the Authority has received an agreement from VDOT for the removal and relocation of certain signage as required by VDOT's Berry Hill Road Widening Project (the "**Sign Agreement**"), substantially in the form attached hereto as **Exhibit B**, and incorporated herein by this reference, under which VDOT will pay the Authority Sixty

Thousand Three Hundred Five and 10/100 Dollars ($60,305.10) in order to facilitate the Authority's relocation of the identified signage, with such relocation to occur on or about June 2025; and

WHEREAS, the Authority desires to negotiate, execute and deliver the Deeds to the Grantees, for state road development purposes and inclusion in VDOT's Six-Year Improvement Program; and the Authority further desires to pay for the costs of any fees associated with such donations and/or grants by the Authority to or for the Grantees (the "**Fees**"), subject to certification by the Authority's Treasurer that funds for the Fees are available within a budget line item previously approved by the Authority for such purposes or SVM developments; and

WHEREAS, the Authority desires negotiate, execute and deliver the Sign Agreement, in support and furtherance of the Authority's purpose of developing and enhancing the Authority's SVM project; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of the County and the City, and the development of the SVM for the Authority to negotiate, execute and to deliver the Deeds and Sign Agreement.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of the Deeds and Sign Agreement, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the Deeds and/or Sign Agreement, subject to recommendations by the Authority's technical engineers, Dewberry Engineers Inc., a New York corporation, and further subject to approval and modification by the Authority's counsel as to legal form, on such terms and conditions as the Chairman or Vice Chairman, in consultation with the other, determines to be reasonable, appropriate and consistent with this Resolution, and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the Deeds and/or Sign Agreement, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Deeds and/or Sign Agreement, and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any modifications as consulted by and between the Chairman and Vice Chairman; however, the Deeds shall not be effective until and unless the Authority's Treasurer certifies that funds for the Fees are available within a budget line item previously approved by the Authority for such purposes.

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 Deeds and Sign Agreement, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Deeds, the Sign Agreement 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 July 8, 2024, 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 July 2024.

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

(SEAL)

Exhibit A

(Forms of Deeds and Easements)

Exhibit B

(Form of Sign Agreement)

G-PIN # 1356-75-0037

UPC 119164
Parcel 001

PREPARED BY VDOT
UNDER SUPERVISION OF THE
OFFICE OF THE ATTORNEY GENERAL

Exempted from recordation taxes
and fees under Sections 58.1-811(A)(3),
58.1-811(C)(5), 58.1-3315, 25.1-418,
42.1-70, 17.1-266, 17.1-279(E), and 58.1-811(D)

This **DEED OF GIFT AND DONATION** is made this ______day of ____________, 2024, between, **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a Political Subdivision of the Commonwealth of Virginia, "Grantor", and the **COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION, 4219 Campbell Avenue, Lynchburg, Virginia 24501,** "Grantee".

WITNESSETH: In consideration of the good will and public benefit to be derived from this donation including the improvement of the roads of the Commonwealth, and other good and valuable consideration, the Grantor hereby gives, grants, and conveys unto the Grantee in fee simple with General Warranty and English Covenants of Title, the land located in the County of Pittsylvania, Virginia, described as follows:

Parcel 001

Being as shown on Sheets 3, 3RW, 4 and 4RW of the plans for Route 311, State Highway Project 0311-071-835, RW201, beginning on the North (left) side of the Berry Hill Rd. Const. BL from a point in the lands of the Grantor opposite Station 103+00.00 to a point in the lands now or formerly belonging to the Commonwealth of Virginia opposite Station 109+19.71, containing 25,356 square feet, more or less, of land.

And being a part of the same land acquired by the Grantor from 329 Partners, LLC, formerly known as The Kluttz Family, LLC, a North Carolina Limited Liability Company by Deed dated October 17, 2008 and recorded October 22, 2008 as Instrument Number 080007039 in the Office of the Clerk of the Circuit Court of Pittsylvania County.

For a more particular description of the land herein conveyed, reference is made to Sheets 3, 3RW, 4 and 4RW showing outlined in RED the land conveyed in fee simple, which photocopies are hereto attached as of part of this conveyance to be recorded simultaneously herewith in State Highway Plat Book ______, Page______.

The Grantor by the execution of this instrument acknowledges that the plans for the aforesaid project as they affect the Grantor's property have been fully explained to the Grantor or the Grantor's authorized representative.

The Grantor by the execution of this instrument acknowledges that the land being conveyed hereunder is being donated to the Commonwealth of Virginia for highway use or associated uses. The Grantor also acknowledges that the Grantor is entitled to be compensated for the land hereby conveyed and, pursuant to Virginia Code Section 25.1-417 and by this donation, hereby waives the Grantor's right to an appraisal and to compensation.

The Grantor covenants and agrees for Grantor, Grantor's heirs, successors and assigns, that the consideration hereinabove mentioned shall be in lieu of any and all claims to compensation for land, and for damages, if any, to the value of the remaining lands of the Grantor which may result by reason of the use to which the Grantee will put the land being conveyed, including such drainage facilities as may be necessary. This paragraph, however, does not apply to any physical damages caused by the Grantee, its agents and contractors done to the Grantor's remaining property during construction of the aforesaid project.

By accepting and recording this deed, the Grantee accepts the donation of the before described real estate.

WITNESS the following signature and seal:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a Political Subdivision of the Commonwealth of Virginia

By______________________________(SEAL)

Title ______________________________

STATE OF ____________________

CITY/COUNTY OF ________________________

The foregoing instrument was acknowledged before me this ______ day of

________________, 2024, by ___________________________, _______________________

of Danville-Pittsylvania Regional Industrial Facility Authority, a Political Subdivision of the Commonwealth of Virginia, on behalf of the authority.

My Commission expires ______________. Notary Registration No. _______________.

____

Notary Public

GRANTEE'S MAILING ADDRESS:

Virginia Department of Transportation
Right of Way and Utilities Section
Lynchburg District
4219 Campbell Avenue
Lynchburg, Virginia 24501

G-PIN # 1356-75-0037

SF-39
Rev. 4/14
UPC 119164
Parcel 001

PREPARED BY VDOT
UNDER SUPERVISION OF THE
OFFICE OF THE ATTORNEY GENERAL

Exempted from recordation taxes
and fees under Sections 58.1-811(A)(3),
58.1-811(C)(5), 58.1-3315, 25.1-418,
42.1-70, 17.1-266, and 17.1-279(E)

THIS DONATION DEED OF EASEMENT, made this _____ day of ______________, 2024, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a Political Subdivision of the Commonwealth of Virginia, "Grantor", and the **COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION, 4219 Campbell Avenue, Lynchburg, Virginia 24501,** Grantee,

WITNESSETH: THAT WHEREAS, it is proposed by the Commonwealth to widen or improve State Highway Route 311, Project 0311-071-835, RW201, from 0.123 MI. S. OF RTE. 862 to 2.331 MI. N. OF RTE. 862 in the County of Pittsylvania, Virginia; and

WHEREAS, in connection with such improvement it is necessary that the Grantee enter upon the lands of the Grantor located in the aforesaid county to establish and/or relocate utility facilities on the lands herein conveyed.

NOW THEREFORE, in consideration of the sum of One Dollar ($1.00) cash in hand paid by the Grantee to the Grantor, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey to the Grantee, its agents, permittees, successors and assigns, the perpetual non-exclusive right and easement, to install, construct, operate, maintain, inspect, improve, relocate, alter, replace or remove one or more of the following, which shall collectively be referred to as "Utility Facilities":

(a) communication systems, including, but not limited to telephone, cable television and high speed internet services, consisting of buried cables, buried wires, posts, terminals, pedestals, vaults, conduits, manholes, handholes, and related above-ground facilities including, but not limited to, cables, wires, poles, posts, terminals, location markers, cabinets, equipment housings, remote terminal units, and other appurtenances as may be from time to time required;

(d) water systems for transmitting and distributing water, consisting of various size pipes, mains, service pipes, valves, manholes, water meters, vaults and appurtenances; and

(e) sanitary sewer systems for the collection and transmission of sewage, consisting of various size sewer pipes and lines, service pipes, manholes, valve boxes and appurtenances;

over, under, through, upon and across the lands and property of the Grantor adjacent to Route 311 situated in the County of Pittsylvania, Virginia, and including the non-exclusive right of reasonable egress and ingress to these Utility Facilities, said easement being more particularly bounded and described as follows:

Being as shown on Sheets 3, 3RW, 4 and 4RW of the plans for Route 311, State Highway Project 0311-071-835, RW201, beginning on the North (left) side of the Berry Hill Rd. Const. BL from a point in the lands of the Grantor opposite Station 103+00.00 to a point in the lands now or formerly belonging to the Commonwealth of Virginia opposite Station 109+33.77, containing 9,152 square feet, more or less in proposed VDOT utility easement as shown in PINK, copies of which are attached hereto to be recorded simultaneously herewith in State Highway Plat Book ________, Page __________.

