VFRI FA Board of Directors Meeting Agenda

June 17, 2015 at 12:00pm (Noon)

Location: New River Valley Business Center- Training Room (6580 Valley Center Drive, Radford, VA 24141)

** Lunch will be provided, please RSVP to Christy Straight at 639-9313

1. Roll Call
2. Approval of Agenda
3. Public Comment
4. Approval of Previous Meeting Minutes
5. Consent Items/ Administrative Updates
   a. Ratification of NRV Commerce Park Participation Committee Action
   b. Ratification of International Blvd Surveying Contract
   c. Wythe County Membership Update
   d. Legal Restructuring Update
6. Old Business
   a. VML-VACO Excess Dues and Share Valuation
   b. Agricultural Lease Update
   c. Procurement Policy
   d. Red Sun Farms Grading Debt Payments
7. New Business
   a. Treasurer/Secretary Election
   b. FY16 Budget
   c. Quarterly Financial Report
   d. MOU for Executive Director Services
   e. MOU for Staff Services
   f. Public Meeting Policy
   g. FOIA Policy
8. Closed Session
   a. NRV Commerce Park Prospect Discussion
9. Other Business

10. Adjournment- Next Meeting: September 9, 2015
Virginia’s First Regional Industrial Facility Authority

Board of Directors Meeting Staff Report

1. Roll Call

2. Approval of Agenda

3. Public Comment

4. Approval of Previous Meeting Minutes
   Attached are the meeting minutes from the March 11, 2015 VFRIFA Board Meeting (Attachment #1). Staff recommends approval of the minutes as written.

5. Consent Items/ Administrative Updates

5. a. Ratification of NRV Commerce Park Participation Committee Action
   Review and concurrence of any actions taken by the Commerce Park Participation Committee that requires approval by the VFRIFA Board of Directors.

5.b. Ratification of the International Boulevard Surveying Contract
   Attached is the contract between VFRIFA and Anderson and Associates for the right-of-way survey of International Boulevard, which will be completed by July 11, 2015 (Attachment #2). Ratification of the contract by the Board is requested.

5.c. Wythe County Membership Update
   Mr. Wilson has tried to contact Wythe County multiple times and has left several messages with no response over the past two months. On June 9, 2015, a letter was emailed and mailed to Wythe County requesting a meeting to discuss Wythe County’s involvement with VFRIFA (Attachment #3). Staff is requesting direction from the Board on how to move forward assuming Wythe County does not respond to the letter.

5.d. Legal Restructuring Update
   The subcommittee working to assist in the legal restructuring of VFRIFA and the CPPC has held several meetings, and a potential solution has been drafted by the VFRIFA attorney (Attachment #4). An update will be provided by the VFRIFA attorney during the meeting.
6. Old Business

6.a. VML-VACO Excess Dues and Shares Valuation

During the previous meeting in March, the Board made a motion acknowledging receipt of the attached report from VML-VACO and to have the report on the June meeting agenda for approval. VML-VACO reviewed VFRIFA and CPPC financial records to determine the amount of any excess VFRIFA dues and the value of NRV Commerce Park shares. Attached, please find VML-VACO’s findings regarding excess VFRIFA dues, the current value of CP Shares, and options for how to approach future share valuations (Attachment #5). The report specifies the amount of excess VFRIFA dues since 2009, which is the date of the last evaluation. Staff recommends approval of the Report as it relates to the current amount of excess VFRIFA dues.

6.b. Agricultural Lease Update

The current Agricultural Lease being used to lease NRV Commerce Park property contains very limited provisions regarding lease terms and almost no protection for VFRIFA. The lease has been modified per the comments from the last Board meeting. Attached, please find the proposed updated agricultural lease to use for leasing property in future years (Attachment #6). This lease has been reviewed by the VFRIFA attorney. Staff recommends approval of the lease as written.

6.c. Procurement Policy

In an effort to provide transparency and consistency with procuring goods and services, the attached Procurement Policy is being proposed for adoption (Attachment #7). The intent of this Policy is to provide assurances that goods and services are being procured in accordance with the Virginia Public Procurement Act. At the same time, the VFRIFA attorney and staff worked to ensure the allowed flexibility was built into this Policy, which preserves our ability to streamline the procurement process when needed. Insurance requirements have been verified with VFRIFA’s insurance agent to ensure adequate coverage. This Policy has been reviewed by the VFRIFA attorney. Staff recommends approval of the Procurement Policy as written.

6.d. Red Sun Farms Grading Debt Payments

To date, VFRIFA has paid $174,797.12 in Red Sun Farms grading debt service. As income from Red Sun Farms had not been available yet, these payments have been made from general Commerce Park funds. Red Sun Farms revenue is now being collected, with $22,423.60 collected to date. This coming Fiscal Year, Red Sun Farms revenue is anticipated to be $146,348.10, which is $2,230.75 short of
covering the deferred debt service payment of $148,925 from FY2015. According to the Performance Agreement in place with Red Sun Farms, additional revenue will be collected beginning in calendar year 2016 (either as Phase 2 expansion or as additional rent, if the minimum real property investment amount or the minimum number of new jobs is not met by December 31, 2015). This additional revenue will be sufficient enough to cover the Red Sun Farms grading debt service, as well as have excess revenue. If, for some reason, the additional revenue is insufficient to cover the grading debt service, enactment of the RSF Grading Project Agreement would need to be discussed.

As additional revenue is available, the excess can be used to repay the Commerce Park general revenue that was used to repay the grading debt before sufficient Red Sun Farms revenue was available. Staff can keep track of the excess revenue, once it begins, and report annually to the Board regarding the amount paid back to the Commerce Park general revenue. Staff recommends using general Commerce Park revenue to cover the $2,230.75 for FY2016.

7. New Business

7.a. Treasurer/Secretary Election

Due to a potential professional conflict, Mr. Meadows resigned as the VFRIFA Treasurer/Secretary on March 31, 2015. A new Treasurer/Secretary needs to be elected for the remainder of Mr. Meadows' term, which runs through June 30, 2016.

7.b. Fiscal Year 2016 Budget

Attached, please find the proposed Fiscal Year 2016 Budget (Attachment #8). The budget shifts several expenses from previous years to clearly delineate VFRIFA and CP expenses, reflects administrative expenses assumed solely by VFRIFA, and reduces splitting expenses between VFRIFA and CP. Revenue from Machinery and Tools and Business Personal Property taxes for Mebane Manor are not solidified at this point; however, staff believes that the amount will not be large enough to have an impact on the budget. Staff recommends adoption of the FY2016 Budget as drafted.


Attached, please find the Quarterly Financial Report detailing the financial transactions and information from the past quarter, which was between
December 31, 2014 and March 31, 2015 (*Attachment #9*). Staff recommends approval of the Report.

7.d. **MOU for Executive Director Services**

Pulaski County is interested in continuing to provide Executive Director services for VFRIFA during FY2016. The previously approved MOU for these services expires on June 30, 2015. Pulaski County has requested that the cost of services for the MOU be increased from $10,000 to $15,000 annually to help cover costs for providing the service. All other aspects of the MOU would remain the same as the one currently in place. The attached MOU outlines the specifics related to the services to be provided by Pulaski County (*Attachment #10*). This MOU has been reviewed by the VFRIFA attorney. **Staff recommends approval of the MOU.**

7.e. **MOU for Staff Services**

The New River Valley Regional Commission is interested in continuing to provide staff services for VFRIFA during FY2016. The previously approved MOU for these services expires on June 30, 2015. All aspects of the previous MOU would remain the same, including the cost of services at $25,000 annually. The attached MOU outlines the specifics related to the services being provided by the NRV Regional Commission (*Attachment #11*). This MOU has been reviewed by the VFRIFA attorney. **Staff recommends approval of the MOU.**

7.f. **Public Meeting Policy**

In an effort to detail how public meetings for VFRIFA are advertised and how VFRIFA is in compliance with the Virginia Freedom of Information Act, the attached Public Meeting Policy is being proposed for adoption (*Attachment #12*). The intent of this Policy is to ensure that VFRIFA is advertising meetings in accordance with the Virginia Public Procurement Act. This Policy has been reviewed by the VFRIFA attorney. **Staff recommends approval of the Public Meeting Policy as written.**

7.g. **FOIA Policy**

In an effort to provide information on how VFRIFA responds to Freedom of Information Act Requests, the attached FOIA Policy is being proposed for adoption (*Attachment #13*). The intent of this Policy is to ensure that VFRIFA is responding to requests in accordance with the Virginia Public Procurement Act.
This Policy has been reviewed by the VFRIFA attorney. **Staff recommends approval of the FOIA Policy as written.**

8. **Closed Session**

8.a. **NRV Commerce Park Prospect**

Discussion of a potential prospect for the NRV Commerce Park.
Virginia’s First REGIONAL INDUSTRIAL FACILITY AUTHORITY
Meeting Minutes
March 11, 2015
NRV Business Center, Fairlawn, VA

1. Roll Call
A meeting of the Virginia’s First Regional Industrial Facility Authority (VFRIFA) was held on Wednesday, March 11, 2015 at the New River Valley Business Center in Fairlawn. Ms. Biggs, chairman, called the VFRIFA meeting to order at 2:15 pm.

Roll call by member jurisdiction was taken and a quorum determined with six of twelve member governments represented: Montgomery, and Pulaski counties; City of Radford; and Dublin, Pearisburg and Pulaski towns. No representatives from Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke were present.

Ms. Biggs had to leave for a prior appointment. Mr. Vittum acted as chairman for the remainder of the meeting.

2. Agenda Approval
Motion: Mr. Solomon moved the board approve the agenda. Mr. Parker seconded the motion.

Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

3. Public Comments
No public comments were made.

4. Approval of Previous Meeting Minutes
Meeting minutes from the November 12, 2014 meeting were included in the agenda packet.

Motion: Mr. McCready moved the board approve minutes of the November 12, 2014 meeting. Mr. Edwards seconded the motion.

Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

5. Administrative Updates
   a. 2015 Meeting Calendar
In order to provide advanced notice of meeting dates, an annual meeting calendar was provided in the agenda packet. No conflicts were noted with the proposed meeting schedule, so staff will schedule meetings according to this calendar.

   b. International Boulevard Right-of-Way Project Agreement
During the November 2014 meeting, the CPPC authorized the sale of 100 Commerce Park shares to the Town of Pulaski for $40.00 per share. The Project Agreement for this
sale has been fully executed and a copy is provided in the agenda packet. Staff has a meeting scheduled with VDOT this month to review International Boulevard before authorizing survey work. These details were discussed during the CPPC meeting at which all board members were present.

c. **Resolution to Support Renewal of Enterprise Zone 40**

Mr. Wilson recommended the board adopt a resolution to support Pulaski County’s renewal application for Enterprise Zone 40. The NRV Commerce Park is within Enterprise Zone 40, which provides financial incentives to our current tenant, as well as strengthens the marketability of the Park. Mr. Solomon noted he will be attending an information workshop on the renewal in Abingdon, VA on March 25.

Motion: Mr. Utt moved the board adopt a resolution in support of the application for renewal of Enterprise Zone 40. Mr. Edwards seconded the motion.

Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

d. **Legal Restructuring Update**

The subcommittee working to assist in the legal restructuring of VFRIFA and the CPPC has held a couple of meetings and a potential solution has been drafted by the VFRIFA attorney. VFRIFA attorney Theresa Fontana gave a brief update on the agreement framework and concepts regarding use of dues and shares payments for expenditures.

e. **VFRIFA Dues and CP Shares Invoicing**

Annual invoices for VFRIFA Dues and CP Shares will be sent to member localities at the end of April 2015. Please let either Danny Wilson or Christy Straight know if you have any questions about the invoices.

6. **Old Business**

   a. **FY2014 Audit Report**

Mr. Corbin Stone with Robinson, Farmer, Cox Associates reviewed some key items in the FY2014 Audit Report and answered questions during the CPPC meeting at which all board members were present.

Motion: Mr. Parker moved the board receive the audit report; Mr. Hamilton seconded the motion.

Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

   b. **Mebane Manor Lease and Five C Road Maintenance Agreement**

Mebane Manor, LLC has signed a lease for 27.0 acres of property just north of the Five C Road right-of-way and south of the Red Sun Farms property, as well as a road maintenance agreement to maintain Five C Road to ensure all weather access is available to the Mebane House. Both of these items were discussed and authorized by the VFRIFA
Board of Directors and the CPPC at previous meetings. These documents have been reviewed by the VFRIFA attorney.

Motion: Mr. Solomon moved the board approve the lease and road maintenance agreement; Mr. Hamilton seconded the motion.

Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

7. New Business
   a. VML-VACO Excess Dues and Shares Valuation
      VML-VACO reviewed VFRIFA and CPPC financial records to determine the amount of any excess VFRIFA dues and the value of NRV Commerce Park shares. Bob Lauterberg with VML-VACO presented their findings regarding excess VFRIFA dues, the current value of CP Shares, and options for how to approach future share valuations during the CPPC meeting at which all board members were present.
      Motion: Mr. McCready moved the board receive the report on Commerce Park share valuation and consider the report for acceptance at the next meeting. Mr. Goodman seconded the motion.
      Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

   b. Treasurer’s Report
      The Treasurer’s Report was presented detailing the financial transactions and information from the past quarter (October 1, 2014 to 31, 2014).
      Motion: Mr. McCready moved the board approve the treasurer’s report; Mr. Edwards seconded the motion.
      Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

   c. Agricultural Lease Updates
      The current Agricultural Lease being used to lease NRV Commerce Park property contains very limited provisions regarding lease terms and almost no protection for VFRIFA/ CPPC. A proposed updated agricultural lease to use for leasing property in future years was provided in the agenda packet. This lease has been reviewed by the VFRIFA attorney. A revised lease will be presented at the June meeting.

   d. Mid-Year Budget Review
      A copy of the budget comparing year-to-date income and expenditures with the adopted budget was provided in the agenda packet. The VFRIFA expenses for FY15 will exceed the budgeted amount due to the following reasons:
• Planning District Commission was billed solely to VFRIFA for the first 2 months of the fiscal year, as they were only funded for temporary services
• Legal expenses have been increased this year over previous years due to the sale of the Mebane House property, Red Sun Farms beginning operation, AEP QSP certification title research, legal restructuring, and other projects/documents that necessitate legal review

The following modifications of specific line item allocations were requested:

• Planning District Commission: Increase by $9,875
• Legal: Increase by $7,000
• Executive Director: Reduce by $4,440
• PSA Debt Service (w/s capacity): Reduce by $17,000
• Marketing: Reduce by $2,500
• Telecommunications: Reduce by $966.92

These modifications will allow VFRIFA to potentially come in under budget by about $8,000. Coming in under budget will result in not utilizing reserve funds to pay for operating expenses this fiscal year. Staff recommends approval of the modifications to the adopted FY2015 Budget as presented.

In addition, Staff would like concurrence from the CPPC and VFRIFA Board to begin working on a plan to save excess revenue in order to eventually catch up on debt service payments (about $150,000 needed) and/or other expenditures that may require more funds than can be expected in any one fiscal year. A plan would be drafted for presentation to the CPPC and VFRIFA Board during the next regularly scheduled meetings (June 2015) for approval.

Motion: Ms. Edmonds moved the board approve the budget modifications; Mr. McCready seconded the motion.

Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

Mr. Wilson also reviewed some proposed budget actions for board input, particularly regarding past contributions by Virginia’s First to Commerce Park debt. This could potentially create some savings that could be applied, as excess dues, to future projects or obligations. The board also discussed the delinquency of dues payment from Wythe County.

Mr. Wilson reviewed the bond repayment schedule with the board. The documentation provided at the meeting shows the portion of payments applicable to debt incurred in support of Red Sun Farms regarding; this will be paid in future years with the income from Red Sun Farm tax payments. The County will be providing the Red Sun Farms
taxes information in time for next year’s budget. Mr. Wilson provided a few scenarios to the board for paying the Red Sun Farms debt service and bringing all payments up to date.

General Commerce Park revenue could be used to cover the debt payment until Red Sun Farms begins generating revenue, with the following conditions: Checks can be printed to cover the pending invoices from Pulaski County, which total $513,405.60, of which $149,290.75 is specifically for Red Sun Farms grading debt, and Red Sun Farms grading debt repayment will be included on the next meeting agenda (June 2015) to be discussed in more depth.

Motion: Mr. McCready moved the board authorize the payment of the invoices from Pulaski County IDA for debt service with general Commerce Park revenue. Mr. Edwards seconded the motion.

Action: The motion passed on a roll call vote with Ms. Edmonds and Mr. Hamilton abstaining and with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

e. **Christiansburg Withdrawal Request for Excess Dues**

During the June 3, 2014 VFRIFA Board of Directors meeting, Christiansburg requested to withdraw from VFRIFA and receive any excess dues that had been paid into VFRIFA. The withdrawal request was granted; however, the request for repayment of excess dues required research, which has been completed by VML-VACO, as reviewed earlier in the meeting. Excess dues currently being held by VFRIFA may be needed to cover administrative expenses, such as increasing the legal budget for this fiscal year to pay for additional legal expenses that were needed.

Motion: Mr. McCready moved the board not pay excess dues to the Town of Christiansburg. Mr. Parker seconded the motion.

Action: The motion passed on a roll call vote with Ms. Edmonds and Mr. Hamilton voting no and with Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke representatives absent.

f. **Authorization for Check Approval**

Mr. Wilson proposed streamlining how invoices are paid and ensure proper procedures are being followed by authorizing the Executive Director to approve checks to be printed to pay invoices, with the condition that the invoice does not exceed the budgeted and contracted amount for that service. A list of checks that have been printed would be provided in the Treasurer’s Report for each CPPC and VFRIFA Board of Directors meeting. In addition, each check requires two signatures before it is valid, so a VFRIFA officer will be reviewing each check.

Motion: Mr. McCready moved the committee approve the Executive Director be authorized to issue checks for invoices that do not exceed the budget and be
payment allowed under an existing contract, once notification of payments is
sent to Executive Committee members for opportunity to voice any objections;
Mr. Goodman seconded the motion.
Action: The motion passed with Ms. Edmonds and Mr. Hamilton abstaining and with
Bland, Craig, Giles, Roanoke, and Wythe Counties and City of Roanoke
representatives absent.
g. Procurement Policy
Due to time constraints, discussion about the Procurement Policy was tabled until the
next meeting (June 10, 2015).

8. Closed Session (if needed)
No closed session was held.

9. Other Business
No other business was brought before the board.

10. Adjournment
With no further business to discuss, Mr. Vittum adjourned the meeting at 3:15 pm.
The next scheduled regular Authority board meeting is Wednesday, June 10, 2015.
Tentative dates and locations for called special meetings will be monthly on the second
Wednesday at noon at the NRV Business Center.
Motion: On motion of Mr. Goodman, seconded by Mr. Solomon and carried
unanimously, the meeting was adjourned with the next scheduled meeting to be held on March 11, 2015 at noon.
Action: The motion passed unanimously, with Bland, Craig, Giles, Roanoke, and
Wythe Counties and City of Roanoke representatives absent.

Respectfully Submitted, Approved by,

Danny Wilson, Executive Director Mary Biggs, Chair and

Craig Meadows, Secretary / Treasurer
Virginia’s FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Attendance  
March 11, 2015  
NRV Business Center, Fairlawn, VA

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Others Present: Theresa Fontana (Authority Counsel), Karen Thompson (Pulaski County)  
Staff Present: Danny Wilson, Kevin Byrd, Christy Straight
VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
SMALL PURCHASE CONTRACT AGREEMENT

COMMONWEALTH OF VIRGINIA

THIS AGREEMENT is made this May 8, 2015 between Anderson and Associates, Inc.,
(hereinafter called "The Contractor") and Virginia’s First Regional Industrial Facility Authority (hereinafter
called "VFRIFA”), a body corporate organized and existing under the laws of the Commonwealth of
Virginia.

WHEREAS, VFRIFA desires to survey a 130 foot wide right-of-way for International Boulevard
(Project Scope), and

WHEREAS, VFRIFA and the Contractor desire to enter into an Agreement wherein the
Contractor shall provide such services as set in the scope identified by VFRIFA (attached as Exhibit A).

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and
covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by VFRIFA
and the Contractor, the parties hereto agree as follows:

Scope of Work
The Contractor shall perform services per the attached Scope of Work in "Exhibit A" in the locations
designated in "Exhibit B".

Warranty
The Contractor shall warranty their work and materials for one year from the date of completion. Note: The
Contractor shall not be responsible to repair any damage caused by vandalism or any other issues not related
to the quality of the Contractor’s own work or materials provided.

Fee
The total cost of this contract shall not exceed $3,900. An invoice for the total amount may be submitted
upon completion of the work. The fees will include those identified in the Quote provided, which is
attached as “Exhibit C.”

Invoicing
The Contractor shall send invoices to VFRIFA, 6580 Valley Center Drive, Suite 124, Radford, VA 24141,
Attn: Danny Wilson, Executive Director. Approved invoices shall be paid within 30 days upon receipt of
invoice.

Schedule:
The term of this Agreement shall be from the mutual signing of this contract to satisfactory completion of all
tasks contained within the Scope of Work, which will occur no later than 60 days from contract execution.

General Requirements
1. The Contractor is required to maintain appropriate levels of insurance for both workers compensation
coverage and for general liability, as identified in the adopted VFRIFA Procurement Policy. The
Contractor is required to immediately contact VFRIFA should any change to these policies occur
during the course of the performance of this contract. Failure to maintain these policies is grounds for
termination. A copy of the insurance certificate shall be provided to VFRIFA prior to the execution
of this contract.
2. The Contractor is required to possess a business license in the location in which the work is being performed. A copy of the Contractor’s business license shall be provided to VFRIFA prior to the execution of this contract.

3. The VFRIFA Executive Director may terminate this contract in whole or in part at any time for the convenience of VFRIFA. If the contract is terminated for the convenience, VFRIFA will pay the Contractor for costs incurred to that date of termination.

4. Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of law, such a determination shall not render void, invalid, or unenforceable any other part of this Agreement.

5. Any electronic documents produced during the course of this contract shall be the property of VFRIFA and provided as part of the contract deliverables.

6. This Agreement has been made and entered into in the Commonwealth of Virginia, and the laws of Virginia shall govern the validity and interpretation of this Agreement in the performance due hereunder.

7. This Agreement may not be modified unless such modification is in writing and signed by both parties, including change orders.

8. The Contractor may not assign this contract to a subcontractor without the prior approval of VFRIFA and all subcontractors must be properly licensed.

9. If the Contractor fails within a reasonable time after written notice to remedy any defective work or perform work in accordance with the contract, VFRIFA may, after seven (7) calendar days written notice to the Contractor, correct or remedy any such deficiency. All costs associated with taking such corrective actions and resolution thereof shall be to the Contractor’s account.

10. The Contractor shall defend, indemnify, and hold harmless VFRIFA, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney’s fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant to this Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of VFRIFA.

11. The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by the Agreement. Nothing contained herein creates any relationship between VFRIFA and Contractor other than that which is expressly stated herein. VFRIFA is interested only in the results to be achieved under this Agreement. The conduct and control of the Contractor’s agents and employees and methods utilized in fulfilling its obligations hereunder shall lay solely and exclusively with the Contractor. The Contractor’s agents or employees shall not be considered employees of VFRIFA for any purpose. No person employed by the Contractor shall have any benefits, status, or right of employment with VFRIFA.

Mandatory Virginia Public Procurement Act Contract Provisions
During the term of this Contract, the Contractor agrees as follows:

1. Pursuant to Virginia Code § 2.2-4311.1, the Contractor does not, and shall not during the performance of this Contract for goods and services in the Commonwealth knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

2. Pursuant to Virginia Code § 2.2-4311.2, the Contractor shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia (1950), as amended, or as otherwise provided by law. The Contractor shall not allow its existence to lapse or its certificate of authority to be revoked or cancelled at any time during the term of this contract. VFRIFA may void this Contract if the Contractor fails to remain in compliance with the provisions of this section.

3. Pursuant to Virginia Code § 2.2-4312, during the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor’s employees, (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the
unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition, (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order over $10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purpose of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to the Contractor or a subcontractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

4. Pursuant to Virginia Code § 2.2-4311:

A. The Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that the Contractor is an equal employment opportunity employer.

C. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will include the provisions of the foregoing paragraphs 1, 2, and 3 in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

5. Pursuant to Virginia Code § 2.2-4354:

A. Within seven (7) days after receipt of amounts paid to the Contractor by VFRIFA:

i. The Contractor will pay subcontractor, if any, for the proportionate share of the total payment received from VFRIFA attributable to the work performed by subcontractor under the Contract; or

ii. Notify VFRIFA and subcontractor, if any, of the Contractor's intention to withhold all or a part of subcontractor's payment with the reason for nonpayment.

B. The Contractor shall provide its federal employer identification number to VFRIFA.

C. The Contractor shall pay interest to the subcontractor, if any, on all amounts owed to subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from VFRIFA for work performed by subcontractor under the Contract, except for amounts withheld as allowed in section 1(b) above.

D. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one (1) percent per month.

E. The Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include the same payment and interest requirements as set forth herein with respect to each lower-tier subcontractor, if any.

F. The Contractor's obligation to pay an interest charge to a subcontractor pursuant to this section shall not be construed to be an obligation of VFRIFA.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.
WITNESSES: 

[Signatures]

[Signature]
WITNESSES:

[Signature]

[Signature]

Attachments: Exhibit A, Scope of Work;
Exhibit B, Work Location;
Exhibit C, Quote

Anderson & Associates (CONTRACTOR)
By: Neil Martin
Its: VP of Surveying

VFRIFA
By: Danny Wilson
Its: Executive Director
Scope of Work
International Boulevard Right-of-Way Survey

1. Survey a 130 foot wide right-of-way for the entire length of the existing, built International Boulevard located in the New River Valley Commerce Park
2. The existing roadway shall be in the center of the right-of-way, with the exception that the right-of-way for the undivided portion of the roadway. The undivided portion of the roadway shall be situated to include a future extension of two lanes to the south that align with the existing divided roadway- see Exhibit B that depicts the general right-of-way location
3. Provide a recordable plat (24”x36”) of the final right-of-way extents
4. Provide the final digital file (.dwg format) via email or CD
5. Any other work identified in Section A of Exhibit C
September 19, 2014

Mr. Danny Wilson  
Virginia’s First Regional  
Industrial Facility Authority  
6580 Valley Center Drive, Suite 124  
Radford, VA 24141

Re: Right of Way Dedication Plat  
International Boulevard  
Commerce Park  
Dublin, Virginia  
JN 31393.99

Dear Danny:

Following is a cost proposal to provide a plat creating a boundary for the proposed 130 foot right of way to be dedicated to Commonwealth of Virginia known as International Boulevard from Route 100 to a point approximately .75 miles onto the Commerce Park property as shown on the attached sketch. Anderson & Associates, Inc. is pleased to submit this proposal for professional surveying services for your consideration.

A. **Scope of Services**

Based on our present knowledge of the project, we propose the following services:

1. **Right of Way Dedication Plat**
   
   A. **Dedication Plat**: To meet VDOT’s Acceptance of Streets requirements, Anderson & Associates will provide a plat dedicating 130 foot width right of way from tax parcel 36-0003-0005 to Commonwealth of Virginia. We will field locate existing property monumentation, physical improvements, and utilities per Miss Utility markings and existing design plans. We will provide a preliminary plat to the authority and Pulaski County Planning for review and comments. Once comments are addressed, we will provide a sealed and certified plat of said survey suitable for recordation in the Pulaski County Courthouse. Survey will include adjoining property lines, existing monumentation, new monumentation, and existing known easements found at time of survey. We will provide bond and digital copies of the survey for the use of the Authority. The survey will be prepared on Virginia State Plane Coordinate Datum, NAD 83, which will fit seamlessly into your existing county mapping.

   Note: One series of comments will be addressed per this scope. Additional Comments will be addressed at rates listed under additional services.
B. **Owner's/Client's Responsibility**

1. Access to site.
2. Legal services for plats, easements, and review fees.

C. **Schedule**

We propose to complete this work within thirty (30) working days from the date of notice to proceed. This proposal shall be considered valid for sixty (60) calendar days from the date of the proposal. Our schedule reflects our working time only and excludes review time by the client and reviewing authorities, or unavoidable delays due to adverse weather conditions.

D. **Compensation**

We propose to be compensated on a lump sum basis for the work outlined in the scope. Our compensation for this work shall be $3,900 with monthly billing based on an estimate of the percent of the total work completed. In the event of nonpayment of the account within thirty (30) days after invoices are rendered, you agree to pay a late charge of 1-1/2% per month on the unpaid balance (18% per year) until such account is paid in full.

Any additional surveying requested to supplement base mapping such as obscure topo, etc. will be charged at our normal billing rates listed below.

- Survey Project Manager: $125.00
- Two Person Field Crew: $125.00
- Survey Cadd Tech: $90.00

E. **Attachments**

The following attachments are included with and shall be deemed part of this Agreement:

2. Sketch of Proposed Right of Way.
F. Approval

If you find this proposal acceptable, please sign the enclosed copy and return it to us for our records. We will construe the receipt of our copy as our notice to proceed.

Thank you for letting us assist you on this project.

Sincerely,

ANDERSON & ASSOCIATES, INC.

[Signature]

Neil A. Martin, LS
V.P. of Surveying Survey

Accepted by:  
Contact Information:  

<table>
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<tr>
<th>Signature</th>
<th>Accounting Contact Name</th>
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1. **Acceptance:** The Proposal to which these Terms and Conditions are attached shall be valid for the length of time noted in the Proposal, or thirty (30) calendar days if not indicated in the Proposal. Once executed, the Proposal, these Terms and Conditions, and all other exhibits identified in the Proposal and attached thereto shall constitute the Agreement between Anderson & Associates, Inc. (A&A) and Client. The parties shall endeavor to ensure that all changes to the scope of work, responsibilities of the parties, schedule, or compensation, shall be made in writing and signed by both parties prior to moving forward with the work on said changes; provided, however, that should the Client direct A&A to proceed with a change in services orally, it shall not thereafter seek to deny compensation based on the assertion that A&A proceeded with the work without having written directive. (See Item 4, Additional Services, below.)

2. **Information Provided by Client:** A&A will accept and may rely on information in digital or other formats supplied by Client or a third party at Client’s direction for incorporation into the project documents, plans, or specifications. A&A shall have no responsibility for erroneous information so provided.

3. **Standard of Care:** Subject to the limitations inherent in the agreed scope of work and any other limitations contained in this Agreement, A&A and its agents, employees, and subconsultants shall endeavor to perform the services with that level of care and skill ordinarily exercised under similar circumstances by members of the same profession practicing in the same location at the same time. No other representation, express or implied, and no warranty or guarantee is included or intended by this Agreement. Any claim for breach of this standard may be made only after the Client has secured the opinion of a third-party professional engineer or surveyor, as applicable to the project, licensed in the state where the project is located who through experience can testify as to the applicable standard of care set forth herein.

4. **Additional Services:** Services resulting from changes in scope, extent, or character of work, shall be considered Additional Services, and A&A shall be entitled to additional compensation for such services. Unless otherwise stated, all Additional Services, including, but not limited to, special design, extra work, off-site work, legal action, Client and architectural revisions, revisions due to changes in governmental policy, and property negotiations, will be billed at current hourly rates upon Client’s authorization to proceed with such Additional Services.

5. **Changed Conditions:** If, during the course of performance of this Agreement, conditions or circumstances are discovered that could not reasonably be contemplated by A&A at the commencement of this Agreement, A&A shall notify Client in writing of the newly discovered conditions or circumstances. Client and A&A shall negotiate, in good faith, the terms and conditions of any resulting changes to the services and fees presented in this Agreement. If such an amendment to the Agreement cannot be agreed upon within thirty (30) days after notice, A&A may terminate the Agreement and be compensated for all fees and expenses incurred to date.

6. **Ownership/Reuse of Deliverables:** All deliverables, including but not limited to drawings, reports, databases, programs, or other electronic files or documents prepared or furnished by A&A pursuant to this Agreement are instruments of service and shall remain the property of A&A. A&A will provide digital files and reproducible copies of requested documents developed for this project to Client. Such documents are not intended or represented to be suitable for reuse by the Client or others on extensions of the project or on any other project. Any reuse or modification of documents without written verification or adaptation by A&A, as appropriate for the specific purpose intended, will be at Client’s sole risk and without liability or legal exposure to A&A, and Client shall indemnify and hold A&A harmless for such unauthorized use.

7. **Delays:** The compensation under this Agreement is based on the orderly and continuous progress of the project through all phases of the work. If the project is delayed for reasons beyond A&A’s control, an equitable adjustment in such compensation shall be negotiated, taking into consideration the impact of such delay, including, but not limited to, changes in price indices and in hourly billing rates applicable to the period when services are in fact being rendered. A&A shall not accept liability or responsibility for delays beyond its control. The schedule referenced in the Agreement shall be adjusted as necessary to accommodate Additional Services, review time by the Client and regulatory agencies, and any other delays beyond the control of A&A.
8. **Payment:** Invoices will be rendered for work performed in accordance with the compensation terms established in the Agreement and are due and payable within thirty (30) days of transmittal. In the event of nonpayment of the account within said thirty (30) day-period, Client shall be obligated to pay a late charge of 1-1/2% per month on the unpaid balance (18% per year) until such account is paid in full, unless otherwise specified in the Agreement. In addition, A&A shall have the right to cease all further work on the project and to withhold files and work products associated with the project by giving written notice of that decision to Client. If delinquent accounts are placed in the hands of an attorney or collection agency for collection, Client agrees to pay all expenses incurred in collecting the same, including without limitation, reasonable attorney's and expert witness fees and court costs.

9. **Termination:** Should either party materially breach its obligations under this Agreement, the non-breaching party shall give written notice of intent to terminate for cause. The breaching party shall thereafter have seven (7) days to effectuate a cure of such breach. In the event that such cure is not so effectuated, the non-breaching party may give a second written notice of termination for cause and thereafter to seek recovery of direct damages resulting from such breach. Both parties agree to waive any claims for consequential damages arising out of any breach of this Agreement.

10. **Limits of Liability:** A&A’s total cumulative liability to Client (including, but not limited to, attorney’s fees and costs) caused by any negligent act or omission of A&A in connection with services performed by A&A, whether in contract, indemnity, contribution, tort, or otherwise, irrespective of the form of action in which such liability is asserted by Client or others, shall not exceed A&A’s available and applicable insurance coverage. Certification of insurance coverage will be provided to Client upon request. If Client desires a higher limitation of remedy, A&A may agree to increase its assumption of risk for this project in exchange for a negotiated increase in fee.

11. **Representations of Client:** Client warrants and covenants that sufficient funds are available or will be available upon receipt of A&A’s invoice to make payment in full for the services rendered by A&A. In the event that A&A should ever have any concerns about Client’s financial capacity it may in writing request evidence that Client has secured available funds to make all future payments due under this Agreement. In the event that the Client does not provide such evidence within seven (7) days of A&A’s written request, A&A may terminate this Agreement for cause. Client further warrants that all information provided to A&A regarding the project and project location are complete and accurate and can be relied upon by A&A in the performance of its work.

12. **Assignments and Subcontracts:** Neither party may assign this Agreement, in whole or in part, or any cause of action arising hereunder, without the prior written consent of the other party, except for an assignment of proceeds for financing purposes. Any such assignment in breach of this provision shall give rise to a claim for damages, including attorneys fees, incurred in defending any action brought by any third-party claiming to have acquired the right to sue based on such assignment.

13. **Law to Apply and Venue for Claims:** The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the state where the project is located. Any claims arising out of or related to this Agreement or the services to be provided hereunder shall be brought in the court of general jurisdiction where the project is located.

14. **Mediation.** A condition precedent to the initiation of litigation regarding any claim arising out of or related to this Agreement or the services to be provided hereunder will be at least one single-day session of mediation. Either party may demand such mediation by giving the other party written notice. Upon such notice, the parties shall endeavor to agree on a mediator experienced in the construction industry with the parties sharing the mediator’s fee. In the event that the parties cannot agree on a mediator, they shall petition the chief judge of the local court of general jurisdiction to make such appointment.

15. **Limitations on Actions.** Neither party may assert any claims for breach of this Agreement greater than the earlier of (a) when such claim would be barred by the statute of limitations for the jurisdiction where the project is located or (b) two (2) years after completion of the project for which the services set forth in this Agreement were provided.