The utility easements and all utility facilities installed thereon as hereinabove described are subject to the following conditions:

1. The Grantee, its agents, permittees, successors or assigns, and the respective owners of the utility facilities ("Utility Owners") shall have full and free use of the said easement and right of way for the purposes named, and shall have all rights and privileges reasonably necessary to exercise use of the easement and right of way as their interests are set forth herein, including the non-exclusive right of reasonable ingress to and egress from this easement over the remaining land of Grantor by such private roads as may now or hereafter exist on the property of Grantor. The right, however, is reserved to Grantor to shift, relocate, close or abandon such private roads at any time. If there are no public or private roads reasonably convenient to the easement, then the Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall have such non-exclusive right of reasonable ingress and egress over the lands of the Grantor adjacent to the easement.
2. The Grantee, its agents, permittees, successors and assigns, and the Utility Owners shall each conduct their operations within the easement area in a manner that does not materially interfere with and is not otherwise inconsistent with the other easements, rights of way or interests in the easement area or Grantor's property adjacent thereto. Any material interference or inconsistency between users of any joint utility easement created hereunder that is not otherwise resolved by the text of this deed shall be resolved in favor of the entity that held, prior to the recording date of this deed, the first in time easement, right of way,

other interest in land or occupancy of land under a claim of right or with the apparent acquiescence of the Grantor. Notwithstanding the foregoing, should the operations of the Grantee, its agents, permittees, successors or assigns necessitate material interference with the other easements, rights of way or interests in the easement area or Grantor's property adjacent thereto, the Grantee, its agents, permittees, successors or assigns shall, in accord with applicable law, have the right and obligation to provide a replacement easement to, or pay the relocation costs of, the affected entity, to the extent necessary to resolve such interference, provided the affected entity held an easement, right of way, other interest in land or occupancy of land under a claim of right or with the apparent acquiescence of the Grantor prior to the recording date of this deed.

3. The Grantee, its agents, permittees, successors and assigns, and the Utility Owners shall have the right to trim, cut and remove trees, shrubbery, fences, structures, or other obstructions or facilities inside and outside the boundaries of the easement deemed to interfere with the proper and efficient use of the easement for the purposes named and/or the safe and proper operation of the utility facilities; provided, however, the Grantee, its agents, permittees, successors or assigns, or the Utility Owners, at their own expense, shall restore, as nearly as possible, the property to its original condition, including the back-filling of trenches, the replacement of curbing and asphalt pavement, and the reseeding of grass areas, but not the replacement of structures, trees, or other obstructions. The right to trim, cut and remove trees or shrubbery inside the boundaries of the easement shall be in accordance with each Utility Owner's trimming specification,

e.g., in compliance with the National Electric Safety Code; Virginia State Corporation Commission Guidelines on Tree-Trimming; the Virginia Overhead High Voltage Safety Act, Va. Code §§ 59.1-406 - 59.1-414; ANSI A-300 and ANSI Z-133. Outside the boundaries of the easement, the Utility Owners may only trim, cut and remove trees or shrubbery (including but not limited to weak, diseased and/or dead vegetation) that pose a danger to the safe and reliable operation of the utility facilities in order to eliminate the hazard. All trees and limbs cut or removed by the Grantee, its agents, permittees, successors and assigns, or the Utility Owners shall be disposed of by Grantee promptly after they are cut or removed.

4. The Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall, consistent with the purposes named, have the right to inspect, rebuild, repair, remove and relocate their respective utility facilities or any part thereof, within the easement area, and may make such changes, alterations, substitutions, additions in and to, or extensions of its facilities within the easement area as it deems advisable, and consistent with the purposes named, without the prior consent of the Grantor.

5. The Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall, subject to the rights acquired herein, repair damage to roads, fences, or other improvements (a) inside the boundaries of the easement and right of way and (b) outside the boundaries of the easement caused by the Grantee, its agents, permittees, successors or assigns, or the Utility Owners in the process of the construction, inspection, and maintenance of facilities by the Grantee, its

agents, permittees, successors or assigns, and the Utility Owners, or in the exercise of their right of ingress and egress, provided that Grantor gives written notice thereof to Grantee, its agents, permittees, successors or assigns, or the Utility Owners, as appropriate, within sixty (60) days after such damage occurs.

6. The communications, water and sanitary sewer systems constructed hereunder are and shall remain the property of the Grantee, its agents, permittees, successors or assigns, and the Utility Owners. The Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall, consistent with the purposes named, have the right to inspect, rebuild, repair, remove and relocate their individual utility facilities or any part thereof, within the easement area, and may make such changes, alterations, substitutions, additions in and to, or extensions of their facilities within the easement area as they deem advisable, and consistent with the purposes named, without the prior consent of the Grantor. In making any such changes, alterations, substitutions, additions in and to, or extensions of its utility facilities after the initial installations for the Project herein described, the Grantee, its agents, permittees, successors and assigns, and the Utility Owners shall not install any above ground pole, cabinet, transformer, fence or appurtenance within any existing paved parking area or entrance way without the prior consent of the Grantor; such consent shall not be unreasonably withheld. Manholes, vaults, handholes and similar types of appurtenances can be installed under paved areas and sidewalks provided they are load-bearing and are set flush with the existing pavement or sidewalk.

7. The Grantor, its successors and assigns, may use the easement for any reasonable purpose not inconsistent with the rights hereby acquired , provided such use does not interfere with the Grantee, its agents, permittees, successors or assigns, or the Utility Owners, in their exercise of any of the rights acquired hereunder. Grantor shall not have the right to construct any building, structure, or other above-ground obstruction or to change the existing ground elevation, or to impound any water, on the easement; provided, however, Grantor may construct on the easement fences, landscaping (subject, however to the tree trimming rights in Paragraph 3 hereof), paving, sidewalks, curbing, gutters, street signs, and below-ground obstructions as long as said fences, landscaping, paving, sidewalks, curbing, gutters, street signs and below-ground obstructions do not interfere with the Grantee, its agents, permittees, successors or assigns, or the Utility Owners, in their exercise of any of its rights acquired hereunder. In the event such use by the Grantor does interfere with the exercise of any of the rights acquired by the Grantee, its agents, permittees, successors or assigns, or the Utility Owners hereunder, the Grantee, its agents, permittees, successors or assigns, and the Utility Owners may, in their reasonable discretion, relocate such of its utility facilities as may be practicable to a new site designated by Grantor and acceptable to the Grantee, its agents, permittees, successors or assigns, and the Utility Owner. In the event any such facilities are so relocated, Grantor shall reimburse the Grantee, its agents, permittees, successors or assigns, or the Utility Owners for the reasonable cost thereof and convey to the Grantee, its agents,

permittees, successors or assigns, and the Utility Owners an equivalent easement at the new site.

Grantee shall have the right to assign or permit usage of this easement, or portions thereof, said assignment and usage to be only for the purposes and subject to the limitations set forth herein.

The Grantor by the execution of this instrument acknowledges that the plans for the aforesaid project as they affect the property have been fully explained to Grantor or Grantor's authorized representative.

Grantor covenants that Grantor is seized of the property and has the right to convey the easement and the rights and privileges herein conveyed to Grantee and that Grantee shall have quiet and peaceable possession, use and enjoyment of the aforesaid easement and the rights and privileges hereby granted.

The Grantor by the execution of this instrument acknowledges that the easement being conveyed hereunder is being donated to the Commonwealth of Virginia for highway use or associated uses per Virginia Code Section 33.2-1014. The Grantor also acknowledges that the Grantor is entitled to be compensated for the easement hereby conveyed and, pursuant to Virginia Code Section 25.1-417 and by this donation, hereby waives the Grantor's right to an appraisal and compensation.

The Grantor covenants and agrees for the Grantor, their heirs, successors and assigns, that the consideration hereinabove mentioned shall be in lieu of any and all claims to compensation for said easement, and for damages, if any, to the value of the lands of the Grantor which may result by reason of the use to which the Grantee will put the easement being conveyed. This paragraph, however, does not apply to any physical damages caused by the

Grantee, its agents and contractors done to the Grantor's remaining property during construction of the aforesaid project.

By accepting and recording this deed, the Grantee accepts the donation of the before described real estate.

SIGNATURE AND NOTARY CERTIFICATE ON FOLLOWING PAGE

WITNESS the following signature and seal:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a Political Subdivision of the Commonwealth of Virginia

By_________________________(SEAL)

Title ____________________________

STATE OF __________________

CITY/COUNTY OF _____________________

The foregoing instrument was acknowledged before me this _____ day of

______________, 2024, by ________________________, ___________________ of

Danville-Pittsylvania Regional Industrial Facility Authority, a Political Subdivision of the Commonwealth of Virginia, on behalf of the authority.

My Commission expires _____________. Notary Registration No. _____________.

____
Notary Public

GRANTEE'S MAILING ADDRESS:

Virginia Department of Transportation
Right of Way and Utilities Section
Lynchburg District
4219 Campbell Avenue
Lynchburg, Virginia 24501

G-PIN # 1367-30-1931

UPC 119164
Parcel 003

PREPARED BY VDOT
UNDER SUPERVISION OF THE
OFFICE OF THE ATTORNEY GENERAL

Exempted from recordation taxes
and fees under Sections 58.1-811(A)(3),
58.1-811(C)(5), 58.1-3315, 25.1-418,
42.1-70, 17.1-266, 17.1-279(E), and 58.1-811(D)

This **DEED OF GIFT AND DONATION** is made this _______day of _____________, 2024, between, **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a Political Subdivision of the Commonwealth of Virginia, "Grantor", and the **COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION, 4219 Campbell Avenue, Lynchburg, Virginia 24501,** "Grantee".

WITNESSETH: In consideration of the good will and public benefit to be derived from this donation including the improvement of the roads of the Commonwealth, and other good and valuable consideration, the Grantor hereby gives, grants, and conveys unto the Grantee in fee simple with General Warranty and English Covenants of Title, the land located in the County of Pittsylvania, Virginia, described as follows:

Parcel 003

Being shown on Sheets 4, 4RW, 5, 5RW, 6, 6RW, 7, 7RW, 8, 8RW, 9, 9RW, 10, 10RW, 11, 11RW, 12, and 12RW of the plans for Route 311, State Highway Project 0311-071-835, RW201, beginning on the North (left) side of the Berry Hill Rd. Const. BL from the lands now or formerly belonging to the Commonwealth of Virginia opposite approximate Station 109+80 to the lands now or formerly belonging to the Commonwealth of Virginia opposite Station 232+58.70, containing 22.928 acres, more or less, land.

Together with the permanent right and easement to use the additional areas shown as being required for the proper construction and maintenance of drainage facilities from a point in the lands of the Grantor opposite Station 147+02.71 to a point in the lands of the Grantor opposite Station 149+38.72 and from a point in the lands of the Grantor opposite Station 168+57.58 to a point in the lands of the Grantor opposite Station 169+60.25 and from a point in the lands of the Grantor opposite Station 170+57.78 to a point in the lands of the Grantor opposite Station 171+32.65 and from a point in the lands of the Grantor opposite Station 172+41.96 to a point in the lands of the Grantor opposite Station 173+35.50 and from a point in the lands of the Grantor opposite Station 194+22.41 to a point in the lands of the Grantor opposite Station 195+41.61, containing in aggregate 26,180 square feet, more or less.

Together with the permanent right and easement to use the additional area shown as being required for the proper construction and maintenance of slope and drainage facilities from a point in the lands of the Grantor opposite Station 202+12.36 to a point in the lands of the Grantor opposite Station 205+29.31, containing 20,309 square feet, more or less.

Together with the temporary right and easement to use the additional areas as being required for the proper construction of entrances, cut and/or fill slopes and/or other construction, containing 1.793 acres, more or less. Said temporary easement will terminate at such time as the construction of the aforesaid project is completed.

And being a part of the same land acquired by the Grantor from Jane T. Hairston and Walter L. Eure, her husband, by Deed dated and recorded March 13, 2009 as Instrument Number 090001419; from 329 Partners, LLC, formerly known as The Kluttz Family, LLC, by Deed dated October 17, 2008 and recorded October 22, 2008 as Instrument Number 080007039; from Eddie Nelle Michael Canter (one in the same as Eddie Nelle Canter), by Deed dated and recorded October 31, 2008 as Instrument Number 080007296; and from William T. Hairston and Lisa M.

Hairston by Deed dated March 12, 2009 and recorded March 13, 2009 as Instrument Number 090001420 in the Office of the Clerk of the Circuit Court of Pittsylvania County.

For a more particular description of the land herein conveyed, reference is made to Sheets 4, 4RW, 5, 5RW, 6, 6RW, 7, 7RW, 8, 8RW, 9, 9RW, 10, 10RW, 11, 11RW, 12, and 12RW, showing outlined in RED the land conveyed in fee simple, outlined in GREEN the land conveyed in permanent easement and outlined in ORANGE the land conveyed in temporary easement, copies of which are hereto attached as a part of this conveyance and recorded simultaneously herewith in the State Highway Plat Book ______, Page ______.

The Grantor by the execution of this instrument acknowledges that the plans for the aforesaid project as they affect the Grantor's property have been fully explained to the Grantor or the Grantor's authorized representative.

The Grantor by the execution of this instrument acknowledges that the land being conveyed hereunder is being donated to the Commonwealth of Virginia for highway use or associated uses. The Grantor also acknowledges that the Grantor is entitled to be compensated for the land hereby conveyed and, pursuant to Virginia Code Section 25.1-417 and by this donation, hereby waives the Grantor's right to an appraisal and to compensation.

The Grantor covenants and agrees for Grantor, Grantor's heirs, successors and assigns, that the consideration hereinabove mentioned shall be in lieu of any and all claims to compensation for land, and for damages, if any, to the value of the remaining lands of the Grantor which may result by reason of the use to which the Grantee will put the land being conveyed, including such drainage facilities as may be necessary. This paragraph, however, does not apply to any physical damages caused by the Grantee, its agents and contractors done to the Grantor's remaining property during construction of the aforesaid project.

By accepting and recording this deed, the Grantee accepts the donation of the before described real estate.

WITNESS the following signature and seal:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a Political Subdivision of the Commonwealth of Virginia

By____________________________(SEAL)

Title ______________________________

STATE OF ____________________

CITY/COUNTY OF ________________________

The foregoing instrument was acknowledged before me this ______ day of ________________, 2024, by ___________________________, ______________________ of Danville-Pittsylvania Regional Industrial Facility Authority, a Political Subdivision of the Commonwealth of Virginia, on behalf of the authority.

My Commission expires _______________. Notary Registration No. ________________.

____

Notary Public

<u>GRANTEE'S MAILING ADDRESS</u>:

Virginia Department of Transportation
Right of Way and Utilities Section
Lynchburg District
4219 Campbell Avenue
Lynchburg, Virginia 24501

G-PIN #1367-30-1931

SF-39
Rev. 4/14
UPC 119164
Parcel 003

PREPARED BY VDOT
UNDER SUPERVISION OF THE
OFFICE OF THE ATTORNEY GENERAL

Exempted from recordation taxes
and fees under Sections 58.1-811(A)(3),
58.1-811(C)(5), 58.1-3315, 25.1-418,
42.1-70, 17.1-266, and 17.1-279(E)

THIS DONATION DEED OF EASEMENT, made this _____ day of _______________, 2024, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a Political Subdivision of the Commonwealth of Virginia, "Grantor", and the **COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION, 4219 Campbell Avenue, Lynchburg, Virginia 24501,** Grantee,

WITNESSETH: THAT WHEREAS, it is proposed by the Commonwealth to widen or improve State Highway Route 311, Project 0311-071-835, RW201, from 0.123 MI. S. OF RTE. 862 to 2.331 MI. N. OF RTE. 862 in the County of Pittsylvania, Virginia; and

WHEREAS, in connection with such improvement it is necessary that the Grantee enter upon the lands of the Grantor located in the aforesaid county to establish and/or relocate utility facilities on the lands herein conveyed.

NOW THEREFORE, in consideration of the sum of One Dollar ($1.00) cash in hand paid by the Grantee to the Grantor, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey to the Grantee, its agents, permittees, successors and assigns, the perpetual non-exclusive right and easement, to install, construct, operate, maintain, inspect, improve, relocate, alter, replace or remove one or more of the following, which shall collectively be referred to as "Utility Facilities":

(a) communication systems, including, but not limited to telephone, cable television and high speed internet services, consisting of buried cables, buried wires, posts, terminals, pedestals, vaults, conduits, manholes, handholes, and related above-ground facilities including, but not limited to, cables, wires, poles, posts, terminals, location markers, cabinets, equipment housings, remote terminal units, and other appurtenances as may be from time to time required;

(d) water systems for transmitting and distributing water, consisting of various size pipes, mains, service pipes, valves, manholes, water meters, vaults and appurtenances; and

(e) sanitary sewer systems for the collection and transmission of sewage, consisting of various size sewer pipes and lines, service pipes, manholes, valve boxes and appurtenances;

over, under, through, upon and across the lands and property of the Grantor adjacent to Route 311 situated in the County of Pittsylvania, Virginia, and including the non-exclusive right of reasonable egress and ingress to these Utility Facilities, said easement being more particularly bounded and described as follows:

Being as shown on Sheets 4, 4RW, 5, 5RW, 6, 6RW, 7, 7RW, 8, 8RW, 9, 9RW, 10, 10RW, 11, 11RW, 12 and 12RW of the plans for Route 311, State Highway Project 0311-071-835, RW201, beginning on the North (left) side of the Berry Hill Rd. Const. BL from a point in the lands of the Grantor opposite Station 111+92.85 to a point in the lands of the Grantor opposite Station 173+35.50 and from a point in the lands of the Grantor opposite Station 174+89.11 to a point in the lands of the Grantor opposite Station 200+48.38 and from a point in the lands of the Grantor opposite Station 202+12.36 to a point in the lands of the Grantor opposite Station 208+60.28 and from a point in the lands of the Grantor opposite Station 210+49.40 to a point in the lands of the Grantor opposite Station 217+85.67 and from a point in the lands of the Grantor opposite Station 219+72.23 to a point in the lands of the Grantor opposite Station 232+41.35, containing in aggregate 3.896 acres, more or less, in proposed VDOT utility easement as shown in PINK, copies of which are attached hereto to be recorded simultaneously herewith in State Highway Plat Book ________, Page __________.