16. **Entire Agreement:** The Proposal and these Terms and Conditions constitute all the terms and conditions under which all professional services will be performed.
Mr. Cellell Dalton  
Wythe County Administrator  
340 S 6th Street  
Wytheville, VA 24382

June 9, 2015

Re: Virginia’s First Regional Industrial Facility Authority Membership

Dear Mr. Dalton,

I have been trying to get in touch with you over the past couple of months; however, have not had any response from the multiple voicemails I have left. The Virginia’s First Regional Industrial Facility Authority (VFRIFA) Board of Directors requested that I discuss Wythe County’s role in VFRIFA with you, as Wythe County has not paid the VFRIFA annual membership fee since 2010. At this time, Wythe County owes VFRIFA $25,000.

VFRIFA is going through significant organizational modifications, including a NRV Commerce Park only focus. I would like to meet with you to discuss how Wythe County would like to proceed- either as a member of VFRIFA or to request withdrawal from VFRIFA.

Please let me know a good date and time for me to come to your office and discuss Wythe County’s role in VFRIFA. I can be reached via phone at 540-440-0025 or email at dwilson@pulaskicounty.org.

Sincerely,

[Signature]

Danny Wilson, AICP, ISA  
Executive Director

CC: VFRIFA Board of Directors
THIS AMENDED AND RESTATED PARTICIPATION AND REVENUE SHARING AGREEMENT ("Agreement") is dated this ___ day of __________, 2015, between and among Virginia’s First Regional Industrial Facility Authority and the Participants defined below.

W I T N E S S E T H:

WHEREAS, the undersigned governing bodies are each member localities of Virginia’s First Regional Industrial Facility Authority ("Authority") a body corporate, organized and created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 Title 15.2 of the Code of Virginia, 1950, as amended ("Act"); and

WHEREAS, pursuant to the authority granted under the Act to enter into agreements for the development of regional economic development projects the Authority and the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Wythe, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the City of Roanoke, Virginia the Town of Dublin, Virginia, the Town of Pearisburg, Virginia and the Town of Pulaski, Virginia each entered into the New River Valley Commerce Park Project Participation Agreement – Initial Phase dated as of October 14, 1999 ("Participation Agreement") for the development of the Commerce Park Project; and

WHEREAS, on August 8, 2001, the Participation Agreement was amended whereby the County of Wythe was allowed to sell its shares to the remaining participants and withdraw from the Participation Agreement leaving the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the County of Roanoke, Virginia, the County of Roanoke, Virginia, the
Town of Dublin, Virginia, the Town of Pearisburg, Virginia, and the Town of Pulaski, Virginia as the remaining participants (“Participants”); and

WHEREAS, on December 31, 2010, the Participation Agreement was amended a second time to expand the scope of the Project Description; amend the voting approval required to lease, use or otherwise dispose of real or personal property comprising the Commerce Park; amend the Finance Plan; and amend the revenue sharing provisions; and

WHEREAS, pursuant to the Participation Agreement, the Commerce Park is undertaken in the name of the Authority but the Project Participation Committee has the sole responsibility for decisions related to the construction, management, and overall implementation of the Commerce Park; and

WHEREAS, the Participants are both members of the Project Participation Committee and members of the Authority; and

WHEREAS, the Participation Agreement requires that the Authority approve the decisions of the Committee, which needlessly duplicates and complicates management and oversight of the Commerce Park; and

WHEREAS, the Participants as members of the Participation Committee and as members of the Authority desire to dissolve the Committee and thereafter exercise their decision making responsibilities for the Commerce Park, as Participant shareholders and as members of the Authority; and

WHEREAS, the Authority and Participants desire to amend and restate the Participation Agreement to (1) expand the scope of the Project Description to include the overall management and development of the Commerce Park; (2) dissolve the Project Participation Committee (“Committee”); (3) preserve the voting rights of the Participants as shareholders in the Commerce Park; (4) update the Finance Plan for the Commerce Park; (5) amend the original share payments to include only the payment of debt service; and (6) amend the Revenue Sharing provisions.
NOW THEREFORE, the Authority and Participants acknowledge and agree that the original Commerce Park Project Participation Agreement and all subsequent Amendments thereto are hereby superseded by this Amended and Restated Participation Agreement as of the date of its adoption.

I. COMMERCE PARK DESCRIPTION AND PURPOSE

The Project shall be known as the New River Valley Commerce Park ("Commerce Park"), which currently consists of approximately 973 acres located at VA-100 and Laboratory Drive in Dublin, Virginia (depicted on Exhibit A attached hereto), and shall include the management and development of the Commerce Park for the purpose of promoting economic and workforce development as authorized pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, and the Agreement Creating Virginia’s First Regional Industrial Facility Authority.

II. COMMERCE PARK UNDERTAKEN IN THE NAME OF THE AUTHORITY

The Authority shall hold title to and have the power to lease, use, sell, encumber, transfer, and dispose of any real or personal property comprising the Commerce Park and may exercise all powers vested to the Authority pursuant to Virginia Code § 15.2-6405 with respect to the Commerce Park, upon approval of the Board of the Authority and Participants as set forth herein. Financing for the Commerce Park shall be arranged in the name of the Authority but all loan obligations for the Commerce Park shall be the sole responsibility of the Participants.

III. NEW RIVER VALLEY COMMERCE PARK PARTICIPATION COMMITTEE

The New River Valley Commerce Park Participation Committee is hereby dissolved. The Authority assumes responsibility for all of the decisions related to the operation and development of the Commerce Park, subject to approval of the Board of the Authority and the Participants’ Representatives as set forth in Section V herein.

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1 The actual property making up the Commerce Park may change from time to time upon approval of the Authority and Participants as set forth herein.
IV. SHARES

There is no set number of authorized shares for the Commerce Park. The Authority may issue shares upon approval of the Authority and Participants as set forth in Section V herein. There is only one class of shares, the purchase of which may be financed or paid in full upon issuance. Each Participant’s ownership interest in the Park is determined by the total number of shares owned by the Participant as a percentage of the total number of shares issued.

For the financed original shares, the annual payment by Participants shall include only the amount necessary for the payment of the annual debt service for the Commerce Park (not including the Red Sun Farms grading debt), the financing costs, and all expenses related to the debt. Upon payment in full of the debt, the Participants’ annual payments for the financed original shares shall cease.

Payments for the financed shares are due to the Authority annually on or before September 30th. Should any Participant fail or neglect to remit its share payment and such failure continues for more than forty-five (45) days following written demand by the Authority, such failure shall be considered a material breach of this Agreement and Participant shall forfeit any and all interest and shares in the Commerce Park. Such forfeiture of shares shall not relieve the Participant for its portion of the Commerce Park debt incurred and any request to withdraw from the Authority shall be subject to Section X of this Agreement.

Participants may sell their shares to other governmental entities subject to the approval of the terms of the sale by the Participants and the Authority, which approval shall not be unreasonably withheld. The Authority and each Participant acknowledges and agrees that it currently has an ownership interest in the Commerce Park as set forth in Exhibit B.
V. VOTING

Each Participant shall appoint one of its representatives on the Board of the Authority to vote its shares. Each share shall be entitled to one vote; however, Participants must vote all of their shares as a block.

The Authority may not issue shares, incur debt, lease, sell, encumber, transfer, or dispose of any real or personal property comprising the Commerce Park, spend or distribute Revenue except as provided herein, enter into any performance agreement or project agreement without an affirmative vote of both a majority of the shares entitled to vote and an affirmative vote of two-thirds of the Board Members of the Authority. In addition, no Participant may sell its shares without the approval of a majority of the shares and majority vote of the Board Members of the Authority. All other Commerce Park decisions may be made by a simple majority vote of the Board of the Authority.

VI. COMMERCE PARK FINANCING PLAN

The current Financing Plan for the Commerce Park is set forth in Exhibit C, which may be amended from time to time. In addition, upon approval of the Board of the Authority, the Authority may appropriate member dues from time to time to finance expenses related to the management, operation, and development of the Commerce Park. All financed debt obligations for the Commerce Park shall remain the responsibility of the Participants in the Commerce Park and not the Authority. With the exception of Authority dues, no Participant or Authority member shall be responsible for any monetary obligation or debt without its express consent. The Participants remain solely responsible for discharging the Authority’s debt obligations in respect to the Commerce Park as set forth herein or in separate project agreements.
VII. COMMERCE PARK BUDGET

A proposed annual budget for the Commerce Park shall be developed by the Executive Director each year as part of the Authority’s annual budget for each fiscal year beginning the following July 1. The budget shall include all contemplated expenditures for operations, capital expenses, and debt service, and all anticipated revenues from taxes, federal and state grants and other sources. This annual budget shall be presented to the Participants and Board Members of the Authority in time for amendment and adoption prior to July 1 of each year.

VIII. REVENUE SHARING

Pulaski County agrees to designate the following taxes received by Pulaski County from all business(es) and industry(ies) sited in the Commerce Park (“Business”), as Revenue to be paid to the Authority and distributed as set forth herein.

**Machinery and Tools Tax**: Ninety-Five Percent (95%) of the machinery and tools taxes collected by Pulaski County for each Business located in the Commerce Park, shall be paid to the Authority annually on or before December 31, in perpetuity, or until otherwise agreed to by the parties. Pulaski County shall retain Five Percent (5%) of the machinery and tools taxes collected. In the event that the Machinery and Tools Tax is abolished by the General Assembly and replaced with an alternate tax structure, the alternate tax revenue collected from each Business in the Commerce Park shall be paid by Pulaski County to the Authority. Should the Machinery and Tools Tax not be replaced with an alternate tax, the parties agree to consider and negotiate a substitute source of Revenue to replace the Machinery and Tools Tax.

**Business Personal Property and Real Estate Tax**: Pulaski County agrees to remit to the Authority a percentage of the business personal property and real estate taxes (“Taxes”) collected from each Business sited in the Commerce Park as Revenue for fifteen (15) years from the due date of each Business’ first assessment. For years one (1) through nine (9), Pulaski County will pay the Authority One Hundred Percent (100%) of the Taxes collected for each Business. For years ten (10)
through eleven (11), Pulaski County shall remit to the Authority Seventy-five Percent (75%) of the Taxes collected. For years twelve (12) through thirteen (13), Pulaski County shall remit to the Authority 50% of the Taxes collected. Finally, for years fourteen (14) through fifteen (15), Pulaski County shall remit Twenty-five Percent (25%) of the Taxes collected.

**Distribution of Revenue:**

All Revenue received from Pulaski County shall be distributed by the Authority as follows:

Prior to any distribution of Revenue, the Authority shall retain One Percent (1%) of all Revenue collected by Pulaski County and paid to the Authority as an administrative fee. Next, Revenue received by Pulaski County from each Business shall be used to pay off any debt incurred to facilitate the siting of that Business in the Park as memorialized in a “project agreement” or some other agreement (i.e. Red Sun Farms Grading Project Agreement). Any remaining Revenue may be distributed to Participants based upon each Participant’s percentage of Commerce Park shares owned or used for any other lawful purpose as approved by the Participants and Authority pursuant to Section V herein.

**Revenue Payments Subject to Appropriation by Pulaski County:** Notwithstanding the foregoing, Pulaski County’s agreement to remit the Revenue described herein to the Authority is a moral obligation and not a legal debt of Pulaski County. The payment of the Revenue described herein to the Authority is subject to annual appropriation by the Pulaski County Board of Supervisors.

**IX. REQUIREMENTS FOR DEVELOPMENT OF THE COMMERCE PARK**

All businesses locating in the Commerce Park shall execute a performance agreement with the Authority subject to approval by the Authority and Participants as set forth in Section V. The performance agreement may contain such terms and conditions as the parties agree. Each business locating to the Commerce Park shall be responsible for meeting all applicable federal, state, and local laws and the Commerce Park Restrictive Covenants, as may be amended, whether or not recorded in the public records.
X. WITHDRAWAL OF PARTICIPANT

Participants in the Commerce Park may withdraw from the Authority only as set forth in Virginia Code § 15.2-6415, as amended, or as the remaining Participants and the Authority may unanimously agree. The conditions of withdrawal must also be accepted by all secured debt and bondholders or their representatives.

XI. LIMITATION OF LIABILITY/ANNUAL APPROPRIATION

The Participants are solely responsible for discharging the Authority’s obligations for the Commerce Park. The Authority is not responsible for the financing and debts of the Commerce Park. The revenue sharing, payments, and contributions to the Authority as set forth herein are specifically authorized pursuant to Virginia Code §§ 15.2-6406 and 15.2-6407. In the event such code provisions are held invalid so that payments and contributions hereunder may be considered a debt of a local government pursuant to Article VII, Section 10 of the Virginia Constitution, such payments and contributions shall not be debt of such participating local government but shall be subject to and dependent upon annual appropriations being made from time to time by its governing body. Each participating locality agrees that its chief administrative officer shall annually request, using his or her best efforts, to secure the governing body’s approval of such annual appropriations necessary to make the payments and contributions required by this Agreement. No provision herein shall be construed as a pledge of the full faith and credit of a participating local government.

XII. COMMERCE PARK RECORDS

All records of the Commerce Park shall be maintained with the records of Virginia’s First Regional Industrial Facility Authority in the designated administrative office within a participating member locality.
XIII. AMENDMENT

This Agreement may be amended from time to time as the parties may agree, provided all amendments shall be in writing and shall require the unanimous consent of all Participants and the consent of the Authority.

IN WITNESS WHEREOF, the Governing Bodies identified, by authorized action, have caused this Agreement to be executed, and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing this ___ day of __________, 2015.

VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Attest: ______________________  Approved as to form: ______________________  ______________________

Secretary of the Authority Board  Attorney, VFRIFA  Chairman, Authority Board

COUNTY OF BLAND, VIRGINIA

Attest: ______________________  Approved as to form: ______________________  ______________________

Clerk, Board of Supervisors  County Attorney  Chairman, Board of Supervisors

COUNTY OF CRAIG, VIRGINIA

Attest: ______________________  Approved as to form: ______________________  ______________________

Clerk, Board of Supervisors  County Attorney  Chairman, Board of Supervisors
TOWN OF PULASKI, VIRGINIA

Attest: ________________________

Approved as to form: ________________________ ___________________________

Clerk, Town Council    County Attorney    Mayor

CITY OF RADFORD, VIRGINIA

Attest: ________________________

Approved as to form: ________________________ ___________________________

Clerk, City Council    City Attorney    Mayor

CITY OF ROANOKE, VIRGINIA

Attest: ________________________

Approved as to form: ________________________ ___________________________

Clerk, City Council    City Attorney    Mayor

COUNTY OF ROANOKE, VIRGINIA

Attest: ________________________

Approved as to form: ________________________ ___________________________

Clerk, Board of Supervisors    County Attorney    Chairman, Board of Supervisors
DISCLAIMER:
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# Virginia's First Regional Industrial Facility Authority

## New River Valley Commerce Park

## Shares and Owernship Percentage

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong># Shares</strong></td>
<td><strong>$/ Share</strong></td>
<td><strong>$ Total Shares</strong></td>
</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>Wythe County*</td>
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<td>Town of Dublin</td>
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<tr>
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150,000.00  
0.00 Wythe shares  
6,408.98

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong># Shares</strong></td>
<td><strong>$/ Share</strong></td>
<td><strong>$ Total Shares</strong></td>
<td><strong># Shares</strong></td>
</tr>
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<tr>
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<tr>
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<td>$ 40.00</td>
<td>$ -</td>
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<tr>
<td>Montgomery County</td>
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<td>$ 400,000.00</td>
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<tr>
<td>Town of Pulaski</td>
<td>0.00</td>
<td>$ 40.00</td>
<td>$ -</td>
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</table>

10,000.00  
10,500.00  
100.00  
177,008.98  
100.00%  
Total distributed

*Wythe County withdrew from the Commerce Park Participation Committee and sold their 9,000 shares to other members  
Original Shares + Amend #1 ($2.75/ ea) is basis for annual dues

Updated 5-13-2015
New River Valley Commerce Park Financing Plan

Summary
The New River Valley (NRV) Commerce Park is owned by Virginia’s First Regional Industrial Facility Authority (VFRIFA) and is intended to be developed for large-scale industrial companies that have a positive impact on regional job creation. In order to achieve the goal of creating an industrial park that contains multiple large companies, a range of financing and funding sources is needed. VFRIFA has the authority to take on long-term debt, enter into project agreements, and various other means of financing, as permitted by law. This document details the current financing plan in place for the development and management of the NRV Commerce Park.

Project Agreements
Currently, there are three separate Project Agreements in place, each of which has a financial impact to the development of the NRV Commerce Park, as follows:

- Red Sun Farms Grading Project Agreement (2014)- Pulaski County agreed to purchase 10,000 CP shares at $40/ share ($400,000 total) to fund a portion of the grading that was needed to prepare the site for construction of Red Sun Farms.
- Gas Line Extension Project Agreement (2014)- Pulaski County agreed to purchase 10,500 CP shares at $40/ share, with the option for the shares to be repurchased, ($420,000 total) to fund a 6” steel gas main extension to provide gas service to the NRV Commerce Park.
- International Boulevard Right-of-Way Surveying Project Agreement (2014)- The Town of Pulaski agreed to purchase 100 CP shares at $40/ share ($4,000 total) to fund a right-of-way survey for International Boulevard.

NRV Commerce Park Ownership
Ownership in the NRV Commerce Park is based on the number of shares purchased or financed by the member localities. Currently, there are 11 shareholders in the NRV Commerce Park. For more information regarding shares and ownership, please see Exhibit B.

Annual Budget and Dues
VFRIFA adopts an annual budget that includes management and development of the NRV Commerce Park, as well as repayment of any outstanding debt. Annual dues for VFRIFA member localities are $5,000. These dues may be used to cover NRV Commerce Park expenses, if so appropriated by the VFRIFA Board of Directors.

Revenue
Revenue for the NRV Commerce Park comes from a variety of sources, including, but not limited to tax revenue, farm land leases, water surcharge, business rent, and land sale proceeds.
Tax revenue is based on the companies located in the NRV Commerce Park, is collected by Pulaski County, and then shared with VFRIFA. Machinery and Tools tax is shared with VFRIFA in perpetuity. 5% of the Machinery and Tools tax revenue is retained by Pulaski County for incurred expenses, and 1% is retained by VFRIFA for administrative expenses. The remaining 94% is provided to the NRV Commerce Park as annual revenue. Real estate and business personal property taxes are shared for a 15 year period. 1% of the real estate and business personal property taxes is retained by VFRIFA for administrative expenses. Please see the Amended and Restated New River Valley Commerce Park Participation and Revenue Sharing Agreement for specific tax revenue and sharing details.

Most of the property located in the NRV Commerce Park is currently being leased as farm land. While monetarily insignificant, these leases ensure the property is maintained and provide additional crop, hay, and grazing land for local farmers. Currently, leases are renewed on an annual basis.

VFRIFA has the ability to add a surcharge of up to $1.00 per 1,000 gallons of water used by any business or industry in the NRV Commerce Park. The purpose of this surcharge is to help repay the debt to the Pulaski County Public Service Authority for the upgraded water and sewer lines in the Park.

VFRIFA has the ability to charge rent for businesses locating in the NRV Commerce Park, whether as part of regular costs of doing business or as a penalty for not meeting certain investment or job thresholds. In addition, there are several outparcels that are unsuitable for industrial development which may be sold or developed for other purposes to generate revenue for VFRIFA.

**Expenses**

Expenses for the NRV Commerce Park are based on long-term debt repayment, property improvements, engineering/ studies, and miscellaneous overhead costs. While expenses vary year-to-year, the most significant expense is long-term debt repayment. More detailed information for long-term debt repayment can be found in the following section. The annual budget follows the VFRIFA fiscal year, which runs from July 1- June 30. Attachment #1 is the annual budget from fiscal year 2015.

**Long-Term Debt**

Original CP Shares were financed by member localities in order to pay annually for purchasing the property necessary to create the NRV Commerce Park. These annual payments cover the repayment costs for the long-term debt obligations. Please see Exhibit B for more information regarding the original share purchase.

In order to consolidate past debt, release the lien on the property, and obtain a lower interest rate, VFRIFA entered into an agreement with the Pulaski County IDA for the issuance and repayment of bonds that were taken out by the Pulaski County IDA. A Taxable Series 2013 Bond was taken out by the Pulaski County IDA in the amount of $6,810,000. General Debt consisted of $5,210,000 and Red Sun Farms Grading Debt consisted of $1,600,000. Debt payments began in December 2013. General Debt will be
retired in June 2039. Red Sun Farms Grading Debt will be retired in June 2028.

Attachment #2 contains more in depth information on the IDA bonds and repayment schedule.

**Attachments**
- Fiscal Year 2015 Annual Budget
- IDA Bond Information and Repayment Schedule
## FY 2015 VFRI FA Budget

<table>
<thead>
<tr>
<th>VFRI FA Income</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Member Dues</td>
<td>$ 60,000.00</td>
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<tr>
<td>Reserve Funds</td>
<td>$ 1,500.00</td>
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<tr>
<td>Miscellaneous</td>
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<td><strong>VFRI FA Total Income</strong></td>
<td><strong>$ 61,500.00</strong></td>
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<table>
<thead>
<tr>
<th>VFRI FA Expenses</th>
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<tbody>
<tr>
<td>Staffing</td>
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<td>Professional Services</td>
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<td>Debt Service</td>
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<td>Marketing</td>
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<tr>
<td>Miscellaneous</td>
<td>$ 525.00</td>
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<td>Insurance- Public Officials</td>
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<td>Telecommunications</td>
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<td><strong>VFRI FA Total Expenses</strong></td>
<td><strong>$ 53,468.08</strong></td>
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## FY 2015 Commerce Park Budget

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<thead>
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<th>Budget</th>
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<tr>
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<td>Property Leases</td>
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<td>Red Sun Tax Sharing</td>
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<td>Mebane Manor Tax Sharing</td>
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<td>Reserve Funds</td>
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<td><strong>CP Total Income</strong></td>
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<table>
<thead>
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<th>CP Expenses</th>
<th>Actual</th>
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<td>2013 Refinancing</td>
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<td>2013 Red Sun Grading Financing</td>
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<td>Professional Services</td>
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<td>Property Maintenance</td>
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<td>Property Insurance</td>
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<td>Miscellaneous</td>
<td>$ 1,680.00</td>
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<tr>
<td>CPPC</td>
<td>$ 1,500.00</td>
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<td>Deferred Debt Payment</td>
<td>(148,925.00)</td>
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<tr>
<td><strong>CP Total Expenses</strong></td>
<td><strong>$ 512,777.00</strong></td>
</tr>
<tr>
<td>Date</td>
<td>RSF Grading</td>
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<tr>
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<td>-------------</td>
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<tr>
<td>12/15/2013</td>
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<td>12/15/2022</td>
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<td>12/15/2024</td>
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<td>12/15/2025</td>
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<td>6/15/2026</td>
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<td>6/15/2027</td>
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<td>6/15/2036</td>
<td>$320,000.00</td>
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<tr>
<td>6/15/2037</td>
<td>$335,000.00</td>
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</table>

**TOTAL:** $1,660,000.00 $555,382.68 $5,150,000.00 $4,094,157.27 $6,810,000.00 $4,649,399.95 $11,459,540 $2,215,382.68 $9,244,157.27
February 6, 2015

MEMORANDUM

To: Board of Directors of Commerce Park &
Virginia’s First Regional Industrial Facility Authority

From: Robert W. Lauterberg

Re: Distribution of Excess Dues – Virginia’s First

We have concluded our assignment that the Board of Directors has tasked us with and
are pleased to present our findings and analysis. The Board asked us to determine an
equitable distribution of the remaining excess net dues paid since July 1, 2009 by
members of Virginia’s First RIFA.

Virginia’s First RIFA – Excess Dues Distribution: It is our understanding that members
of Virginia’s First contribute $5000 annually to cover operating expenses. Furthermore,
in February 2011 there was a $600,000 distribution to members, each receiving its pro
rata share, based on the cumulative excess net dues as of June 30, 2009. (Excess
Distribution Plan adopted by the Board on January 12, 2011.) The net balance after
the distribution was $150,000.

The attached schedule (Table 1) provides the following details regarding members’
dues paid in each fiscal year from FY2010 to FY2014, inclusive:

- Member locality
- Date of payment
- Amount of payment

Table 2 provides the annual and cumulative excess revenues over expenses for
FY2010 to FY2014. With a starting balance of $150,000 as of July 1, 2009, the
cumulative excess revenues over expenses as of June 30, 2014, totals $45,105.66.
The $150,000 starting balance is the net amount of cumulative excess revenues over
expenses less the $600,000 distribution in February 2011 to Virginia’s First members.
To determine an equitable distribution of the net excess amount, we calculated the pro rata share of the total dues contributed by each member during the period in question. Based on this analysis, each member would be paid its pro rata share of the cumulative net excess dues as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Total Dues Paid 7/1/2009 – 6/30/2014</th>
<th>% of Total Dues Paid</th>
<th>Allocation of Excess*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bland County</td>
<td>$ 25,000</td>
<td>7.58%</td>
<td>$ 3,417.10</td>
</tr>
<tr>
<td>Craig County</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Giles County</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Pulaski County</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Roanoke County</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Wythe County</td>
<td>5,000</td>
<td>1.52%</td>
<td>683.42</td>
</tr>
<tr>
<td>Radford, City of</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Roanoke, City of</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Salem, City of</td>
<td>15,000</td>
<td>4.55%</td>
<td>2,050.26</td>
</tr>
<tr>
<td>Christiansburg, Town of</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Dublin, Town of</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Narrows, Town of</td>
<td>10,000</td>
<td>3.03%</td>
<td>1,366.84</td>
</tr>
<tr>
<td>Pearisburg, Town of</td>
<td>25,000</td>
<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td>Pulaski, Town of</td>
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<td>7.58%</td>
<td>3,417.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 330,000</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$45,105.72</strong></td>
</tr>
</tbody>
</table>

* Additional 6 cents due to rounding.

If you have any questions or would like to discuss this analysis, please don’t hesitate to let us know.

Thank you.

Attachments

Cc: Steven C. Mulroy, VML/VACo Finance
    Ken Mulkey, VML/VACo Finance
**TABLE 1**

Virginia's First Regional Industrial Facility Authority  
*Dues Paid by Members, FY2010 to FY2014*

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-10</th>
<th>30-Jun-11</th>
<th>30-Jun-12</th>
<th>30-Jun-13</th>
<th>30-Jun-14</th>
<th>Total</th>
<th>%</th>
<th>Excess Payout</th>
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<tr>
<td><strong>Payment Date</strong></td>
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<td><strong>Date</strong></td>
<td><strong>Amt.</strong></td>
<td><strong>Date</strong></td>
<td><strong>Amt.</strong></td>
<td><strong>Date</strong></td>
<td><strong>Amt.</strong></td>
<td><strong>Date</strong></td>
</tr>
<tr>
<td>Bland County</td>
<td>7/23/2009</td>
<td>5,000.00</td>
<td>7/30/2010</td>
<td>5,000.00</td>
<td>7/21/2011</td>
<td>5,000.00</td>
<td>8/1/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Craig County</td>
<td>7/8/2009</td>
<td>5,000.00</td>
<td>7/23/2010</td>
<td>5,000.00</td>
<td>8/2/2011</td>
<td>5,000.00</td>
<td>7/10/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Giles</td>
<td>8/10/2009</td>
<td>5,000.00</td>
<td>8/9/2010</td>
<td>5,000.00</td>
<td>6/6/2011</td>
<td>5,000.00</td>
<td>7/3/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Montgomery</td>
<td>7/16/2009</td>
<td>5,000.00</td>
<td>8/2/2010</td>
<td>5,000.00</td>
<td>8/2/2011</td>
<td>5,000.00</td>
<td>8/1/2012</td>
<td>5,000.00</td>
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<tr>
<td>Pulaski County</td>
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<td>5,000.00</td>
<td>7/30/2010</td>
<td>5,000.00</td>
<td>7/7/2011</td>
<td>5,000.00</td>
<td>7/10/2012</td>
<td>5,000.00</td>
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<tr>
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<td>12/11/2009</td>
<td>5,000.00</td>
<td>8/13/2010</td>
<td>5,000.00</td>
<td>8/15/2011</td>
<td>5,000.00</td>
<td>8/27/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Wythe County</td>
<td>7/28/2009</td>
<td>5,000.00</td>
<td>8/22/2010</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Radford, City of</td>
<td>7/9/2009</td>
<td>5,000.00</td>
<td>7/19/2010</td>
<td>5,000.00</td>
<td>7/15/2011</td>
<td>5,000.00</td>
<td>7/10/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Roanoke, City of</td>
<td>7/9/2009</td>
<td>5,000.00</td>
<td>8/9/2010</td>
<td>5,000.00</td>
<td>5/9/2011</td>
<td>5,000.00</td>
<td>10/10/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Salem, City of</td>
<td>8/31/2009</td>
<td>5,000.00</td>
<td>2/25/2011</td>
<td>5,000.00</td>
<td>5/9/2011</td>
<td>5,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Christiansburg, Town of</td>
<td>8/11/2009</td>
<td>5,000.00</td>
<td>8/13/2010</td>
<td>5,000.00</td>
<td>7/6/2011</td>
<td>5,000.00</td>
<td>7/3/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Dublin</td>
<td>7/7/2009</td>
<td>5,000.00</td>
<td>7/19/2010</td>
<td>5,000.00</td>
<td>8/22/2011</td>
<td>5,000.00</td>
<td>7/2/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Narrows, Town of</td>
<td>7/1/2009</td>
<td>5,000.00</td>
<td>8/13/2010</td>
<td>5,000.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pearisburg, Town of</td>
<td>7/23/2009</td>
<td>5,000.00</td>
<td>7/23/2010</td>
<td>5,000.00</td>
<td>7/21/2011</td>
<td>5,000.00</td>
<td>7/2/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Pulaski, Town of</td>
<td>7/9/2009</td>
<td>5,000.00</td>
<td>7/19/2010</td>
<td>5,000.00</td>
<td>7/11/2011</td>
<td>5,000.00</td>
<td>7/10/2012</td>
<td>5,000.00</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cumulative Excess Revenues over Expenses (FY2010 - FY2014) 45,105.66
**TABLE 2**

**Virginia's First Regional Industrial Facility Authority**  
*Excess Revenues over Expenses, FY2010 to FY2014*

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-10</th>
<th>30-Jun-11</th>
<th>30-Jun-12</th>
<th>30-Jun-13</th>
<th>30-Jun-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Dues</td>
<td>75,000.00</td>
<td>70,000.00</td>
<td>65,000.00</td>
<td>60,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>18,738.89</td>
<td>19,823.89</td>
<td>24,060.54</td>
<td>93,778.95</td>
<td>(2)</td>
</tr>
<tr>
<td>Annual Excess / (Deficit)</td>
<td>56,261.11</td>
<td>50,176.11</td>
<td>40,939.46</td>
<td>(33,778.95)</td>
<td>(18,492.07)</td>
</tr>
<tr>
<td>Beginning Cumulative Excess</td>
<td>150,000.00 (1)</td>
<td>206,261.11</td>
<td>256,437.22</td>
<td>297,376.68</td>
<td>263,597.73</td>
</tr>
<tr>
<td>Ending Cumulative Excess</td>
<td>206,261.11</td>
<td>256,437.22</td>
<td>297,376.68</td>
<td>263,597.73</td>
<td>245,105.66</td>
</tr>
<tr>
<td>Repayment of Commerce Park Loan</td>
<td></td>
<td></td>
<td></td>
<td>(200,000.00)</td>
<td></td>
</tr>
<tr>
<td>Cumulative Net Excess Revenues over Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,105.66</td>
</tr>
</tbody>
</table>

(1) *Net of $600,000 of excess dues distributed in February 2011 (Excess Distribution Plan adopted 1/12/2011 based on 6/30/2009).*  
(2) *Includes $57,000 for Commerce Park website.*

VML/VACo Finance  
February 6, 2015
February 6, 2015

MEMORANDUM

To: Board of Directors of Commerce Park & Virginia’s First Regional Industrial Facility Authority
From: Robert W. Lauterberg
Re: Fair Market Value of Commerce Park Units

We have concluded our assignment that the Board of Directors has tasked us with and are pleased to present our findings and analysis. The Board asked us to determine the per share fair market value of the equity units held by the members in Commerce Park.

Commerce Park – Fair Market Value of Shares: A common approach to determining fair market value is to use a discounted cash flow model. In order to use this approach, the business being valued must be a going concern that generates free cash flow and profits. The concept behind the discounted cash flow model is to calculate the present value of future earnings at a discount rate. The discount rate generally is the rate of return required by an investor to purchase equity in a business. In essence, the investor is buying shares in a business today for the right to receive income in the future.

Commerce Park’s FY2015 budget is as follows:

<table>
<thead>
<tr>
<th>Total Expenses (including Deferred Debt Pymt.)</th>
<th>$661,189.00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources of Funds/Revenues to cover expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Member Contributions (@ $2.75 per sh.)</td>
<td>$412,500.00</td>
</tr>
<tr>
<td>Miscellaneous / Grants</td>
<td>35,000.00</td>
</tr>
<tr>
<td>Reserve Funds</td>
<td>22,822.60</td>
</tr>
<tr>
<td>Property Lease, Taxes, Water Surcharge</td>
<td>41,941.40</td>
</tr>
<tr>
<td>Total Sources / Revenues</td>
<td>$512,264.00</td>
</tr>
</tbody>
</table>
Commerce Park’s FY2015 budget is as follows:

It is our understanding that tax revenues and water surcharges generated from the Greenhouse business in Commerce Park, which opened July 2014, will produce approximately $140,000 per year over the next ten years. This represents an increase of approximately $117,250 ($140,000 less current revenues of $22,750) over the FY2015 budget.

The FY2015 budget includes property lease revenues of $19,191.40. It is our understanding that lease revenues going forward will be $22,500 per year, an increase of about $3,300. The lease revenues going forward are comprised of a private business club lease at $2,500 per year and vacant farm land rental at $20,000 per year.

An adjusted budget incorporating these additional revenues would be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses (including Deferred Debt Pymt.)</td>
<td>$661,189.00</td>
</tr>
<tr>
<td>FY 2015 Budgeted Revenues / Sources of Funds *</td>
<td>$512,264.00</td>
</tr>
<tr>
<td>Plus Additional Revenues ($117,250 + $3,300)</td>
<td>$120,550.00</td>
</tr>
<tr>
<td>Total Adjusted Revenues / Sources of Funds</td>
<td>$632,814.00</td>
</tr>
<tr>
<td>Excess Revenues over Expenses (Before deferral of Debt Payment)</td>
<td>($28,375.00)</td>
</tr>
</tbody>
</table>

* Excludes Deferred Debt Payment.

As the adjusted budget indicates, Commerce Park’s revenues are not yet sufficient to cover expenses, when including the debt payment that has been deferred. Commerce Park’s anticipated shortfall of $28,375 factors in Member contributions of $412,500 and the use of reserve funds of $23,000. Unless the members are reasonably confident that additional tax and lease revenues will be realized over the near to intermediate term, an appropriate valuation approach would be to assume liquidation. If the members are confident that Commerce Park will generate positive cash flows and income, without relying on member contributions and reserve funds, and the forgiveness of debt payments, then the discounted cash flow model described in greater detail in the attached memo would be an appropriate approach to value the shares in Commerce Park.
That being said, the per share liquidation value of Commerce Park’s units is calculated as follows:

Net Asset Value per Share, as of June 30, 2014

| Net Asset Value as of 6/30/2014: | $312,451 |
| Shares Outstanding as of 6/30/2014: | 166,408.98 |
| Net Asset Value per Share | $1.88 |

Please refer to Table 1 for a detail listing of the shareholders’ ownership allocation.

If you have any questions or would like to discuss this analysis, please don’t hesitate to let us know.

Thank you.