The utility easements and all utility facilities installed thereon as hereinabove described are subject to the following conditions:

1. The Grantee, its agents, permittees, successors or assigns, and the respective owners of the utility facilities ("Utility Owners") shall have full and free use of the said easement and right of way for the purposes named, and shall have all rights and privileges reasonably necessary to exercise use of the easement and right of way as their interests are set forth herein, including the non-exclusive right of reasonable ingress to and egress from this easement over the remaining land of Grantor by such private roads as may now or hereafter exist on the property of Grantor. The right, however, is reserved to Grantor to shift, relocate, close or abandon such private roads at any time. If there are no public or private roads reasonably convenient to the easement, then the Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall have such non-exclusive right of reasonable ingress and egress over the lands of the Grantor adjacent to the easement.

2. The Grantee, its agents, permittees, successors and assigns, and the Utility Owners shall each conduct their operations within the easement area in a manner that does not materially interfere with and is not otherwise inconsistent with the

other easements, rights of way or interests in the easement area or Grantor's property adjacent thereto. Any material interference or inconsistency between users of any joint utility easement created hereunder that is not otherwise resolved by the text of this deed shall be resolved in favor of the entity that held, prior to the recording date of this deed, the first in time easement, right of way, other interest in land or occupancy of land under a claim of right or with the apparent acquiescence of the Grantor. Notwithstanding the foregoing, should the operations of the Grantee, its agents, permittees, successors or assigns necessitate material interference with the other easements, rights of way or interests in the easement area or Grantor's property adjacent thereto, the Grantee, its agents, permittees, successors or assigns shall, in accord with applicable law, have the right and obligation to provide a replacement easement to, or pay the relocation costs of, the affected entity, to the extent necessary to resolve such interference, provided the affected entity held an easement, right of way, other interest in land or occupancy of land under a claim of right or with the apparent acquiescence of the Grantor prior to the recording date of this deed.

3. The Grantee, its agents, permittees, successors and assigns, and the Utility Owners shall have the right to trim, cut and remove trees, shrubbery, fences, structures, or other obstructions or facilities inside and outside the boundaries of the easement deemed to interfere with the proper and efficient use of the easement for the purposes named and/or the safe and proper operation of the utility facilities; provided, however, the Grantee, its agents, permittees, successors or assigns, or the Utility Owners, at their own expense, shall restore, as nearly as

possible, the property to its original condition, including the back-filling of trenches, the replacement of curbing and asphalt pavement, and the reseeding of grass areas, but not the replacement of structures, trees, or other obstructions. The right to trim, cut and remove trees or shrubbery inside the boundaries of the easement shall be in accordance with each Utility Owner's trimming specification, e.g., in compliance with the National Electric Safety Code; Virginia State Corporation Commission Guidelines on Tree-Trimming; the Virginia Overhead High Voltage Safety Act, Va. Code §§ 59.1-406 - 59.1-414; ANSI A-300 and ANSI Z-133. Outside the boundaries of the easement, the Utility Owners may only trim, cut and remove trees or shrubbery (including but not limited to weak, diseased and/or dead vegetation) that pose a danger to the safe and reliable operation of the utility facilities in order to eliminate the hazard. All trees and limbs cut or removed by the Grantee, its agents, permittees, successors and assigns, or the Utility Owners shall be disposed of by Grantee promptly after they are cut or removed.

4. The Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall, consistent with the purposes named, have the right to inspect, rebuild, repair, remove and relocate their respective utility facilities or any part thereof, within the easement area, and may make such changes, alterations, substitutions, additions in and to, or extensions of its facilities within the easement area as it deems advisable, and consistent with the purposes named, without the prior consent of the Grantor.

5. The Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall, subject to the rights acquired herein, repair damage to roads, fences, or other improvements (a) inside the boundaries of the easement and right of way and (b) outside the boundaries of the easement caused by the Grantee, its agents, permittees, successors or assigns, or the Utility Owners in the process of the construction, inspection, and maintenance of facilities by the Grantee, its agents, permittees, successors or assigns, and the Utility Owners, or in the exercise of their right of ingress and egress, provided that Grantor gives written notice thereof to Grantee, its agents, permittees, successors or assigns, or the Utility Owners, as appropriate, within sixty (60) days after such damage occurs.

6. The communications, water and sanitary sewer systems constructed hereunder are and shall remain the property of the Grantee, its agents, permittees, successors or assigns, and the Utility Owners. The Grantee, its agents, permittees, successors or assigns, and the Utility Owners shall, consistent with the purposes named, have the right to inspect, rebuild, repair, remove and relocate their individual utility facilities or any part thereof, within the easement area, and may make such changes, alterations, substitutions, additions in and to, or extensions of their facilities within the easement area as they deem advisable, and consistent with the purposes named, without the prior consent of the Grantor. In making any such changes, alterations, substitutions, additions in and to, or extensions of its utility facilities after the initial installations for the Project herein described, the Grantee, its agents, permittees, successors and assigns, and the Utility Owners shall not install any above ground pole, cabinet, transformer, fence

or appurtenance within any existing paved parking area or entrance way without the prior consent of the Grantor; such consent shall not be unreasonably withheld. Manholes, vaults, handholes and similar types of appurtenances can be installed under paved areas and sidewalks provided they are load-bearing and are set flush with the existing pavement or sidewalk.

7. The Grantor, its successors and assigns, may use the easement for any reasonable purpose not inconsistent with the rights hereby acquired , provided such use does not interfere with the Grantee, its agents, permittees, successors or assigns, or the Utility Owners, in their exercise of any of the rights acquired hereunder. Grantor shall not have the right to construct any building, structure, or other above-ground obstruction or to change the existing ground elevation, or to impound any water, on the easement; provided, however, Grantor may construct on the easement fences, landscaping (subject, however to the tree trimming rights in Paragraph 3 hereof), paving, sidewalks, curbing, gutters, street signs, and below-ground obstructions as long as said fences, landscaping, paving, sidewalks, curbing, gutters, street signs and below-ground obstructions do not interfere with the Grantee, its agents, permittees, successors or assigns, or the Utility Owners, in their exercise of any of its rights acquired hereunder. In the event such use by the Grantor does interfere with the exercise of any of the rights acquired by the Grantee, its agents, permittees, successors or assigns, or the Utility Owners hereunder, the Grantee, its agents, permittees, successors or assigns, and the Utility Owners may, in their reasonable discretion, relocate such of its utility facilities as may be practicable to a new site designated by Grantor

and acceptable to the Grantee, its agents, permittees, successors or assigns, and the Utility Owner. In the event any such facilities are so relocated, Grantor shall reimburse the Grantee, its agents, permittees, successors or assigns, or the Utility Owners for the reasonable cost thereof and convey to the Grantee, its agents, permittees, successors or assigns, and the Utility Owners an equivalent easement at the new site.

Grantee shall have the right to assign or permit usage of this easement, or portions thereof, said assignment and usage to be only for the purposes and subject to the limitations set forth herein.

The Grantor by the execution of this instrument acknowledges that the plans for the aforesaid project as they affect the property have been fully explained to Grantor or Grantor's authorized representative.

Grantor covenants that Grantor is seized of the property and has the right to convey the easement and the rights and privileges herein conveyed to Grantee and that Grantee shall have quiet and peaceable possession, use and enjoyment of the aforesaid easement and the rights and privileges hereby granted.

The Grantor by the execution of this instrument acknowledges that the easement being conveyed hereunder is being donated to the Commonwealth of Virginia for highway use or associated uses per Virginia Code Section 33.2-1014. The Grantor also acknowledges that the Grantor is entitled to be compensated for the easement hereby conveyed and, pursuant to Virginia Code Section 25.1-417 and by this donation, hereby waives the Grantor's right to an appraisal and compensation.