Attachments

Cc:  Steven C. Mulroy, VML/VACo Finance
     Ken Mulkey, VML/VACo Finance
### TABLE 1

Commerce Park  
Shareholder Ownership Register

#### A. As of June 30, 2014

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Original Issuances</th>
<th>realloc Wythe withdrawal</th>
<th>Excess Dues offering (2/2011)</th>
<th>RSF Grading Agreement</th>
<th>CP Ownership as of 6/30/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>$</td>
<td>Shares</td>
<td>Shares</td>
<td>Shares</td>
<td>Shares</td>
</tr>
<tr>
<td>1 Bland County</td>
<td>2,000.00</td>
<td>2.75</td>
<td>5,500.00</td>
<td>145.53</td>
<td>2.75</td>
</tr>
<tr>
<td>2 Craig County</td>
<td>2,000.00</td>
<td>2.75</td>
<td>5,500.00</td>
<td>125.00</td>
<td>2.75</td>
</tr>
<tr>
<td>3 Giles County</td>
<td>18,932.00</td>
<td>2.75</td>
<td>52,063.00</td>
<td>1,377.60</td>
<td>2.75</td>
</tr>
<tr>
<td>4 Montgomery County</td>
<td>18,932.00</td>
<td>2.75</td>
<td>52,063.00</td>
<td>1,377.60</td>
<td>2.75</td>
</tr>
<tr>
<td>5 Pulaski County (Original Issue)</td>
<td>60,907.00</td>
<td>2.75</td>
<td>167,494.25</td>
<td>4,609.80</td>
<td>2.75</td>
</tr>
<tr>
<td>6 Roanoke County</td>
<td>10,000.00</td>
<td>2.75</td>
<td>27,500.00</td>
<td>638.30</td>
<td>2.75</td>
</tr>
<tr>
<td>7 Wythe County</td>
<td>9,000.00</td>
<td>2.75</td>
<td>24,750.00</td>
<td>(9,000.00)</td>
<td>2.75</td>
</tr>
<tr>
<td>8 City of Radford</td>
<td>7,950.00</td>
<td>2.75</td>
<td>21,862.50</td>
<td>507.44</td>
<td>2.75</td>
</tr>
<tr>
<td>9 City of Roanoke</td>
<td>10,000.00</td>
<td>2.75</td>
<td>27,500.00</td>
<td>-</td>
<td>2.75</td>
</tr>
<tr>
<td>10 Town of Dublin</td>
<td>1,006.00</td>
<td>2.75</td>
<td>2,766.50</td>
<td>73.20</td>
<td>2.75</td>
</tr>
<tr>
<td>11 Town of Pearisburg</td>
<td>2,000.00</td>
<td>2.75</td>
<td>5,500.00</td>
<td>145.53</td>
<td>2.75</td>
</tr>
<tr>
<td>12 Town of Pulaski</td>
<td>7,273.00</td>
<td>2.75</td>
<td>20,000.75</td>
<td>-</td>
<td>2.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>150,000.00</td>
<td>412,500.00</td>
<td>(0.00)</td>
<td>0.00</td>
<td>6,408.98</td>
</tr>
</tbody>
</table>

#### B. After June 30, 2014

<table>
<thead>
<tr>
<th>CP Ownership as of 6/30/2014</th>
<th>After 6/30/2014</th>
<th>After 6/30/2014</th>
<th>CP Ownership after 6/30/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>%</td>
<td>Shares</td>
<td>Price</td>
</tr>
<tr>
<td>1 Bland County</td>
<td>2,827.35</td>
<td>1.70%</td>
<td>-</td>
</tr>
<tr>
<td>2 Craig County</td>
<td>2,125.00</td>
<td>1.28%</td>
<td>-</td>
</tr>
<tr>
<td>3 Giles County</td>
<td>21,309.56</td>
<td>12.81%</td>
<td>-</td>
</tr>
<tr>
<td>4 Montgomery County</td>
<td>20,309.60</td>
<td>12.20%</td>
<td>-</td>
</tr>
<tr>
<td>5 Pulaski County</td>
<td>76,516.76</td>
<td>45.98%</td>
<td>10,500.00</td>
</tr>
<tr>
<td>6 Roanoke County</td>
<td>10,638.30</td>
<td>6.39%</td>
<td>-</td>
</tr>
<tr>
<td>7 Wythe County</td>
<td>10,638.30</td>
<td>6.39%</td>
<td>-</td>
</tr>
<tr>
<td>8 City of Radford</td>
<td>9,139.26</td>
<td>5.49%</td>
<td>-</td>
</tr>
<tr>
<td>9 City of Roanoke</td>
<td>10,681.82</td>
<td>6.42%</td>
<td>-</td>
</tr>
<tr>
<td>10 Town of Dublin</td>
<td>2,079.16</td>
<td>1.28%</td>
<td>-</td>
</tr>
<tr>
<td>11 Town of Pearisburg</td>
<td>2,827.35</td>
<td>1.70%</td>
<td>-</td>
</tr>
<tr>
<td>12 Town of Pulaski</td>
<td>7,954.82</td>
<td>4.78%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>166,408.98</td>
<td>100.00%</td>
<td>10,500.00</td>
</tr>
</tbody>
</table>

Note: The owners of the shares purchased at $40 per share are not required to pay annual dues of $2.75 per share, as the owners of the original shares issued are. Also, the owners of these shares are not responsible for additional debt and expenses.
February 6, 2015

MEMORANDUM

To: Virginia’s First Regional Industrial Facility Authority

From: Steven C. Mulroy

Re: Fair Market Value Calculation

A common approach to determining the fair market value (FMV) of an entity is to use the discounted cash flow (DCF) model. A fundamental assumption of the DCF model is that the business / enterprise is a going concern and that it will either operate in perpetuity or will be sold at some point in the future. The assumption of a DCF model is that you are calculating the present value of future cash flows, or earnings, generated by the business. If the prospects of generating positive cash flows are not good, then using the DCF approach is not appropriate for obvious reasons. If a business is not generating free cash flow, or profits, then a more appropriate valuation method would be to use the current net asset value or stockholders’ equity, which is essentially the liquidation value of the business.

The DCF model is, as its name suggests, a present value calculation of future cash flows generated by a business / enterprise plus the present value of a terminal value of the business, i.e., its value at the end of the forecast period. If a company has debt, then the present value figure represents an enterprise value. To arrive at the equity value, you would subtract the amount of the outstanding debt from the enterprise value.

Highlighted below are several key elements of the discounted cash flow FMV model.

A. The forecast period. In deciding what forecast period to use, factors such as consistency of earnings, a company’s market position, and barriers to entry should be considered. For companies in a highly competitive industry and that do not have consistent earnings, a shorter period, such as one year, is appropriate. For
companies in industries with high barriers to entry and with consistent and growing earnings, a longer period, such as ten years, is appropriate.

For businesses which are not on either extreme, five years is an appropriate and common forecast period. This is the forecast period used in the attached sample DCF analysis for Virginia’s First.

B. **Discount rate.** The discount rate in a DCF model takes into account: 1) the time value of money; and, 2) the risk or uncertainty of future cash flows. The greater the risk or uncertainty, the higher the discount rate that should be used. There are many approaches to determining a discount rate. One such method is the weighted average cost of capital.

a. **Weighted Average Cost of Capital (WACC).** The weighted average cost of capital considers both debt and equity of a corporation / enterprise and is determined as follows:

i. **Cost of Debt:** Interest Rate \( (i) \times (1 – \text{Tax Rate}) \)

ii. **Cost of Equity** as determined by the capital asset pricing model (CAPM), which uses the following formula:

\[
\text{Risk-Free Rate} + \beta \times \text{(Risk Premium)}
\]

1. **Risk-Free Rate:** US Treasury Bond, typically the 10-year Treasury Bond
2. **Beta:** A measure of how much a company’s share price moves vis-à-vis the market as a whole.
3. **Risk Premium,** which is the Market Rate – Risk-Free Rate. It is a measure of how much additional return an investor demands over and above the Risk-Free Rate for taking on the additional risk of investing in the company.

iii. **WACC** = % of Capital Structure as Debt \( \times \) [Interest Rate \( (i) \times (1 – \text{Tax Rate}) \)] + % of Capital Structure as Equity \( \times \) [Risk-Free Rate + (Beta \times Risk Premium)]

C. **Free Cash Flow.** In determining future free cash flows, it is appropriate to use an historical average, unless information dictates otherwise (such as a new business line is started, or an existing business unit is shut down).

D. **Terminal Value.** In addition to the annual free cash flow used in determining the FMV, the value of an asset at the future valuation date, i.e., the end of the forecast period, is also used. The concept is that the asset will either continue to earn a profit in perpetuity, or the business will be sold for some multiple of the annual
income. If the business continues to generate income or free cash flow in perpetuity, it is reasonable to assign a terminal value for that potential, future income. If the business will be sold, a common approach to determining its terminal value, or sales price, is to use a multiple of the past 12 months’ earnings.

a. As a point of reference, the stock market, as measured by the S&P 500 index, generally trades at a price-to-earnings (P/E) ratio of roughly 15X the previous 12 months’ earnings. This varies over time, of course, and has been as low as 5.3X (December 1917) to as high as 123.7X (May 2009). Many factors affect a company’s PE ratio, for example, the company’s growth rate, so the PE ratio may be higher, or lower, than this market average.

b. There are two common approaches to determining termination value:

i. **Perpetuity Growth Model:**

   \[
   \text{[Final projected year cash flow} \times (1 + \text{Long-term cash flow growth rate})] / (\text{Discount Rate} – \text{Growth Rate})
   \]

   1. In considering what growth rate to use, it is useful to know that the U.S. economy (as measured by GDP) has grown an average of 2.2% over the last five years. The question, then, is whether the company is growing faster or slower than, or the same as, the U.S. economy.
   2. The formula assumes a constant growth rate over the forecast period.
   3. The Discount Rate is the rate that an investor would require to invest in the business. For example, an equity investor may require a 10% annual return in order to purchase shares of a company.

ii. **Exit Approach:** Assumes the business is sold at the end of the forecast period for a multiple of earnings, such as 15 times.

**Sample Fair Market Value Calculation:** The attached FMV calculation uses the DCF model to estimate a per share value of Virginia’s First. Key assumptions are as follows:

1. Five year forecast period;
2. Free cash flow for previous five years (2010 – 2014) is used to calculate an average annual free cash flow per share amount;
3. For purposes of this analysis, it is assumed that annual member contributions less operating expenses of Virginia’s First represent free cash flow. It is assumed that Commerce Park’s budget breaks even. However, net contributions from
current owners do not truly represent earnings or free cash flow;
4. For the perpetuity growth model used in calculating the terminal value, we assume
   a. A Growth rate of 2%;
   b. A Discount rate of 8.0%.
5. For the exit approach in calculating the Terminal Value, we assume a PE multiplier of 15.
6. Debt obligation of $200,000 ($1.13 per share) is subtracted from the Enterprise Value to determine the FMV of the shareholders’ equity.
7. Total shares outstanding equal 177,009.
VML/VACo Finance
Commerce Park / Virginia's First Regional Industrial Facility Authority
SAMPLE Fair Market Value Calculation

Historical, Average 5-Year Free Cash Flows (FCF) *

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Operating Exp.</th>
<th>Per Share</th>
<th>Avg FCF / 12/31/14 NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$56,261.11</td>
<td>0.34</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$50,176.11</td>
<td>0.30</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$40,939.46</td>
<td>0.25</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$(33,778.95)</td>
<td>(0.20)</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$(18,492.07)</td>
<td>(0.11)</td>
<td></td>
</tr>
<tr>
<td>5-Year Average</td>
<td>$19,021.13</td>
<td>0.11</td>
<td>2.58%</td>
</tr>
</tbody>
</table>

* For purposes of this sample FMV calculation, we have assumed that contributions to Virginia's First less operating expenses represents free cash flow. This also assumes that Commerce Park's budget breaks even. However, net contributions from current owners to cover expenses do not truly represent earnings.

A. Discounted Cash Flow Analysis - Assumes Perpetuity Growth Model in determining Terminal Value

Future 5-Year Free Cash Flow

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Per Share</th>
<th>2015</th>
<th>0.11</th>
<th>0.11</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal Value</td>
<td>$343,956.74</td>
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Enterprise Value: Net Present Value @ 8.00% $1.78
Less current debt per share $(1.13)
Equity Per Share $0.65

B. Discounted Cash Flow Analysis - Assumes Exit Approach in determining Terminal Value

Future 5-Year Free Cash Flow

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Enterprise Value: Net Present Value @ 8.00% $1.62
Less current debt per share $(1.13)
Equity Per Share $0.49

* For purposes of this sample FMV calculation, we have assumed that contributions to Virginia's First less operating expenses represents free cash flow. This also assumes that Commerce Park's budget breaks even. However, net contributions from current owners to cover expenses do not truly represent earnings.
THIS LAND LEASE AGREEMENT (“Agreement”), made this _____ day of ___________, 2015, between VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY located at 6580 Valley Center Drive, Suite 124, Radford, Virginia 24141, hereinafter designated LESSOR and ____________________, with an address of __________ ____________________, hereinafter designated LESSEE. The LESSOR and LESSEE may be referred to hereinafter as the “Parties” or individually as the “Party.”

1. **PREMISES.** LESSOR hereby leases to LESSEE a portion of that certain parcel of property known as:

_______________________________________________________________________________
_______________________________________________________________________________
being a portion of the New River Valley Commerce Park located off Cleburne Boulevard, Route 100, Dublin, Virginia, 24084, said portion being described as approximately __________ (___) acres which includes portions of Parcel Numbers _____________________________, located on _____________________________ being substantially as described herein in Exhibit "A" (“Premises”) attached hereto and made a part hereof.

2. **TERM AND LEASE PAYMENTS.** This Agreement shall be effective as of the date of execution by both Parties, and shall commence on _______________ (“Commencement Date”). The term of this lease shall be __________ (___) years (“Lease Term”), unless terminated earlier as set forth herein. Rental payments shall commence on the Commencement Date in the amount of ________________ per year during the lease term or the sublease rate, whichever is greater, during the lease term (“Rent”). Rent shall be due in full to the LESSOR by December 31st of each year for the upcoming year. **If Rent is not provided by December 31st, a late payment fee of $1.00 per day may be assessed by the LESSOR.** LESSEE shall be responsible for all maintenance, taxes, insurance, utility, and other costs associated with the Premises during the Lease Term, including any and all tenant improvements to the property that LESSEE desires or requires.
3. **USE; GOVERNMENTAL APPROVALS.**
   
   A. LESSEE shall use the Premises for the purpose of _________________________.
      
      All improvements shall be at LESSEE's expense. LESSEE shall be responsible for
      obtaining any certificates, permits and other approvals (collectively the
      "Governmental Approvals") that may be required by any Federal, State or Local
      authorities in connection with its use of the Premises. LESSOR shall cooperate
      with LESSEE in its effort to obtain such approvals and shall take no action which
      would adversely affect the status of the Premises with respect to the proposed use
      thereof by LESSEE.

   B. Neither LESSEE, nor LESSEE’s guests or invitees, shall hunt on the Premises in the
      vicinity of the Red Sun Farms property nor shall rifles be fired toward the Red Sun
      Farms property or other inhabited property in a manner that may result in injury to
      persons or damage to property.

   C. LESSEE shall not erect any building or other structure on the Premises.

   D. LESSEE shall not dispose of refuse, garbage, inoperable vehicles, dead animal
      carcasses, or the like on the Premises at any time.

   E. LESSEE shall not commit waste or allow destruction of the Premises.

4. **INSURANCE/INDEMNIFICATION.** LESSEE shall, at its sole expense, obtain
   and maintain during the life of this Agreement the insurance policies required by this Section.
   All required insurance policies shall be in force and effective prior to the Commencement Date.
   The following is required:
   
   A. General Liability/Property Damage. Primary General Liability/Bodily Injury and
      Property Damage insurance shall insure against all claims, loss, cost, damage,
      expense or liability from loss of life or damage or injury to persons or property
      arising out of the LESSEE’S use of the Premises. The minimum limits of liability
      for this coverage shall be $1,000,000.00 combined single limit for any one
      occurrence. Liability insurance shall include the indemnification obligation set forth
      in this Agreement. LESSEE shall be solely responsible for insuring LESSEE’s
      improvements to the Premises.
B. Workers' Compensation/Employer’s Liability. Workers' Compensation insurance covering LESSEE’S statutory obligation under the laws of the Commonwealth of Virginia shall be maintained for all LESSEE’S employees, if any, with limits and benefits at least as required by statute.

C. Evidence of Insurance. All insurance shall be written on an occurrence basis. In addition, the following requirements shall be met:

1) LESSEE shall furnish LESSOR a certificate or certificates of insurance showing the type, amount, effective dates and date of expiration of the policies. Certificates of insurance shall include any insurance deductibles.

2) The required certificate or certificates of insurance shall include substantially the following statement: "The insurance covered by this certificate shall not be canceled or materially altered, except after thirty (30) days written notice has been provided to “Virginia’s First Regional Industrial Facility Authority.”

3) The required certificate or certificates of insurance, excluding Workers Compensation, shall name Virginia’s First Regional Industrial Facility Authority, its officers, employees, agents, and members as additional loss payees.

4) Insurance coverage shall be in a form and with an insurance company approved by LESSOR which approval shall not be withheld unreasonably. Any insurance company providing coverage shall be authorized to do business in the Commonwealth of Virginia.

D. Insurance not to be Limit on Liability. LESSEE covenants and agrees that the insurance coverage required herein shall in no way be considered a limit or cap of any kind on any obligation or liability that LESSEE may otherwise have, including, without limitation, liability under the indemnification provisions contained herein.

E. Indemnification Clause. LESSEE agrees to and shall defend, indemnify, and hold harmless LESSOR and its officers, agents, employees and members against any and all liability, losses, damages, claims, causes of action, suits of any nature, cost, and expenses, including reasonable attorney's fees, resulting from or arising out of
LESSEE’S activities or omissions on or near any of LESSOR’S property or arising out of or resulting from LESSEE’S negligence in connection with the use of the Premises, including, without limitation, fines and penalties, violations of federal, state, or local laws, or regulations promulgated thereunder, or any personal injury, wrongful death, or property damage claims of any type. LESSEE acknowledges and agrees that LESSOR shall have no liability whatsoever for any damage or destruction to LESSEE’s improvements and personal property located on the Premises.

5. QUIET ENJOYMENT; INSPECTION. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold, and enjoy the Premises. However, at least annually, LESSOR may inspect the Premises for compliance with this Lease. If and when LESSOR enters onto the property for inspections, studies, marketing, or other purposes, effort will be made to minimize any negative impact to LESSEE’s use of the property. LESSOR will notify LESSEE if extended time is needed on the property to minimize any inconvenience to the LESSEE.

6. TITLE. LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Lease Term that LESSOR is seized of good and sufficient title and interest to the Premises and has full authority to enter into and execute this Agreement.

7. TERMINATION. As the purpose of the NRV Commerce Park is industrial development, the LESSOR reserves the right to terminate this lease with 60 days notice in order to development any and all portions of the property for industrial uses or uses needed to encourage industrial development, such as, but not limited to, road construction, utility installation, grading, and stormwater system construction. LESSOR will refund any partial year payment due to LESSEE in the event this lease is terminated pursuant to this section.

8. ABANDONMENT. Should LESSEE, at any time during the term of this Agreement, abandon the Premises, LESSOR, at its option, shall obtain possession of the Premises in the manner provided by law, may re-let the Premises, receive and collect rents for the Premises, without becoming liable to LESSEE for damages or for any payment of any kind whatever, as well as hold LESSEE liable for any difference between the rent that would have
been payable under this Agreement during the balance of the unexpired term. If the right of reentry by LESSOR is exercised following abandonment of the Premises by the LESSEE, LESSOR shall consider any personal property belonging to LESSEE and left on the Premises to be abandoned, in which case LESSOR may dispose of all such personal property in any manner LESSOR shall deem proper and LESSOR is hereby relieved of all liability for doing so.

9. **GOVERNING LAW/VENUE.** This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the Laws of the Commonwealth of Virginia and venue for any court proceedings shall be in the appropriate court in Pulaski County, Virginia.

10. **ASSIGNMENT/ SUBLEASING.** This Agreement may not be sold, assigned or transferred by the LESSEE without the approval or consent of the LESSOR. Any sale, assignment, transfer or sublease that is entered into by LESSEE shall be subject to the provisions of this Agreement and shall be binding upon the successors, assigns, heirs and legal representatives of the respective Parties hereto.

11. **NOTICES.** All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and the notice is addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

    **LESSOR:** Virginia’s First Regional Industrial Facility Authority  
    c/o Executive Director  
    6580 Valley Center Drive, Suite 124  
    Radford, Virginia 24141

    **LESSEE:**

    Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

12. **SUCCESSORS.** This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

13. **RECORDING.** At the option of LESSOR, the Parties agree to execute a memorandum of this Agreement which may be recorded with the appropriate recording officer.
The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

14. DEFAULT/TERMINATION OF LEASE. In the event there is a breach by LESSEE with respect to any of the provisions of this Agreement, including but not limited to, the payment of Rent or the failure to maintain the insurance coverage required herein, LESSOR shall give LESSEE written notice of such breach. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach. LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the breach within the time periods provided in this Paragraph. If LESSEE defaults under the terms of this Agreement, LESSOR may terminate this Agreement at the end of any applicable cure period and require the LESSEE to remove any or all of LESSEE’s personal property on the Premises.

15. REMEDIES. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party’s duty or obligation on the defaulting Party’s behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefore. In the event of a default by either Party with respect to a material provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the Commonwealth of Virginia. In the event of any litigation related to or arising out of the enforcement of this Lease, if LESSOR is the prevailing party, LESSOR shall be entitled to recovery of all costs, including, but not limited to, reasonable attorneys’ fees.

16. ENVIRONMENTAL.

A. LESSEE shall be responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time hereafter be
in effect, that are or in any way related to LESSEE’S activity on the Premises, unless such conditions or concerns are caused by the specific activities of LESSOR prior to LESSEE’S occupation of the Premises.

B. LESSEE shall hold LESSOR harmless and indemnify LESSOR from and assume all duties, responsibility and liability at LESSEE’S sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such non-compliance results from conditions caused by LESSOR.

17. **APPLICABLE LAWS.** During the Term, LESSEE shall maintain the Premises in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record or provided to LESSEE (collectively “Laws”) relating to LESSEE’s use of the Premises.

18. **SURVIVAL.** The provisions of the Agreement relating to indemnification shall survive any termination or expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

19. **CAPTIONS.** The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.
LESSOR:

VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

____________________________________
Chair or Vice-Chair

COMMONWEALTH OF VIRGINIA

COUNTY OF PULASKI

The foregoing instrument was acknowledged before me this ___day of _____________ , 2015, ________________________, on behalf of the Virginia’s First Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia.

_______________________________________
Notary Public

My commission expires: ____________

Registration No.________________
LESSEE:

____________________________________

____________________________________

Name: ________________________________

Title: ________________________________

STATE OF ________________

COUNTY/CITY OF ________________

The foregoing instrument was acknowledged before me this ___day of
________________, 2015, by ________________________________.

_______________________________________

Notary Public

My commission expires: _____________

Registration No.____________________
Exhibit "A"

Parcel Numbers:

All of that certain tract or parcel of land consisting of approximately _________ acres as depicted in the “Sketch of Premises” dated __________, attached hereto, lying and being in the Cloyd Magisterial District in Pulaski County, Virginia and located on the _______ side of International Boulevard, about ____________ from Route 100, Cleburne Boulevard, and extending to ______________, and ______________, all within the boundaries of the New River Valley Commerce Park.
A Resolution Adopting
Virginia’s First Regional Industrial Facility Authority
Procurement Policy

WHEREAS, Virginia’s First Regional Industrial Facility Authority (“VFRIFA” or “Authority”), is a body politic, as set forth in Chapter 64 of the Code of Virginia, 1950, as amended; and

WHEREAS, § 15.2-4343 of the Code of Virginia, 1950, as amended, allows implementation of the Virginia Public Procurement Act (“Act”) by ordinance, resolution, or regulations consistent with the Act by a public body empowered by law to undertake the activities described by the Act; and

WHEREAS, pursuant to § 2.2-4344 of the Act, regional industrial facility authorities are specifically provided an exemption from the Act’s competitive procurement requirements for procurement related to the authority’s facilities; and

WHEREAS, VFRIFA believes it is in the best interest of the Authority, the regional citizens, stakeholders, and companies doing business with the Authority that a procurement policy and procedure be adopted to clearly identify how goods and services are procured; and

WHEREAS, VFRIFA is dedicated to securing high quality goods and services at a reasonable cost; ensuring that all purchasing actions be conducted in a fair and impartial manner with no impropriety or appearance thereof; providing all qualified vendors access to VFRIFA business so that no offeror is arbitrarily or capriciously excluded; conducting procurement procedures transparently, efficiently, and with the maximum feasible degree of competition where practical;

WHEREAS, VFRIFA understands that certain contracts may need to be entered into without competition in order to timely achieve the goals of the Authority; however, this practice will be as limited as practical in order to achieve competition for goods and services as required by the Act; and

WHEREAS, VFRIFA believes the Executive Director should be delegated certain authority to enter into contracts on behalf of VFRIFA for goods and services budgeted by the Authority in an amount not to exceed five thousand dollars ($5,000) per contract without the Board of Directors pre-approval.

NOW, THEREFORE, BE IT RESOLVED that the attached Procurement Policy is hereby adopted and shall take effect immediately upon passage.

Approved: June 17, 2015
Virginia’s First Regional Industrial Facility Authority
Procurement Policy
Adopted June 17, 2015

Section 1: Title
This Policy shall be known as the Virginia’s First Regional Industrial Facility Authority Procurement Policy.

Section 2: Organization
A. The Executive Director shall be the procurement agent for Virginia’s First Regional Industrial Facility Authority (“VFRIA”) and shall have the following power and authority, as it relates to procurement:
   a. Initiate and advertise requests for proposals and invitations for bids to procure goods or services required by VFRIA for which funding has been included in VFRIA’s adopted annual budget or otherwise appropriated by the VFRIA Board of Directors (“Board”);
   b. Provided that budgeted or specially appropriated funds are available, to negotiate, award and execute contracts or purchase orders with the winning offerors or bidders, as practicable, not to exceed $5,000.00, and to forward recommendations to the Board for the award of contracts exceeding such limits; and
   c. Make timely payments of invoices or bills for goods or services rendered to VFRIA provided that:
      i. Funds have previously been approved in the VFRIA’s adopted annual budget or otherwise appropriated for the purposes for which such goods or services are required; and
      ii. A list of all such payments is provided to the Board at its next regular meeting and placed on the agenda for ratification.
B. Correspondence related to procurement shall be sent to:
   Virginia’s First Regional Industrial Facility Authority
   Attn: Executive Director
   1580 Valley Center Drive, Suite 124
   Radford, VA 24141

Section 3: Insurance Requirements
A. Minimum insurance requirements of all contractors or consultants performing work on property owned by VFRIA or doing work on behalf of VFRIA shall be as follows (as applicable):
   • General Liability: $1 million per occurrence; $2 million aggregate
   • Worker’s Compensation: Coverage A: Statutory; Coverage B: $100,000
   • Automobile: $1 million per occurrence; $2 million aggregate
   • Professional Liability: $1 million per occurrence; $2 million aggregate
   • Umbrella Coverage: can be used in lieu of any of a specific insurance above, as determined by the Executive Director
B. VFRIA shall be an additional insured by Endorsement and on the insurance certificate for General Liability, Automobile, and any Umbrella Coverage before entering into a contract with any contractor or consultant.
Section 4: Business License Requirements
A. Any contractor or consultant performing work on property owned by VFRIFA or doing work on behalf of VFRIFA shall have a valid business license from the location in which the work is being performed.
B. A copy of the business license shall be provided to VFRIFA before entering into a contract with any contractor or consultant.

Section 5: Procurement Process
A. Whenever practical, or as required by the Virginia Public Procurement Act (“VPPA” or “Act”), the Executive Director shall use competitive procurement methods to solicit quotes/proposals/ bids from multiple contractors or consultants.

B. Small Purchases: The VPPA permits the Authority to establish small purchase procedures, if adopted in writing, not requiring the use of competitive sealed bidding or competitive negotiation for single or term contracts for professional services if the aggregate or sum of all phases is not expected to exceed $60,000 and for goods and services other than professional services if the aggregate or sum of all phases is not expected to exceed $100,000; however, such small purchase procedures shall provide for competition wherever practicable. Small purchase procedures shall include but are not limited to the following:
   i. Purchases from non-governmental sources where the estimated total cost of the goods or services are $30,000 or greater but less than $100,000 may be made after soliciting a minimum of four (4) written quotations.
   ii. Purchases from non-governmental sources where the estimated total cost of the goods or services is $5,000 or greater but less than $30,000 may be made after soliciting a minimum of three (3) written or documented verbal/telephone quotations. Written quotes are preferable.
   iii. Purchases where the estimated total cost of the goods or services is less than $5,000 may be made upon receipt of one quote that is shown to be fair and reasonable price. An effort shall be made to solicit more than one quotation when practicable.
   iv. Purchase of used equipment, defined as equipment which has been previously owned and used where the estimated total cost is $5,000 or greater but less than $30,000 may be made after soliciting a minimum of two (2) written quotations; award shall be based on the offer deemed to be in the best interest of the Authority. A written determination must be provided and kept in the procurement file if only one source is practically available and the Authority must negotiate a fair and reasonable price. Prior to the award of a contract for used equipment, a person technically knowledgeable of the type of equipment sought shall document the condition of the equipment stating that this purchase would be in the best interest of the Authority; price reasonableness shall be considered in determining the award.
   v. Procedures may be established for the use of unsealed Request for Proposals for goods and non-professional services when the estimated total cost of the goods or services is less than $100,000.
   vi. Nothing in this section shall preclude requiring more stringent procedures for purchases made under the small purchase method.
C. Other Purchases: refer to VPPA process for competitive negotiations and bidding, unless otherwise exempted by the VPPA.
Section 6: Contract Execution
A. Small Purchases (less than $5,000)
   a. The Executive Director may execute contracts for goods and services up to Five Thousand Dollars ($5,000) without pre-approval of the Board of Directors, with the condition that any contract entered into without pre-approval shall be ratified by the Board of Directors at the next regularly scheduled Board Meeting.
   b. The standard VFRIFA Small Purchase Contract may be used to enter into any contracts for less than or equal to $5,000.
B. Medium Purchases (contracts between $5,001 and $100,000)
   a. Any Medium Purchase contracts shall require Board of Directors pre-authorization prior to execution.
   b. The standard VFRIFA Small Purchase Contract may be used to enter into any contracts that exceed $5,000 but do not exceed $100,000.
C. Large Purchases (over $100,000)
   a. Any Large Purchase contracts shall require Board of Directors pre-authorization prior to execution.
   b. An AIA or EJCDC contract, as modified by VFRIFA's attorney, may be used for design and construction contracts that exceed $100,000, unless a different contract is more appropriate and determined to be in VFRIFA’s best interest.

Section 7: Payment
A. VFRIFA shall not prepay for any services provided, including, but not limited to, deposits for work to be done.
B. Payment shall be authorized only after goods are received or work is completed. Payment can be made on a completion percentage basis, as long as such payment method is defined in the executed contract.
C. VFRIFA shall process all payments in a timely fashion, with checks being printed on, at least, a monthly basis.
D. No late fees shall be paid by VFRIFA for late payments; however, VFRIFA will make every effort to pay all bills on time.

Section 8: Debarment of Contractors/ Consultants
A. VFRIFA may choose to debar any contractor or consultant from providing particular goods or services for specified periods of time. Any contractor or consultant who is debarred shall be so notified in writing stating the specific reason, specific services that are debarred, and the time frame for which the debarment shall apply. Debarment may occur if unsatisfactory performance has been reported to VFRIFA by any of the member localities or VFRIFA has experienced unsatisfactory performance for goods or services directly provided.

Section 9: Non-Discrimination
A. VFRIFA does not and will not discriminate against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity.
B. Every effort will be made to actively and diligently promote the procurement of goods and services from small, minority-owned, women-owned, and service disabled veteran-owned businesses in all aspects of procurement to the maximum extent feasible.

C. Every contract shall include language regarding non-discrimination as specifically defined in the VPPA.

**Section 10: Miscellaneous**

A. Bonds
   a. VFRIFA retains the right to require bonds for construction, payment, or any other purpose allowed under the VPPA.

B. Insurance and Electric Utility Services
   a. As provided in the VPPA, VFRIFA can enter into contracts without competitive sealed bidding or competitive negotiation for insurance or electric utility services if purchase through an association of which it is a member if the association was formed and is maintained for the purposes of promoting the interest and welfare of and developing close relationships with similar public bodies, provided such association has procured the insurance or electric utility services by use of competitive principles.
   b. Upon a written determination in advance by the VFRIFA Executive Director that competitive negotiation is either not practicable or not fiscally advantageous, insurance may be provided through a licensed agent or broker selected in the manner provided for in the procurement of things other than professional services in the VPPA.

C. Legal Services
   a. VFRIFA may enter into contracts without competition for legal services, expert witnesses, and/or other services associated with litigation or regulatory proceedings.

D. Staffing Services
   a. VFRIFA may enter into contracts for staffing services for Executive Director and other staffing needs without competition, as long as contracts do not exceed $50,000 per fiscal year.

E. Conflict of Interest
   a. If the Executive Director feels there is a real or perceived conflict of interest in entering into a contract, the Executive Director has the authority to and may request that an officer of the VFRIFA Board of Directors act as the procurement agent for that specific contract.

F. Rights Retained
   a. VFRIFA retains the right to implement any and all measures provided under the VPPA, even if not specifically mentioned or referenced in this VFRIFA Procurement Policy.
## FY 2016 VFRI FA Income

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**Total Income** $60,062.28

## FY 2016 VFRI FA Expenses

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<td>Audit</td>
<td>$4,500.00</td>
</tr>
<tr>
<td>Legal</td>
<td>$10,000.00</td>
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</table>

**Total Expenses** $60,050.00

**Difference** $12.28
Ledger Balance Forward December 31, 2014  541,298.52
Dues/Shares/Rents Received 1/1/2015 - 3/31/2015  420,000.00
Interest Earned October - December 2014  15,647.75
Mebane Sale  1.75
Verizon Wireless Refund of overpayment  1.75
Total Receivables (less fees)  435,649.50

January 2015 Payables
- New City  1,080.00
- NRV Planning District Commission  2,549.10
- Guynn, Memmer & Dillon  528.00
- Draper Aden Associates  920.00

February 2015 Payables
- NRV Development Corporation  75.00
- NRV Planning District Commission  1,961.06

March 2015 Payables
- Craig County (reimbursement of overpayment)  40.00
- NRV Development Corporation  25.00
- NRV Planning District Commission  2,215.90
- Guynn, Memmer & Dillon  3,755.59
- Robinson Farmer Cox  3,950.00
- VML VACO  3,910.00

Total Accounts Payable  21,009.65

Ledger Balance March 31, 2015  955,938.37

Available Funds
- Virginia’s First Designated Balance  56,111.24
- Virginia’s First Deferred Excess Funds  (8,727.00)
- Virginia First Available Balance  47,384.24

Commerce Park Designated Balance  899,827.13
- Commerce Park Water/Sewer Expansion Reserve  (192,203.94)
- Commerce Park Available Balance  707,623.19

Total Available Funds  755,007.43

Long-term Obligations - principal balance as of June 30, 2013
- Pulaski County IDA June 2013 Bond Issue Average Interest 5.15% through 2028  $ 1,660,000.00
- Pulaski County IDA June 2013 Bond Issue Average Interest 5.15% through 2039  $ 4,950,000.00
- Pulaski County IDA June 2013 Bond Issue Original Issue Discount  $ (10,133.00)
- VFRIFA Loan to Commerce Park for Site Improvements  $ 200,000.00
- Pulaski County PSA April 2010 Loan Imputed Interest 2.375% through 2050  $ 1,413,190.00

Total Long Term Obligations  $ 8,213,057.00

These financial statements have not been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are intended for internal use only.
# Virginia's First Regional Industrial Facility Authority

## Inventory Schedule

**Year Ended June 30, 2013**

<table>
<thead>
<tr>
<th>Description</th>
<th>Commerce Park Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal of 838.474 acres - See E-13b</td>
<td>5,200,00.00</td>
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<tr>
<td>Assessed value 35 acre surplus</td>
<td>662,500.00</td>
</tr>
<tr>
<td>Assessed value 55 acre surplus</td>
<td>330,600.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,193,100.00</strong></td>
</tr>
</tbody>
</table>

### Value of Land June 30, 2013 Audit Report

#### Value of Land Prior Audit Report

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Acres</th>
<th>Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>036-005-0000-0003</td>
<td>410.62</td>
<td>3,284,900.00</td>
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<tr>
<td>037-001-0000-0001</td>
<td>340.90</td>
<td>1,374,600.00</td>
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<tr>
<td>037-001-0000-0021</td>
<td>55.00</td>
<td>330,600.00</td>
</tr>
<tr>
<td>047-048-0000-0006</td>
<td>34.59</td>
<td>220,600.00</td>
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<tr>
<td>047-048-0000-0010</td>
<td>65.22</td>
<td>652,200.00</td>
</tr>
<tr>
<td>036-005-0000-0001</td>
<td>8.97</td>
<td>671,100.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>915.30</td>
<td>6,534,000.00</td>
</tr>
</tbody>
</table>

**Book value per acre**

- **6,766.23**

### Value of Land June 30, 2013 Audit Report

#### Value of Land June 30, 2013 Audit Report

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Acres prior to sale (31 after sale)</th>
<th>Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>047-048-0000-0006</td>
<td>65.22</td>
<td>652,200.00</td>
</tr>
<tr>
<td>036-005-0000-0001</td>
<td>8.97</td>
<td>671,100.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>915.30</td>
<td>6,534,000.00</td>
</tr>
</tbody>
</table>