The Grantor covenants and agrees for the Grantor, their heirs, successors and assigns, that the consideration hereinabove mentioned shall be in lieu of any and all claims to compensation for said easement, and for damages, if any, to the value of the lands of the Grantor which may result by reason of the use to which the Grantee will put the easement being conveyed. This paragraph, however, does not apply to any physical damages caused by the Grantee, its agents and contractors done to the Grantor's remaining property during construction of the aforesaid project.

By accepting and recording this deed, the Grantee accepts the donation of the before described real estate.

SIGNATURE AND NOTARY CERTIFICATE ON FOLLOWING PAGE

WITNESS the following signature and seal:

DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY, a
Political Subdivision of the Commonwealth
of Virginia

By___________________________(SEAL)

Title ______________________________

STATE OF ___________________

CITY/COUNTY OF _______________________

The foregoing instrument was acknowledged before me this ______ day of

________________, 2024, by ___________________________, ____________________ of

Danville-Pittsylvania Regional Industrial Facility Authority, a Political Subdivision of the

Commonwealth of Virginia, on behalf of the authority.

My Commission expires ______________. Notary Registration No. _______________.

____
Notary Public

GRANTEE'S MAILING ADDRESS:

Virginia Department of Transportation
Right of Way and Utilities Section
Lynchburg District
4219 Campbell Avenue
Lynchburg, Virginia 24501

G-PIN # 1366-54-5996

UPC 119164
Parcel 004

PREPARED BY VDOT
UNDER SUPERVISION OF THE
OFFICE OF THE ATTORNEY GENERAL

Exempted from recordation taxes
and fees under Sections 58.1-811(A)(3),
58.1-811(C)(5), 58.1-3315, 25.1-418,
42.1-70, 17.1-266, 17.1-279(E), and 58.1-811(D)

This **DEED OF GIFT AND DONATION** is made this _______day of _____________, 2024, between, **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a Political Subdivision of the Commonwealth of Virginia, "Grantor", and the **COMMONWEALTH OF VIRGINIA**, **DEPARTMENT OF TRANSPORTATION, 4219 Campbell Avenue, Lynchburg, Virginia 24501,** "Grantee".

WITNESSETH: In consideration of the good will and public benefit to be derived from this donation including the improvement of the roads of the Commonwealth, and other good and valuable consideration, the Grantor hereby gives, grants, and conveys unto the Grantee in fee simple with General Warranty and English Covenants of Title, the land located in the County of Pittsylvania, Virginia, described as follows:

Parcel 004

Being shown on Sheets 6, 6RW, 7, 7RW, 8, 8RW, 9, 9RW, 10, and 10RW of the plans for Route 311, State Highway Project 0311-071-835, RW201, beginning on the Southeast (right) side of the Berry Hill Rd. Const. BL from a point in the lands of the Grantor opposite Station 165+35.79 to a point in the lands of the Grantor opposite Station 167+50.96 and from a point in the lands of the Grantor opposite Station 173+40.31 to a point in the lands of the Grantor opposite Station 174+82.20 and from a point in the lands of the Grantor opposite Station 202+57.32 to the lands now or formerly belonging to Virginia Electric and Power Company opposite approximate Station 205+85, containing in aggregate 1.366 acres, more or less, land.

Together with the permanent right and easement to use the additional area shown as being required for the proper construction and maintenance of drainage facilities from a point in the lands of the Grantor opposite Station 167+50.48 to a point in the lands of the Grantor opposite Station 173+42.18, containing 1.176 acres, more or less.

Together with the permanent right and easement to use the additional areas shown as being required for the proper construction and maintenance of slope and drainage facilities from a point in the lands of the Grantor opposite Station 147+62.34 to a point in the lands of the Grantor opposite Station 153+16.83 and from a point in the lands of the Grantor opposite Station 157+43.79 to a point in the lands of the Grantor opposite Station 165+37.12 and from a point in the lands of the Grantor opposite Station 185+74.74 to a point in the lands of the Grantor opposite Station 187+75.00 and from a point in the lands of the Grantor opposite Station 190+74.99 to a point in the lands of the Grantor opposite Station 196+94.83, containing in aggregate 25,843 square feet, more or less.

Together with the temporary right and easement to use the additional areas as being required for the proper construction of entrances, cut and/or fill slopes and/or other construction, containing 19,559 square feet, more or less. Said temporary easement will terminate at such time as the construction of the aforesaid project is completed.

And being a part of the same land acquired by the Grantor from 329 Partners, LLC, formerly known as The Kluttz Family, LLC, a North Carolina Limited Liability Company by Deed dated October 17, 2008 and recorded October 22, 2008 as Instrument Number 080007039 in the Office of the Clerk of the Circuit Court of Pittsylvania County.

For a more particular description of the land herein conveyed, reference is made to Sheets 6, 6RW, 7, 7RW, 8, 8RW, 9, 9RW, 10, and 10RW, showing outlined in RED the land conveyed in fee simple, outlined in GREEN the land conveyed in permanent easement and outlined in ORANGE the land conveyed in temporary easement, copies of which are hereto attached as a part of this conveyance and recorded simultaneously herewith in the State Highway Plat Book ______, Page ______.

The Grantor by the execution of this instrument acknowledges that the plans for the aforesaid project as they affect the Grantor's property have been fully explained to the Grantor or the Grantor's authorized representative.

The Grantor by the execution of this instrument acknowledges that the land being conveyed hereunder is being donated to the Commonwealth of Virginia for highway use or associated uses. The Grantor also acknowledges that the Grantor is entitled to be compensated for the land hereby conveyed and, pursuant to Virginia Code Section 25.1-417 and by this donation, hereby waives the Grantor's right to an appraisal and to compensation.

The Grantor covenants and agrees for Grantor, Grantor's heirs, successors and assigns, that the consideration hereinabove mentioned shall be in lieu of any and all claims to compensation for land, and for damages, if any, to the value of the remaining lands of the Grantor which may result by reason of the use to which the Grantee will put the land being conveyed, including such drainage facilities as may be necessary. This paragraph, however, does not apply to any physical damages caused by the Grantee, its agents and contractors done to the Grantor's remaining property during construction of the aforesaid project.

By accepting and recording this deed, the Grantee accepts the donation of the before described real estate.

SIGNATURE AND NOTARY CERTIFICATE ON FOLLOWING PAGE

WITNESS the following signature and seal:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a Political Subdivision of the Commonwealth of Virginia

By____________________________(SEAL)

Title ____________________________

STATE OF ____________________

CITY/COUNTY OF ________________________

The foregoing instrument was acknowledged before me this ______ day of ________________, 2024, by __________________________, _____________________ of Danville-Pittsylvania Regional Industrial Facility Authority, a Political Subdivision of the Commonwealth of Virginia, on behalf of the authority.

My Commission expires ______________. Notary Registration No. _______________.

____
Notary Public

GRANTEE'S MAILING ADDRESS:

Virginia Department of Transportation
Right of Way and Utilities Section
Lynchburg District
4219 Campbell Avenue
Lynchburg, Virginia 24501

SF-14
Revised 08/23
UPC 119164
Parcel 003

THIS AGREEMENT, made this _______ day of _______________, 2024, by and between **Danville-Pittsylvania Regional Industrial Facility Authority**, Grantor and the **COMMONWEALTH OF VIRGINIA**, Department of Transportation, 4219 Campbell Avenue, Lynchburg, Virginia 24501 Grantee,

WITNESSETH: THAT WHEREAS, the Grantor is the owner of an outdoor advertising sign bearing Permit No. ____________ situated upon the property of Grantor; and

WHEREAS, the construction and/or improvement of State Highway Route 311, Project 0311-071-835, R201, makes it necessary to remove this sign from within the proposed right of way and/or easement; and

WHEREAS, the Grantee, in order to effect removal of the sign, hereby extends unto the Grantor the following:

Accept the monetary sum of $60,305.10 with the specific understanding and agreement that the sign identified as D-1 on plan sheet 12 is to be removed from its present location to the location designated on plan sheet 12 as “Relocated SOVA MegaSite Sign” within VDOT right of way in coordination with project construction schedule by the Grantor. The current schedule indicates that the Relocated SOVA MegaSite Sign location will be prepared for relocation of said sign on or about June 2025. This schedule is subject to change. The Grantee will notify the Grantor in writing when the site is ready and shall provide 60-90 days to relocate. The relocated sign is to be in conformance with all federal, state, and local laws and zoning requirements.

The estimated cost to relocate the subject sign is $60,305.10. Payment by the Grantee to the Grantor of 50% of the estimated sign relocation cost ($30,152.55) will be made 30-60 days after the execution of this agreement. Grantor shall submit the actual cost within 60 days after sign relocation. The Grantee will make payment to Grantor of the reconciliation amount of the actual cost less the $30,152.55 previously paid.

In the event the Grantor does not relocate the sign as per the schedule outlined above the Grantor will remain entitled to the balance of $30,152.55 and all rights, title, and interest in and to the sign will forthwith vest in the Grantee who will remove and dispose of the sign as it sees fit.

No other agreements expressed or implied constitute a part of this instrument.

SIGNATURE AND NOTARY CERTIFICATE ON FOLLOWING PAGE

WITNESS the following signature and seal:

DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY, a
Political Subdivision of the Commonwealth
of Virginia

By___________________________(SEAL)

Title _______________________________

STATE OF ___________________

CITY/COUNTY OF _______________________

The foregoing instrument was acknowledged before me this ______ day of

_________________, 2024, by ___________________________, _____________________ of

Danville-Pittsylvania Regional Industrial Facility Authority, a Political Subdivision of the

Commonwealth of Virginia, on behalf of the authority.

My Commission expires ______________. Notary Registration No. _______________.

____
Notary Public

GRANTEE'S MAILING ADDRESS:

Virginia Department of Transportation
Right of Way and Utilities Section
Lynchburg District
4219 Campbell Avenue
Lynchburg, Virginia 24501

UPC 119164
Parcel 003

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.D.

DATE: July 8, 2024

FROM: Corrie Bobe |Danville Director of Economic Development + Tourism

RE: Consideration of Resolution No. 2024-07-08-5D authorizing the Chairman of the Authority to execute, deliver and record that Third Amendment to Declaration of Restrictive Covenants for the Cyber Park, amending the Original Declaration of Protective Covenants dated September 20, 2004, and recorded in the City of Danville's land records as Instrument No. 05-1671 (as amended), providing for the Review Committee's discretionary review and approval related to screening of outside equipment and architectural features – Corrie Teague Bobe, Director of Economic Development, City of Danville and Mr. Guanzon.

SUMMARY

To better accommodate the needs and processes of targeted industries while still maintaining the aesthetic and architectural standards for the Cyber Park, staff worked with RIFA's legal counsel to review and propose amendments to sections regulating screening, outside equipment, and architectural features. Staff recommends that RIFA approve the amendments to the Restrictive Covenants subject to final review by RIFA counsel.

ATTACHMENTS

1. Resolution
2. Exhibit A - Third Amendment to Restrictive Covenants

Resolution No. 2024-07-08-5D

A RESOLUTION AUTHORIZING THE CHAIRMAN OF THE AUTHORITY TO EXECUTE, DELIVER AND RECORD THAT THIRD AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS FOR THE CYBER PARK, AMENDING THE ORIGINAL DECLARATION OF PROTECTIVE COVENANTS DATED SEPTEMBER 20, 2004, AND RECORDED IN THE CITY OF DANVILLE'S LAND RECORDS AS INSTRUMENT NO. 05-1671 (AS AMENDED), PROVIDING FOR THE REVIEW COMMITTEE'S DISCRETIONARY REVIEW AND APPROVAL RELATED TO SCREENING OF OUTSIDE EQUIPMENT AND ARCHITECTURAL FEATURES

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

WHEREAS, the Authority executed and recorded that certain Declaration of Protective Covenants for the Cyber Park dated September 20, 2004, and recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia (the "**Clerk's Office**"), as Instrument No. 05-1671 (the "**Original Declaration**"), as amended by that certain Amendment to Declaration of Protective Covenants for the Cyber Park, dated May 14, 2012, recorded as Instrument Number 12-1656 in the Clerk's Office (the "**First Amendment to Declaration**") (the Original Declaration and the First Amendment to Declaration, collectively, the "**Declaration**"), which placed numerous conditions, covenants, restrictions and reservations on that certain real property covering the Authority's Cyber Park project (the "**Cyber Park**"); and

WHEREAS, the Authority approved that certain Second Amendment to Declaration of Protective Covenants for the Cyber Park, effective as of June 11, 2012 (the "**Second Amendment to Declaration**") (the Original Declaration, the First Amendment to Declaration and the Second Amendment to Declaration, collectively, the "**Declaration**"), to be recorded in the Clerk's Office immediately prior to the Third Amendment to Declaration (as defined below); and

WHEREAS, the Authority desires to amend the Declaration, as more fully described in **Exhibit A** (the "**Third Amendment to Declaration**"), attached hereto and incorporated herein by this reference, providing for the Review Committee's (as defined in the Declaration) discretionary review and approval related to screening of outside equipment and architectural features; and

WHEREAS, Article 9.2 of the Declaration permits the Declaration to be amended "with the written consent of the record title holders (excluding the City of Danville, Virginia and trustees under deeds of trust) of sixty-five (65) percent of the land area of Property subject to these restrictions plus fifty-one (51) percent of the Owners of Parcels (excluding trustees under deeds of trust), provided such owners are 51% in number;"; and

WHEREAS, the Authority is the record title holder of at least sixty-five percent (65%) of the land area of the Property (as defined in the Original Declaration) and is the owner of at least fifty-one percent (51%) of the Parcels (as defined in the Original Declaration); and

WHEREAS, the Authority has hereby determined, in open session, that the Third Amendment to Declaration, in furtherance of the development and marketing of the Cyber Park, serves the purpose of the Authority to enhance the economic base of the County of Pittsylvania, Virginia (the "**County**") and the City of Danville, Virginia (the "**City**") by developing, owning, and operating the Cyber Park on a cooperative basis involving the County and the City, and that it is in the best interests of the Authority and the citizens of the County and the City for the Authority to authorize and approve the execution, delivery and recordation of the Third Amendment to Declaration, as applicable, consistent with this Resolution and subject to the approval by legal counsel to the Authority as to legal form.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby authorizes and approves the execution, delivery and recordation of the Third Amendment to Declaration, subject to the approval by legal counsel to the Authority as to legal form. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, in consultation with the other, to further amend the Third Amendment to Declaration, on behalf of the Authority, consistent with this Resolution and as approved by legal counsel to the Authority as to legal form, such execution of any such amendments by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any such amendments.

2. Authority hereby authorizes and directs the City Manager Officer, the County Administrator Officer, and the Authority's 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 Third Amendment to Declaration, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions; however, such authorization shall be subject to the same approval by legal counsel to the Authority as set forth above.

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 Third Amendment to Declaration and the matters contemplated therein.

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on July 8, 2024, 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 July 2024.

____

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

(SEAL)

Resolution No. 2024-07-08-5D

Exhibit A

(Third Amendment to Declaration of Protective Covenants for the Cyber Park)

**THIS INSTRUMENT WAS PREPARED BY AND
AFTER RECORDING SHOULD BE RETURNED TO:
CHRISTIAN & BARTON, L.L.P.
901 E. Main Street, Suite 1800
Richmond, Virginia 23219**

PINs: 78471, 78461, 78460, 78360, 77837, 76472, 76471, 76442, 76441, 76368, 78568, 78567, 78546

**THIRD AMENDMENT TO
DECLARATION OF RESTRICTIVE COVENANTS FOR THE CYBER PARK**

THIS THIRD AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS FOR THE CYBER PARK (this **"Third Amendment"**) is made and entered into as of the 8th day of July 2024.

WHEREAS, Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia (the **"Authority"**), made that certain Declaration of Restrictive Covenants for the Cyber Park, dated September 20, 2004, and recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia (the **"Clerk's Office"**), as Instrument No. 05-1671, at page 107 (the **"Original Declaration"**);

WHEREAS, the Authority amended the Original Declaration by that certain Amendment to Declaration of Restrictive Covenants for the Cyber Park dated May 14, 2012, and recorded in the Clerk's Office as Instrument No. 12-1656, at page 98 (the **"First Amendment"**); and further amended by that certain Second Amendment to Declaration of Restrictive Covenants for the Cyber Park effective as of June 11, 2012, and recorded in the Clerk's Office as Instrument No. __________________(the "**Second Amendment**") (the Original Declaration as amended by the First Amendment and the Second Amendment shall be referred to as the **"Declaration"**);

WHEREAS, the Authority desires to further amend the Declaration as provided herein;

WHEREAS, Article 9.2 of the Declaration permits the Declaration to be amended "with the written consent of the record title holders (excluding the City of Danville, Virginia and trustees under deeds of trust) of sixty-five (65) percent of the land area of Property subject to these restrictions plus fifty-one (51) percent of the Owners of Parcels (excluding trustees under deeds of trust), provided such owners are 51% in number;"

WHEREAS, the Authority is the record title holder of at least sixty-five percent (65%) of the land area of the Property (as defined in the Original Declaration) and is the owner of at least fifty-one percent (51%) of the Parcels (as defined in the Original Declaration); and

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

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

1. Section 5.9 of the Declaration is hereby amended and restated in its entirety as follows:

5.9 Outside Equipment & Architectural Features

Air-conditioning towers, roof-mounted equipment or other essential fixtures, such as electric transformers, trash compactors, trash dumpsters, satellites, generators, etc. which are necessary for the use of the buildings shall be permitted and shall be screened by building wall, parapet, or other landscape feature as determined in the discretion of the Review Committee.