**Total value per books (above)**

- **6193100.00**

**Book value per acre**

- **6,766.23**

### Disposals

<table>
<thead>
<tr>
<th>Description</th>
<th>Acre</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Red Sun Farms</td>
<td>100</td>
<td>676,623.01</td>
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<tr>
<td>New Dublin Presbyterian Church</td>
<td>3.5855</td>
<td>24,260.32</td>
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<tr>
<td><strong>Total Disposals</strong></td>
<td></td>
<td><strong>700,883.33</strong></td>
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**Sales Proceeds**

- **16,134.75**

**Net**

- **684,748.58**

**Land held for resale**

- **5,508,351.42**

**Loan due from Church**

- **16,041.17**

**Net Value of land held for resale**

- **5,492,216.42**

---

*These financial statements have not been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are intended for internal use only.*
<table>
<thead>
<tr>
<th></th>
<th>VA First</th>
<th>Commerce Park</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12/31/2014 Designated Balance</strong></td>
<td>$67,333.46</td>
<td>$473,965.06</td>
<td>$541,298.52</td>
</tr>
<tr>
<td><strong>Quarterly Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues/Shares</td>
<td>$419,960.00</td>
<td></td>
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</tr>
<tr>
<td>Leases</td>
<td>$15,647.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misc - Grants/Easement Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add'l Shares - W/S Expansion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>an payments land sale - new Dublin Presbyterian church</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mebane house sale</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Income</strong></td>
<td>$435,607.75</td>
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<tr>
<td><strong>Quarterly Expense</strong></td>
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<tr>
<td>Admin Contracted</td>
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<tr>
<td>Admin Exp</td>
<td>$(1.75)</td>
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<tr>
<td>Project Development</td>
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<tr>
<td>Contractual Service</td>
<td></td>
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<tr>
<td>Debt Service</td>
<td></td>
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<tr>
<td>Participation Committee</td>
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<td>$376.37</td>
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<tr>
<td>Professional</td>
<td>$8,233.59</td>
<td>$4,830.00</td>
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<tr>
<td>Site Maintenance</td>
<td></td>
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</tr>
<tr>
<td>Revenue Refund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misc/reserve used for debt service</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td>$11,182.22</td>
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<tr>
<td><strong>3/31/2015 Designated Balance</strong></td>
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<tr>
<td>VA 1st includes deferred revenue @</td>
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<tr>
<td>$8,727.00</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/31/14 ledger balance</strong></td>
<td></td>
<td></td>
<td>$955,938.37</td>
</tr>
<tr>
<td>$899,787.13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$192,203.94</td>
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</tr>
<tr>
<td>$707,583.19</td>
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</tbody>
</table>

These financial statements have not been prepared in accordance with General Accepted Accounting Principles (GAAP) and are intended for internal use only.
<table>
<thead>
<tr>
<th>Income</th>
<th>Jul '14 - Jun 15</th>
<th>Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce Park Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commerce Park - Use of Reserve</td>
<td>0.00</td>
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<td>0.0%</td>
</tr>
<tr>
<td>Easement Fee</td>
<td>2.00</td>
<td>2.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Grants - Commerce Park</td>
<td>35,000.00</td>
<td>35,000.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Lease Income - Commerce Park</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dalton</td>
<td>9,107.00</td>
<td>9,107.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Flory</td>
<td>2,065.80</td>
<td>2,065.80</td>
<td>100.0%</td>
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<tr>
<td>Guthrie</td>
<td>4,069.95</td>
<td>4,069.95</td>
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</tr>
<tr>
<td>Mebane Manor - 5 year lease</td>
<td>405.00</td>
<td>405.00</td>
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<td>Residence - Double Wide</td>
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<td>1,848.90</td>
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<td>Total Lease Income - Commerce Park</td>
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<td>17,496.65</td>
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<tr>
<td>Mebane House Sale</td>
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<td>100.0%</td>
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<td>Pulaski Co share purchase 10500</td>
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<tr>
<td>Pulaski Twn share purchase 100</td>
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<tr>
<td>Red Sun Farms Income</td>
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<tr>
<td>Real Estate Tax RSF</td>
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<td>Water Surcharge RSF</td>
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<tr>
<td>Total Red Sun Farms Income</td>
<td>0.00</td>
<td>24,423.60</td>
<td>0.0%</td>
</tr>
<tr>
<td>Shares - Commerce Park</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares - Bland County</td>
<td>5,900.00</td>
<td>5,900.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - City of Radford</td>
<td>23,258.00</td>
<td>23,258.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - City of Roanoke</td>
<td>27,500.00</td>
<td>27,500.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Craig County</td>
<td>5,844.00</td>
<td>5,844.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Giles County</td>
<td>55,851.00</td>
<td>55,851.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Montgomery County</td>
<td>55,851.00</td>
<td>55,851.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Pulaski County</td>
<td>180,172.00</td>
<td>180,172.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Roanoke County</td>
<td>29,255.00</td>
<td>29,255.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Town of Dublin</td>
<td>2,968.00</td>
<td>2,968.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Town of Pearisburg</td>
<td>5,900.00</td>
<td>5,900.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Shares - Town of Pulaski</td>
<td>20,001.00</td>
<td>20,001.00</td>
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<td>Total Shares - Commerce Park</td>
<td>412,500.00</td>
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<tr>
<td>Total Commerce Park Income</td>
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<td>517,377.81</td>
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<tr>
<td>Virginia First's Income</td>
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</tr>
<tr>
<td>Member Dues - VA First</td>
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<tr>
<td>Dues - Bland County</td>
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<td>5,000.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - City of Radford</td>
<td>23,258.00</td>
<td>23,258.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - City of Roanoke</td>
<td>27,500.00</td>
<td>27,500.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - Craig County</td>
<td>5,844.00</td>
<td>5,844.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - Giles County</td>
<td>55,851.00</td>
<td>55,851.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - Montgomery County</td>
<td>55,851.00</td>
<td>55,851.00</td>
<td>100.0%</td>
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<tr>
<td>Dues - Pulaski County</td>
<td>180,172.00</td>
<td>180,172.00</td>
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<tr>
<td>Dues - Roanoke County</td>
<td>29,255.00</td>
<td>29,255.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - Town of Christiansburg</td>
<td>2,968.00</td>
<td>2,968.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - Town of Dublin</td>
<td>5,900.00</td>
<td>5,900.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Dues - Town of Pearisburg</td>
<td>5,900.00</td>
<td>5,900.00</td>
<td>100.0%</td>
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<tr>
<td>Dues - Town of Pulaski</td>
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<td>Total Member Dues - VA First</td>
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<td>60,000.00</td>
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<tr>
<td>VA 1st Use of Reserve</td>
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<td>0.0%</td>
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<td>Total Virginia First's Income</td>
<td>60,000.00</td>
<td>61,500.00</td>
<td>97.6%</td>
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<tr>
<td>Total Income</td>
<td>950,131.61</td>
<td>578,877.81</td>
<td>164.1%</td>
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<tr>
<td>Gross Profit</td>
<td>950,131.61</td>
<td>578,877.81</td>
<td>164.1%</td>
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<tr>
<td>Expense</td>
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</tr>
<tr>
<td>Commerce Park Expenses</td>
<td></td>
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</tr>
<tr>
<td>Administration Contracted - CP</td>
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</tr>
<tr>
<td>Contracted Management</td>
<td>940.00</td>
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<td>PDC Staff Services</td>
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<td>Total Administration Contracted - CP</td>
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<td>13,940.00</td>
<td>63.9%</td>
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<td>Administration Expenses</td>
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</tr>
<tr>
<td>Copies/Printing</td>
<td>135.00</td>
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<td>Office Supplies</td>
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<td>Postage</td>
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<td>Total Administration Expenses</td>
<td>318.91</td>
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<tr>
<td>Debt Service-Commerce Park</td>
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</tr>
<tr>
<td>Pulaski Co PSA - 2050</td>
<td>38,000.00</td>
<td>55,000.00</td>
<td>69.1%</td>
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<tr>
<td>Debt Service-Commerce Park - Other</td>
<td>0.00</td>
<td>353,595.00</td>
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<tr>
<td>Total Debt Service-Commerce Park</td>
<td>38,000.00</td>
<td>408,595.00</td>
<td>9.3%</td>
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<tr>
<td>Participation Committee-Comm Pk</td>
<td>1,134.11</td>
<td>1,500.00</td>
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<tr>
<td>Professional Services-Comm Pk</td>
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<tr>
<td>Engineering</td>
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<tr>
<td>Other Professional Fees</td>
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<td>Professional Services-Comm Pk - Other</td>
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<tr>
<td>Project Development-Commerce Pk</td>
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</tr>
<tr>
<td>Site Development/Marketing Website</td>
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</tr>
<tr>
<td>Site Development/Marketing - Other</td>
<td>0.00</td>
<td>2,862.00</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
### Virginia's First Regional Industrial Facility Authority

#### Combined Profit & Loss Budget vs. Actual

**July 2014 through June 2015**

<table>
<thead>
<tr>
<th></th>
<th>Jul ’14 - Jun 15</th>
<th>Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Site Development/Marketing</strong></td>
<td>2,862.00</td>
<td>2,862.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Project Development-Commerce Pk - Other</strong></td>
<td>41.60</td>
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</tr>
<tr>
<td><strong>Total Project Development-Commerce Pk</strong></td>
<td>2,903.60</td>
<td>2,862.00</td>
<td>101.5%</td>
</tr>
<tr>
<td><strong>Site Maintenance-Commerce Park</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>0.00</td>
<td>200.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Insurance</strong></td>
<td>0.00</td>
<td>200.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Materials/Supplies</strong></td>
<td>0.00</td>
<td>1,500.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>0.00</td>
<td>150.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Rental Property Maintenance</strong></td>
<td>0.00</td>
<td>500.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>20.04</td>
<td>30.00</td>
<td>66.8%</td>
</tr>
<tr>
<td><strong>Total Site Maintenance-Commerce Park</strong></td>
<td>20.04</td>
<td></td>
<td>0.8%</td>
</tr>
<tr>
<td><strong>Total Commerce Park Expenses</strong></td>
<td>134,509.74</td>
<td>512,777.00</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

**Virginia's First Expenses**

<table>
<thead>
<tr>
<th></th>
<th>Jul ’14 - Jun 15</th>
<th>Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administration Contracted -VF</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contracted Management</strong></td>
<td>2,060.00</td>
<td>12,060.00</td>
<td>17.1%</td>
</tr>
<tr>
<td><strong>PDC Staff Services</strong></td>
<td>9,726.52</td>
<td>12,000.00</td>
<td>81.1%</td>
</tr>
<tr>
<td><strong>Total Administration Contracted -VF</strong></td>
<td>11,786.52</td>
<td>24,060.00</td>
<td>49.0%</td>
</tr>
<tr>
<td><strong>Administration Expenses - VA1st</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Insurance - Public Officials</strong></td>
<td>0.00</td>
<td>1,400.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>0.00</td>
<td>225.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Miscellaneous</strong></td>
<td>0.00</td>
<td>525.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Telecommunications</strong></td>
<td>497.09</td>
<td>533.08</td>
<td>93.2%</td>
</tr>
<tr>
<td><strong>Total Administration Expenses - VA1st</strong></td>
<td>497.09</td>
<td>2,458.08</td>
<td>20.2%</td>
</tr>
<tr>
<td><strong>Professional Services- VA First</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accounting</strong></td>
<td>0.00</td>
<td>6,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Audit Fee</strong></td>
<td>6,213.13</td>
<td>3,950.00</td>
<td>157.3%</td>
</tr>
<tr>
<td><strong>Legal</strong></td>
<td>15,075.21</td>
<td>17,000.00</td>
<td>88.7%</td>
</tr>
<tr>
<td><strong>Total Professional Services- VA First</strong></td>
<td>21,288.34</td>
<td>26,950.00</td>
<td>79.0%</td>
</tr>
<tr>
<td><strong>Water &amp; Sewer Capacity Debt</strong></td>
<td>17,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Virginia's First Expenses</strong></td>
<td>50,571.95</td>
<td>53,468.08</td>
<td>94.6%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>185,081.69</td>
<td>566,245.08</td>
<td>32.7%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>765,049.92</td>
<td>12,632.73</td>
<td>6,056.1%</td>
</tr>
</tbody>
</table>
June 4, 2015

Mary Biggs, Chair
Virginia’s First Regional Industrial Facility Authority
6580 Valley Center Drive, Suite 124
Radford, VA 24141

Dear Ms. Biggs,

Pulaski County would like to continue providing support for Virginia’s First Regional Industrial Facility Authority (VFRIFA) by staffing the Executive Director position for the upcoming fiscal year (FY16). This arrangement would be a continuation of the one currently in place, with Danny Wilson serving as the Executive Director. In reviewing the time and actual costs incurred by the County to provide these services this past year, it became apparent that $10,000 was insufficient to cover costs associated with providing Executive Director staff services. An increase cost from $10,000 to $15,000 is being requested for this upcoming fiscal year to help cover the costs of providing the staff services. Specifically, in addition to salary and benefits, other costs incurred by the County include vehicle usage, gasoline, cell phone, computer, printing, office supplies, and other miscellaneous administrative expenses.

Enclosed with this letter is an updated Memorandum of Understanding to provide Executive Director staff services for VFRIFA and the NRV Commerce Park with the updated service cost of $15,000. Please let me know if you have any questions or concerns regarding this updated MOU.

Sincerely,

Peter M. Huber
County Administrator

CC: Pulaski County Board of Supervisors

Enclosure
Memorandum of Understanding
Between
Virginia’s First Regional Industrial Facility Authority
and
Pulaski County, VA

THIS MEMORANDUM OF UNDERSTANDING made as of this ___ day of _____________, 2015, by and among the VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY ("VFRIFA") and PULASKI COUNTY, Virginia ("County").

WHEREAS, VFRIFA is a regional agency focused on economic development for the greater New River Valley; and

WHEREAS, VFRIFA relies on contracted staff to provide support for the organization and the County has been a VFRIFA member since it was created; and

WHEREAS, the VFRIFA Board of Directors requested proposals via a RFP for management services in March 2014; and

WHEREAS, the County wished to assist with providing staffing for VFRIFA for the Executive Director, so a proposal in response to the RFP was submitted by the County; and

WHEREAS, during the August 13, 2014 VFRIFA Board of Directors Meeting, the Board approved the County’s proposal to provide services; and

WHEREAS, during the August 13, 2014 Board of Directors Meeting, the VFRIFA Board also approved having the New River Valley Planning District Commission provide staff support services, which was memorialized under a separate memorandum;

WHEREAS, both Pulaski County and VFRIFA are interested in continuing to have Pulaski County provide Executive Director staff services for Fiscal Year 2016; and

WHEREAS, the parties wish to set forth their understandings with respect to the services to be provided in this Memorandum:

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations and undertakings set forth herein, and subject to the terms and contingencies set forth herein, the parties set forth the following understandings:

Responsibilities
The County agrees to provide the following services to VFRIFA:

1. One County staff member to act as the Executive Director (estimated to take about 25% of staff member’s time). Examples of activities to be performed by the Executive Director are as follows:
   a. Managing and organizing meetings for Board of Directors, Executive Committees, and Commerce Park Participation Committee
   b. Annual budget preparation and submission to the local governments
   c. Prospect Visit Coordination to attract companies to the region
   d. Coordinating and submitting Requests for Information
   e. Negotiating, drafting, and managing tenant leases and real estate transactions
f. Procuring professional services for site analysis and development, as well as legal/financial/ and other professional services needed for the day-to-day operations of VFRIFA

g. Procuring construction services for any site development activities associated with the NRV Commerce Park

h. Managing contracts and overseeing payments for any procured services

i. Meeting with various contractors, professionals, member organizations, lessees, and others to address any needs for VFRIFA

2. Use of County vehicle, computer, software, phone, printer, and other miscellaneous office equipment and supplies needed to perform the functions as Executive Director

**Fee for Services**
The services agreed to within this Memorandum will be performed for a fee of $15,000. Payment for these services will be provided to the County from VFRIFA on an annual basis.

**Duration of MOU**
The effective period of this Memorandum of Understanding begins on July 1, 2015 and remains in effect through the end of June 2016. Either party may request a review of this Memorandum of Understanding at any time.

**Points of Contact**

**County:** Peter Huber
County Administrator
143 Third Street, NW
Pulaski, VA 24301

**VFRIFA:** Mary Biggs
Chair, Board of Directors
6580 Valley Center Drive, Suite 124
Radford, VA 24141

**Concurrence**
It is agreed that this written statement embodies the entire agreement of the parties regarding this affiliation, and no other agreements exist between the parties for similar services except as expressed in this document. All parties to this agreement concur with the level of support and resource commitments that are documented herein. It is further understood that the services described herein will include services provided to both VFRIFA and the New River Valley Commerce Park Participation Committee.

**Severability**
If any clause, provision or section of this Memorandum is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Memorandum will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.
Successors and Assigns
This Memorandum will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding in one or more counterpart signature pages as of the date first above written.

Pulaski County, VA

By: ____________________________

Name: __________________________

Title: County Administrator

Virginia’s First Regional Industrial Facility Authority

By: ____________________________

Name: __________________________

Title: Chair, Board of Directors
Memorandum of Understanding  
Between  
Virginia’s First Regional Industrial Facility Authority  
and  
Pulaski County, VA

THIS MEMORANDUM OF UNDERSTANDING made as of this ___ day of ____________________ , 2015, by and among the VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY (“VFRIFA”) and PULASKI COUNTY, Virginia (“County”).