2. Section 5.12 of the Declaration is hereby amended and restated in its entirety as follows:

5.12 Screening

All significantly exposed and noticeable projections outside of any building, including mechanical and electrical equipment, cooling towers, transformers, ducts, vents, etc. shall be screened from public right-of-way by appropriate screening as determined in the discretion of the Review Committee. This shall include walls and fences in combination with appropriate landscaping.

Fencing the property for security reasons is not permitted unless authorization is granted by the Review Committee. No fencing or screening will be permitted that materially obstructs the view of the property from the street.

Landscaping shall be provided in accordance with Appendix B of this document.

3. Appendix B (Landscaping & Site Design Requirements) of the Declaration is hereby amended by adding the following sentence to end of the first paragraph of Section 1.0 (GENERAL):

The Review Committee shall have the sole discretion to waive any or all provisions of this Exhibit B.

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

IN TESTIMONY WHEREOF, witness the signature to this **THIRD AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS FOR THE CYBER PARK** as of the date first above written:

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

By: ____________________________________
William V. Ingram, Chairman

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

The foregoing instrument was acknowledged before me by **William V. Ingram** in his capacity as Chairman of **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia, this _______ day of July 2024.

My commission expires:____________________________.

____
Notary Public
Registration No. ______________________

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.E.

DATE: July 8, 2024

FROM: Michael Adkins | Authority Treasurer

RE: Financial status reports as of June 30, 2024 - Michael L. Adkins, Authority Treasurer.

SUMMARY

A review of the financial status reports through June 30, 2024, will provided at the meeting. The financial status reports as of April 30, 2024 are attached for the DPRIFA Board's review.

Also included is the auditor's Planning Communication Letter for the board to review. No action is required.

Staff recommends approving the financial status reports as of June 30, 2024 as presented.

ATTACHMENTS

1. Financial Reports

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

Table of Contents

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of June 30, 2024

	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]		76,986.46	65,559.12	11,427.34	
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		2,250.00	347,194.30	2,250.00	
Total	$ 7,578,582.12	$ 4,318,495.58	$ 7,564,279.78	$ 13,677.34	**$ 625.00**

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 2024
As of June 30, 2024

	Funding	Budget	FY Expenditures	Current Month Expenditures	Encumbered	Unexpended / Unencumbered
Funding						
City Contribution	$ 100,000.00					
County Contribution	100,000.00					
Transfer from Unrestricted Fund Balance	100,000.00					
Contingency						
Miscellaneous contingency items		$ 4,000.00	$ 1,184.54	$ -	$ -	$ 2,815.46
Total Contingency Budget		4,000.00	1,184.54	-	-	2,815.46
Legal		158,023.51	178,981.00	36,754.00	-	(20,957.49)
Accounting		27,400.00	27,400.00	-	-	-
Marketing		41,732.53	41,732.53	-	-	-
Meals		4,727.96	4,727.96	501.36	-	-
Utilities		2,000.00	1,796.10	135.48	-	203.90
Insurance		3,436.00	3,436.00	3,436.00	-	-
Maintenance		58,680.00	58,680.00	4,890.00	-	-
Total	$ 300,000.00	$ 300,000.00	$ 317,938.13	$ 45,716.84	$ -	**$ (17,938.13)**

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of June 30, 2024

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 Berry Hill Industrial Park - Phase II Land and Engineering	2,700,000.00				
TIC #2264 Berry Hill Industrial Park - Phase II Land and Engineering deobligated	(699,873.73)				
TIC #2264 Local Match for Property & Improvements (County)	500,000.00				
TIC #2264 Local Match for Property & Improvements (City)	500,000.00				
VA Economic Development Partnership MEI Grant Funds	577,503.14				
Virginia Resources Authority - TRRF Loan #3658	4,500,000.00				
VBRSP Site Development Grant from VEDP FY2023	1,500,000.00				
Transfer from Unrestricted Funds - "Other Income"	453,090.86				
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	-	
ROW purchase for connector road		832,300.25	832,300.25	-	
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		1,644,380.00	1,470,030.00	174,350.00	
Appalachian Power Company		5,178,500.00	5,178,500.00	-	
Banister Bend Farm, LLC		199,064.00	199,064.00	-	
Virginia Department of Transportation (VDOT)		279,399.00	279,399.00	-	
Transcontinental (Williams Transco)		40,000.00	40,000.00	-	
Stantec Consulting Services Inc.		2,400.00	2,400.00	-	
Troutman, Pepper, Hamilton, Sanders LLP		75,000.00	51,380.00	23,620.00	
Dewberry Engineers		13,750.00	13,750.00	-	
HGS LLC		483,000.00	483,000.00	-	
Sellers Brothers		24,500.00	24,500.00	-	
Froehling & Robertson		2,500.00	2,500.00	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project [8]		-	11,203.15	-	
Total	$ 24,262,245.10	$ 23,956,687.83	$ 23,755,747.12	$ 200,940.71	**$ 305,557.27**

[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
Southern Virginia Megasite at Berry Hill - Lot 4 Site Development
As of June 30, 2024

	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				
Transfer to Other Income - Unrestricted Funds	152,170.40				
Transfer from SVM Berry Hill Lots 1 & 2	138,000.00				
Expenditures					
Dewberry Engineers Inc.		1,707,562.81	1,707,562.81	-	
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.		77,027.64	77,027.64	-	
Banister Bend Farm, LLC - Wetland and Stream Credits		122,968.00	122,968.00	-	
DEQ - Construction Activity General Permit		11,860.00	11,860.00	-	
Haymes Brothers, Inc. - Construction on Phase 1 Graded Pad		4,243,151.21	4,243,151.21	-	
Haymes Brothers, Inc. - Phase 1 Pad A Extension/Expansion		1,679,616.89	1,679,616.89	-	
Haymes Brothers, Inc. - Phase 1 Development		290,500.00	290,500.00	-	
Transfers to "General Expenditures Fiscal Year 2015" Contingency [3]					
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)	-	
Total	$ 8,190,526.55	$ 8,190,526.55	$ 8,190,526.55	$ -	**$ -**

[1] $300,000 of this was received from each locality 6-2014. $450,000 received 8-2014. $450,000 received 9-2014.

[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 ($108,603.35 of expenditures for Dewberry Engineers, Inc. was also transferred from remaining unexpended and unencumbered costs under Amendment #4)

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of June 30, 2024

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
TIC #3358 Berry Hill Industrial Park - Site Improvements for Project Lignum	$ 2,292,856.56				
TIC #3358 Local Match (County)	970,707.92				
TIC #3358 Local Match (City)	970,707.92				
VBRSP Site Development Grant from VEDP	1,312,400.00				
VBRSP Site Development Grant from VEDP (City)	216,546.00				
VBRSP Site Development Grant from VEDP (County)	216,546.00				
Transfers to/from other funding sheets	(1,669,212.10)				
Expenditures					
Dewberry Engineers Inc.		413,540.00	407,040.00	6,500.00	
Virginia Nutrient Bank		84,420.00	84,420.00	-	
Jimmy R. Lynch & Sons, Inc.		3,716,936.30	3,443,568.99	273,367.31	
Treasurer of Virginia		6,100.00	6,100.00	-	
Fifth Mountain Engineering		30,000.00	10,710.00	19,290.00	
Total	$ 4,310,552.30	$ 4,250,996.30	$ 3,951,838.99	$ 299,157.31	**$ 59,556.00**

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of June 30, 2024

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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	3,716,897.35				
Expenditures					
Dewberry Engineers Inc.		912,309.99	888,109.99	24,200.00	
Haymes Brothers, Inc. - Phase I Sanitary Sewer		5,092,668.30	5,092,668.30	-	
Haymes Brothers, Inc. - Phase I Sanitary Sewer (City)		3,210,312.35	3,210,312.35	-	
C.W. Cauley & Son - Phase 1 Water		1,843,540.00	1,021,345.00	822,195.00	
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	$ 11,561,488.64	$ 11,096,401.64	$ 10,250,006.64	$ 846,395.00	**$ 465,087.00**

Danville-Pittsylvania Regional Industrial Facility Authority
Cyber Park Site Development
As of June 30, 2024