WHEREAS, VFRIFA is a regional agency focused on economic development for the greater New River Valley; and
WHEREAS, VFRIFA relies on contracted staff to provide support for the organization and the County has been a VFRIFA member since it was created; and
WHEREAS, the VFRIFA Board of Directors requested proposals via a RFP for management services in March 2014; and
WHEREAS, the County wished to assist with providing staffing for VFRIFA for the Executive Director, so a proposal in response to the RFP was submitted by the County; and
WHEREAS, during the August 13, 2014 VFRIFA Board of Directors Meeting, the Board approved the County’s proposal to provide services; and
WHEREAS, during the August 13, 2014 Board of Directors Meeting, the VFRIFA Board also approved having the New River Valley Planning District Commission provide staff support services, which was memorialized under a separate memorandum;
WHEREAS, both Pulaski County and VFRIFA are interested in continuing to have Pulaski County provide Executive Director staff services for Fiscal Year 2016; and
WHEREAS, the parties wish to set forth their understandings with respect to the services to be provided in this Memorandum:

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations and undertakings set forth herein, and subject to the terms and contingencies set forth herein, the parties set forth the following understandings:

Responsibilities
The County agrees to provide the following services to VFRIFA:

1. One County staff member to act as the Executive Director (estimated to take about 25% of staff member’s time). Examples of activities to be performed by the Executive Director are as follows:
   a. Managing and organizing meetings for Board of Directors, Executive Committees, and Commerce Park Participation Committee
   b. Annual budget preparation and submission to the local governments
   c. Prospect Visit Coordination to attract companies to the region
   d. Coordinating and submitting Requests for Information
   e. Negotiating, drafting, and managing tenant leases and real estate transactions
f. Procuring professional services for site analysis and development, as well as legal/financial and other professional services needed for the day-to-day operations of VFRIFA

  g. Procuring construction services for any site development activities associated with the NRV Commerce Park

  h. Managing contracts and overseeing payments for any procured services

  i. Meeting with various contractors, professionals, member organizations, lessees, and others to address any needs for VFRIFA

2. Use of County vehicle, computer, software, phone, printer, and other miscellaneous office equipment and supplies needed to perform the functions as Executive Director

**Fee for Services**

The services agreed to within this Memorandum will be performed for a fee of $15,000. Payment for these services will be provided to the County from VFRIFA on an annual basis.

**Duration of MOU**

The effective period of this Memorandum of Understanding begins on July 1, 2015 and remains in effect through the end of June 2016. Either party may request a review of this Memorandum of Understanding at any time.

**Points of Contact**

County:     Peter Huber  
            County Administrator  
            143 Third Street, NW  
            Pulaski, VA 24301

VFRIFA:     Mary Biggs  
            Chair, Board of Directors  
            6580 Valley Center Drive, Suite 124  
            Radford, VA 24141

**Concurrence**

It is agreed that this written statement embodies the entire agreement of the parties regarding this affiliation, and no other agreements exist between the parties for similar services except as expressed in this document. All parties to this agreement concur with the level of support and resource commitments that are documented herein. It is further understood that the services described herein will include services provided to both VFRIFA and the New River Valley Commerce Park Participation Committee.

**Severability**

If any clause, provision or section of this Memorandum is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Memorandum will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.
**Successors and Assigns**
This Memorandum will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**IN WITNESS WHEREOF,** the parties hereto have executed this Memorandum of Understanding in one or more counterpart signature pages as of the date first above written.

**Pulaski County, VA**

By: _______________________________

Name: ____________________________

Title: County Administrator

**Virginia’s First Regional Industrial Facility Authority**

By: _______________________________

Name: ____________________________

Title: Chair, Board of Directors
Memorandum of Understanding
Between
Virginia’s First Regional Industrial Facility Authority
and
New River Valley Regional Commission

THIS MEMORANDUM OF UNDERSTANDING made as of this ___ day of __________________, 2015, by and between VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY (“VFRIFA”) and NEW RIVER VALLEY REGIONAL COMMISSION (“NRVRC”).

WHEREAS, VFRIFA is a regional agency focused on economic development for the greater New River Valley; and

WHEREAS, VFRIFA relies on contracted staff to provide support for the organization and the NRVRC has provided staff support services for VFRIFA for many years; and

WHEREAS, the VFRIFA Board of Directors requested proposals via a RFP for management services in March 2014; and

WHEREAS, the NRVRC wished to continue providing services to VFRIFA, so a proposal in response to the RFP was submitted by the NRVRC; and

WHEREAS, during the August 13, 2014 VFRIFA Board of Directors Meeting, the Board approved the NRVRC’s proposal to provide services for FY 2014-2015; and

WHEREAS, during the August 13, 2014 Board of Directors Meeting, the VFRIFA Board also approved having Pulaski County provide staff to act as the Executive Director, which was memorialized under a separate memorandum; and

WHEREAS, both NRVRC and VFRIFA are interested in continuing to have NRVRC provide staff services for Fiscal Year 2016; and

WHEREAS, the parties wish to set forth their understandings with respect to the services to be provided in this Memorandum:

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations and undertakings set forth herein, and subject to the terms and contingencies set forth herein, the parties set forth the following understandings:

Responsibilities
The NRVRC agrees to provide the following services to VFRIFA:

1. Board/Staff Support including:
   a. Reserve meeting space (cost for space will typically be $75 for the New River Room, paid by the PDC with the expense submitted to Virginia’s First for reimbursement);
   b. Coordinate food for meetings (to be paid by the PDC with the expense submitted to Virginia’s First for reimbursement);
   c. Attend all Board Meetings and Executive Committee Meetings;
   d. Prepare meeting minutes for all meetings;
e. Ensure compliance with Code of Virginia regulations as it relates to Board Member documentation;
f. Upload documents for Board Meetings (minutes/agendas) to the Virginia’s First page on the NRVRC website;
g. Maintain webpage on NRVRC website for VFRIFA information and documents;
h. Serve as point of contact for VFRIFA, including mailing location;
i. Assist Executive Director with administrative functions and staff support when needed;
j. Provide miscellaneous printing with the understanding that any large print jobs will not be provided without additional compensation.

2. Bookkeeping Services shall include:
   a. Manage operating account through utilization of QuickBooks software, including purchase and maintenance of said software and necessary computer hardware;
   b. Provide invoices to member localities for dues/shares based on the amounts provided annually by the Executive Director/Executive Committee;
   c. Serve as billing address, but not external point of contact for financial matters;
   d. Act as point of contact for bank, manage bank account, and deposit funds into bank account;
   e. Receive and enter bills into bookkeeping software, prepare checks for payment, and mail checks to pay for bills (checks must be signed by at least one officer);
   f. Reconcile operating account on a monthly basis;
   g. Advise status of past due items to the Executive Director/Executive Committee;
   h. Prepare quarterly financial reports with input and review by the treasurer;
   i. Prepare quarterly budget reports once a budget is provided by the Executive Director/Executive Committee.

Other services may be provided for an additional fee on a project specific cost basis, as needed, including, but not limited to:
   1. Grant application and administration;
   2. Project management;
   3. Prospect coordination;
   4. Other similar services.

**Fee for Services**
The services agreed to within this Memorandum will be performed for a fee of $25,000. Payment for these services will be provided to the NRVRC from VFRIFA at a rate of $2,083.33 per month.

**Duration of MOU**
The effective period of this Memorandum of Understanding begins on July 1, 2015 and remains in effect through the end of June 2016. Either party may request a review of this Memorandum of Understanding at any time.
Points of Contact
NRVRC: Christy Straight
Regional Planner II
6580 Valley Center Drive, Suite 124
Radford, VA 24141
(540) 639-9313
cstraight@nrvrc.org

VFRIFA: Danny Wilson
Executive Director, VFRIFA
143 Third Street NW, Ste 1
Pulaski, VA 24301
(540) 980-7877
dwilson@pulaskicounty.org

Concurrence
It is agreed that this written statement embodies the entire agreement of the parties regarding this affiliation, and no other agreements exist between the parties except as expressed in this document. All parties to this agreement concur with the level of support and resource commitments that are documented herein. It is further understood that the services described herein will include services provided to both VFRIFA and the New River Valley Commerce Park Participation Committee.

Severability
If any clause, provision or section of this Memorandum is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Memorandum will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

Successors and Assigns
This Memorandum will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding in one or more counterpart signature pages as of the date first above written.

New River Valley Regional Commission

By: ________________________________

Name: ________________________________

Title: Executive Director
Virginia’s First Regional Industrial Facility Authority

By: ________________________________

Name: ________________________________

Title: Chair, Board of Directors
A Resolution Adopting
Virginia’s First Regional Industrial Facility Authority
Public Meeting Policy

WHEREAS, Virginia’s First Regional Industrial Facility Authority (“VFRIFA” or “Authority”), is a body politic, as set forth in Chapter 64 of the Code of Virginia, 1950, as amended; and

WHEREAS, the Virginia Freedom of Information Act (FOIA), § 2.2-3707 et seq. of the Code of Virginia of 1950, as amended (Virginia Code), sets forth requirements for meeting of public bodies; and

WHEREAS, FOIA provides that, with some specific exemptions and exceptions, all meetings of public bodies shall be open to the public and all public records open for public inspection; and

WHEREAS, all public meetings and records are presumed open unless an exemption is properly invoked; and

WHEREAS, VFRIFA complies with the Virginia FOIA regarding meetings of its boards and committees; and

WHEREAS, the attached policy provides information on how VFRIFA advertises public meetings and how records related to public meetings will be made available for citizens; and

WHEREAS, VFRIFA shall comply with all applicable portions of the Virginia Freedom of Information Act.

NOW, THEREFORE, BE IT RESOLVED that the attached Public Meeting Policy is hereby adopted and shall take effect immediately upon passage.

Approved: June 17, 2015
Section 1: Title
This Policy shall be known as the Virginia’s First Regional Industrial Facility Authority Public Meeting Policy.

Section 2: Notice of Public Meeting
VFRI FA will provide public notice of the date, time, and location of its regular board and committee meetings by placing the notice in a prominent public location at the administrative office of VFRI FA at least three business days before the meeting. Notice will also be posted online at the New River Valley Regional Commission calendar of events.

Notice for special meetings called by the board or committee chair will be provided in advance as much as reasonably possible and concurrently with notice provided to members of VFRI FA board or committee conducting the meeting.

Any person can request direct notification of meetings by providing the requester's name, mailing address, daytime telephone number, email address, if available, and organization, if any. Unless requested to use other communication methods, VFRI FA will provide email notification of all meetings in response to such requests.

Section 3: Availability of Materials Presented at Public Meetings
At least one copy of all agenda packets and, unless exempt, all materials furnished to the VFRI FA board or committee for a meeting will be made available for public inspection at the authority office at the same time such documents are furnished to the VFRI FA members. The materials will also be made available online within two days of mailing to VFRI FA members at the VFRI FA website- http://www.nrvpdc.org/va first.html.

All documents provided at these meetings are available pursuant to the FOIA Policy adopted by VFRI FA, except when an exemption is authorized for certain limited purposes under FOIA per Virginia Code §2.2-3711 (such as a closed session of a public meeting).

Section 4: Documentation of Public Meetings
Any person may photograph, film, record or otherwise reproduce any portion of a meeting required to be open. VFRI FA will assist the attendee in placing the recording equipment in a location that will avoid interference with the proceedings and will not obstruct other attendees’ ability to hear and see the activity of the meeting. Minutes of board and committee meetings will be taken and will be available to the public after the board or committee has approved the minutes of its meeting.
A Resolution Adopting
Virginia’s First Regional Industrial Facility Authority
Freedom of Information Act Policy

WHEREAS, Virginia’s First Regional Industrial Facility Authority ("VFRIFA" or "Authority"), is a body politic, as set forth in Chapter 64 of the Code of Virginia, 1950, as amended; and

WHEREAS, the Virginia Freedom of Information Act (FOIA), § 2.2-3700 et seq. of the Code of Virginia of 1950, as amended (Virginia Code), is the state law governing and guaranteeing access by citizens of Virginia, and representatives of the media, to public records and to meetings of public bodies, as defined in the act; and

WHEREAS, FOIA provides that, with some specific exemptions and exceptions, all meetings of public bodies shall be open to the public and all public records open for public inspection; and

WHEREAS, all public meetings and records are presumed open unless an exemption is properly invoked; and

WHEREAS, VFRIFA complies with the Virginia FOIA; and

WHEREAS, the attached policy provides information on how to make a FOIA request, citizen rights and responsibilities, and VFRIFA’s responsibilities in responding to a request for information; and

WHEREAS, VFRIFA shall comply with all applicable portions of the Virginia Freedom of Information Act.

NOW, THEREFORE, BE IT RESOLVED that the attached Freedom of Information Act Policy is hereby adopted and shall take effect immediately upon passage.

Approved: June 17, 2015
Virginia’s First Regional Industrial Facility Authority
Freedom of Information Act Policy
Adopted June 17, 2015

Section 1: Title
This Policy shall be known as the Virginia’s First Regional Industrial Facility Authority Freedom of Information Act Policy.

Section 2: Public Record
A public record is any writing or recording -- regardless of whether it is a paper record, an electronic file, an audio or video recording, or any other format -- that is prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business. All public records are presumed to be open and may only be withheld if a specific, statutory exemption applies.

The purpose of FOIA is to promote an increased awareness by all persons of governmental activities. In furthering this purpose, FOIA requires that the law be interpreted liberally, in favor of access, and that any exemption allowing public records to be withheld must be interpreted narrowly.

Section 3: FOIA Rights of Citizens Requesting Information
A. Citizens have the right to request to inspect or receive copies of public records, or both.
B. Citizens have the right to request that any charges for the requested records be estimated in advance.
C. If a citizen believes that his/her FOIA rights have been violated, he/she may file a petition in district or circuit court to compel compliance with FOIA.
D. In addition, the Freedom of Information Advisory Council is available to answer any questions about FOIA. The Council may be contacted by e-mail at foiacouncil@leg.state.va.us, or by phone at (804) 225-3056 or [toll free] 1-866-448-4100.

Section 4: Making a Request for Records from Virginia’s First Regional Industrial Facility Authority (VFRIFA)
A request for records may be made in writing (by U.S. Mail, fax, e-mail, or in person) or verbally (in person or over the phone). FOIA does not require that the request be in writing, nor does the request need to specifically state that it is a request being made for records under FOIA.
VFRIFA encourages citizens to make the request in writing. For practical reasons, it may be helpful to both parties by creating a record of the request and making it clear exactly what records are being requested. However, VFRIFA will not refuse to respond to a FOIA request if it is not put in writing.

The request must identify the records being sought with "reasonable specificity." This is a common-sense standard. It does not refer to or limit the volume or number of records being requested; instead, it requires that the request be specific enough for VFRIFA staff to identify and locate the records.

The request must ask for existing records or documents. FOIA requests are related to tangible records; it does not apply to general questions or require the creation of records that do not exist. The request shall specify preferred record format, either paper or electronic (either via email or on a CD).

If there are any questions about the request, VFRIFA will attempt to clarify in order to provide the desired information within the five days required by law or to attempt to reach a reasonable agreement about a response to a large request.

To request records from VFRIFA, a citizen may direct the request to the VFRIFA Executive Director or staff. Requests in writing or in person should be made at 6580 Valley Center Drive, Suite 124, Radford, Virginia 24141 and by phone at 540.639.9313. Emailed requests should be sent to cstraight@nrvrc.org or dwilson@pulaskicounty.org.

Section 5: VFRIFA’s Responsibilities in Responding to the Request
VFRIFA must respond to the request within five business days of receiving it. "Day One" is considered the day after the request is received. The five-day period does not include weekends or holidays.

The reason behind the request for public records from VFRIFA is irrelevant, and the request does not have to state why the records are being sought before VFRIFA responds to the request. FOIA does, however, allow VFRIFA to ask for the name and legal address of the person making the request.

FOIA requires that VFRIFA make one of the following responses to a request within the five-day time period:

A. VFRIFA provides the records that have been requested in their entirety.
B. VFRIFA withholds all of the records that have been requested, because all of the records are subject to a specific statutory exemption. If all of the records are being
withheld, VFRIFA must send a response in writing. That writing must identify the volume and subject matter of the records being withheld, and state the specific section of the Virginia Code that allows VFRIFA to withhold the records.

C. VFRIFA provides some of the records that have been requested, but withhold other records. VFRIFA cannot withhold an entire record if only a portion of it is subject to an exemption. In that instance, VFRIFA may redact the portion of the record that may be withheld, and then provide the remainder of the record. VFRIFA must provide a written response stating the specific section of the Virginia Code that allows portions of the requested records to be withheld.

D. VFRIFA informs the citizen in writing that the requested records cannot be found or do not exist. However, if VFRIFA knows that another public body has the requested records, the other public body’s contact information must be provided to the citizen.

E. If it is practically impossible for VFRIFA to respond to the request within the five-day period, this must be stated this in writing, explaining the conditions that make the response impossible. This will allow VFRIFA seven additional working days to respond to the request, making a total of 12 working days to respond to the request.

F. If the request is for a very large number of records, and VFRIFA feels that it cannot provide the records within 12 working days without disrupting other organizational responsibilities, VFRIFA may petition the court for additional time to respond to the request. However, FOIA requires that VFRIFA make a reasonable effort to reach an agreement with the citizen making the request concerning the production or the records before going to court to ask for more time.

**Section 6: Costs**

There may be costs associated with the records being requested from VFRIFA. FOIA allows VFRIFA to charge for the actual costs of responding to FOIA requests.

“A public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records. No public body shall impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of the public body. Any duplicating fee charged by a public body shall not exceed the actual cost of duplication. All charges for the supplying of requested records shall be estimated in advance at the request of the citizen as set forth in subsection F of §2.2-3704 of the Code of Virginia.”

This would include items such as staff time spent searching for the requested records, copying costs, or any other costs directly related to supplying the requested records. It cannot include
general overhead costs. If it is estimated that the costs will exceed $200 to respond to a request, VFRIFA may require a deposit equal to the estimated cost to be paid prior to proceeding with the request.

The five days that VFRIFA has to respond to the request does not include the time between when a deposit is requested and when a response is provided. A request can be made that VFRIFA estimate in advance the charges for supplying the requested records.

If a citizen owes VFRIFA money from a previous FOIA request that has remained unpaid for more than 30 days, VFRIFA may require payment of the past-due bill before it will respond to the new FOIA request.

Copying costs (not including staff time) are as follows:

A. Paper copies - $0.07 (black and white) or $0.15 (color) per page for 8.5”x11” copies; $0.34 per page for 11”x17” copies; and $8.00 (black and white) or $18.00 (color) per page for 24”x36” copies
B. CD-ROM/DVD - $1.00 per disc

Section 7: The Use of Exemptions

The general policy of VFRIFA is to invoke the contract negotiations exemption whenever it applies in order to protect VFRIFA’s bargaining position and negotiating strategy. An exemption will also be invoked for records regarding prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business’ or industry’s interest in locating or expanding its facilities at the New River Valley Commerce Park or any other investments to which VFRIFA may be a party. Other exemptions as noted in the FOIA may apply. Notification will be provided in writing if any portion of the information being requested is subject to this exemption.