		Funding		Budget / Contract Amount		Expenditures		Encumbered		Unexpended / Unencumbered
Funding										
MEP TROF Loan	$	270,000.00								
Transfer from Other Income		152,090.00								
Transfer from SVM at BH Lots 1& 2		1,988,100.25								
Expenditures										
Dewberry Engineers Inc.				114,250.00		114,250.00		-		
Making Everything Possible LLC (Incentives)				270,000.00		270,000.00		-		
Virginia Nutrient Bank				37,840.00		37,840.00		-		
Sellers Brothers				1,988,100.25		1,888,695.24		99,405.01		
Total	$	2,410,190.25	$	2,410,190.25	$	2,310,785.24	$	99,405.01	**$**	**(0.00)**

G

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2024
As of June 30, 2024

Source of Funds	Funding: Carryforward from FY2023	Funding: Receipts Current Month	Funding: Receipts FY2024	Expenditures FY2024	Unexpended / Unencumbered
Carryforward	$ 1,904,985.39				
Current Lessees					
Institute for Advanced Learning and Research (IALR) [1]		$ 23,342.11	$ 280,105.32		
Mountain View Farms of Virginia, L.C.		-	1,200.00		
Osborne Company of North Carolina, Inc.		-	2,000.00		
Capital Outdoor, Inc.		-	2,000.00		
American Electric Power		-	15,000.00		
Total Rent		$ 23,342.11	$ 300,305.32		
Interest Received [2]		$ -	$ 69,762.04		
Miscellaneous Income		$ 796,991.61	$ 1,750,010.93		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				$ 256,763.21	
Incentive Disbursements to Morgan Olson, LLC				$ -	
Incentive Disbursements to MEP LLC				$ -	
Transfers to other funding sheets				$ 347,000.00	
Totals	$ 1,904,985.39	$ 820,333.72	$ 2,120,078.29	$ 603,763.21	$ 3,421,300.47
				Restricted [1]	$ 336,168.81
				Unrestricted	$ 1,715,721.09
				Committed	$ 1,369,410.57

[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.*

H

Danville-Pittsylvania Regional Industrial Facility Authority
Monthly Disbursements
June 2024

Check Number	Date	Vendor Name	Paid Amount
WIRE	6/4/2024	City of Danville	72.18
WIRE	6/4/2024	City of Danville	22.80
2651	6/10/2024	Dewberry Engineers	8,675.00
2652	6/10/2024	Fifth Mountain Engineering	10,710.00
2653	6/10/2024	IALR	23,342.11
2654	6/10/2024	IALR	501.36
2655	6/10/2024	Sellers Brothers	4,890.00
2656	6/10/2024	Troutman Pepper Hamilton Sanders	1,400.00
2657	6/10/2024	Virginia Risk Sharing Association	3,436.00
2658	6/10/2024	Christian & Barton	36,754.00
WIRE	06/20/2024	City of Danville	40.50

Danville-Pittsylvania Regional Industrial Facility Authority

Statement of Net Position [1, 2]

June 30, 2024*

		Unaudited FY 2024
Assets		
Current assets		
Cash - checking	$	113,518
Cash - money market		4,234,137
Prepaids		3,436
Total current assets		4,351,091
Noncurrent assets		
Restricted cash - project fund CCC bonds		20,802
Restricted cash - debt service fund CCC bonds		22,005
Capital assets not being depreciated		23,076,605
Capital assets being depreciated, net		20,080,266
Construction in progress		34,283,295
Total noncurrent assets		77,482,973
Total assets		81,834,064
Liabilities		
Current liabilities		
Retainage payable		99,405
Accrued interest		211,685
Accounts Payable		875,641
Unearned income		1,475
Economic development payable - current portion		147,000
Total current liabilities		1,335,206
Noncurrent liabilities		
Bonds payable - less current portion		205,000
Loans payable - less current portion		4,500,000
Total noncurrent liabilities		4,705,000
Total liabilities		6,040,206
Net Position		
Net investment in capital assets		77,255,968
Restricted - debt reserves		22,005
Unrestricted		(1,484,115)
Total net position	$	75,793,858

[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 June 30, 2024 as of June 28, 2024, 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
June 30, 2024*

		Unaudited FY 2024
Operating revenues		
Rental income		300,930
Other Income		2,366,948
Total operating revenues		2,667,878
Operating expenses [4]		
Mega Park expenses [3]		1,560,533
Cane Creek Centre expenses [3]		870,981
Cyber Park expenses [3]		357,024
Professional fees		113,989
Other operating expenses		10,076
Total operating expenses		2,912,603
Operating income (loss)		(244,725)
Non-operating revenues (expenses)		
Interest income		69,762
Total non-operating expenses, net		69,762
Net income (loss) before capital contributions		(174,963)
Capital contributions		
Contribution - City of Danville		396,352
Contribution - Pittsylvania County		396,352
Total capital contributions		792,704
Change in net position		617,741
Net position at July 1, 2023		75,176,117
Net position at June 30, 2024	$	75,793,858

[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
June 30, 2024*

		Unaudited FY 2024
Operating activities		
Receipts from grant reimbursement requests	$	3,012,925
Receipts from leases		298,305
Other receipts		1,445,142
Payments to suppliers for goods and services		(2,667,507)
Net cash used by operating activities		2,088,865
Capital and related financing activities		
Capital contributions		845,137
Interest paid on bonds		(25,272)
Principal repayments on bonds		(515,000)
Net cash provided by capital and related financing activities		304,865
Investing activities		
Interest received		69,762
Net cash provided by investing activities		69,762
Net increase (decrease) in cash and cash equivalents		2,463,492
Cash and cash equivalents - beginning of year (including restricted cash)		1,926,969
Cash and cash equivalents - through June 30, 2024 (including restricted cash)	$	4,390,461
Reconciliation of operating loss before capital contributions to net cash used by operating activities:		
Operating income (loss)	$	(244,725)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities:		
Change in prepaids		(297)
Change in other receivables		861,715
Change in accounts payable		1,474,797
Change in unearned income		(2,625)
Net cash used by operating activities	$	2,088,865

Components of cash and cash equivalents at June 30, 2024:		
American National - Checking	$	113,518
American National - General money market		4,234,137
Wells Fargo - $7.3M Bonds CCC Debt service fund		22,005
Wells Fargo - $7.3M Bonds CCC Project fund		20,802
	$	4,390,461

BROWN EDWARDS
certified public accountants

Communication with Those Charged with Governance During Planning

To the Members of the Board of Directors
Danville-Pittsylvania Regional Industrial
Facility Authority
Danville, Virginia

We are engaged to audit the financial statements of the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") for the year ended June 30, 2024. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you at your request to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated May 30, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

While planning has not concluded and modifications may be made, we have identified the following significant risks of material misstatement as part of our audit planning:

- Management override: management and/or those charged with governance are in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding internal controls, even where such internal controls might otherwise appear to be operating effectively. Although the level of risk of management override of internal controls will vary from entity to entity, the risk is, nevertheless, present in all entities.
- Segregation of duties: One of the more important aspects of any internal control structure is the segregation of duties. In an ideal system of internal controls, no individual would perform more than one duty in connection with any transaction or series of transactions. Such access may allow errors or irregularities to occur and either not be detected or concealed. Due to the small nature of the Authority's accounting staff, there are increased risks associated with individuals performing one or more incompatible duties.
- Joint organizations: With multiple member localities there are increased risks related to properly allocating costs of the Authority.

We expect to begin our audit in September 2024 and issue our report in December 2024. Matthew Heatwole is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would not cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us unless clearly inconsequential in connection with your evaluation or our audit test results.

Inquiries Concerning Fraud

As part of the planning process, we assess the risk of misstatements in the financial statements, whether from fraud or error. Your consideration of the following questions is valuable in planning our engagement.

- Are you aware of any fraud, suspected fraud, or allegations of fraud?

- Are there departments or processes where you think fraud could easily occur and remain undetected?
- Are you comfortable with the integrity of management?
- Are you aware of any illegal acts or noncompliance with laws or grant agreements?
- Are you confident that personnel possess appropriate skill sets, and are committed to providing high quality financial information?
- Are there particular areas in the financial statements where you have concern that misstatements could occur?
- Are there any circumstances that you believe should be of interest to your auditors, but of which management is unaware or might have reason to not fully disclose to us?
- Are you satisfied that those charged with governance are actively involved in the Authority's assessment of the risks of fraud and the programs and controls established to mitigate those risks?
- Are there any significant unusual transactions that the Authority entered into during the year?
- Do you have any concerns about the Authority's related-party relationships and transactions?

If your consideration of these questions yields no concerns, we do not require that you respond to us. However, if you have any concerns or would like to simply discuss these (or any other) issues relating to the audit, please contact us at:

Chris Murray, Director
434-948-9000
cmurray@becpas.com

Matt Heatwole, Partner
540-434-6736
mheatwole@becpas.com

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. We are not aware of any circumstances that have impaired our independence with respect to our engagement as described in our engagement letter.

This information is intended solely for the use of those charged with governance and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
May 30, 2024