



BOARD OF SUPERVISORS MEETING

TABLE PACKET

April 10, 2007

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FUND # - 100 EXPENDITURES - GENERAL FUND

MAJOR#	VENDOR NUMBER	VENDOR NAME	INV#	DESCRIPTION	AMOUNT
3600	15240	Advertising FARMVILLE HERALD	200 CO ADMR 307	ADVERTISING	1,199.38 *
				ACCOUNT TOTAL	1,199.38 *
				MAJOR TOTAL	1,199.38 **
012110		COUNTY ADMINISTRATOR			
6001	10900	Office Supplies AYERS BLDG. & SUPPLY CO	117397	DESK DRAWER PULLS	17.60
	27132	RAMSON'S INC	10122343	PHONE JACK	8.99
				ACCOUNT TOTAL	26.59 *
				MAJOR TOTAL	26.59 **
012510		INFORMATION TECHNOLOGY			
3160		Professional Services			
	11902	BUSINESS DATA OF VA, INC.	102488	PROFESSIONAL SERVICE	125.00
	11902	BUSINESS DATA OF VA, INC.	102489	PROFESSIONAL SERVICE	125.00
	11902	BUSINESS DATA OF VA, INC.	102490	TRAVEL EXPENSE	125.00
	11902	BUSINESS DATA OF VA, INC.	102494	MONTHLY CONTRACT	2,800.00
				ACCOUNT TOTAL	3,175.00 *
3320	12762	Maintenance Service COMPUTERPLUS SALES/SERVIC	MCO000133440	MAINTENANCE CONTRACT	270.00
				ACCOUNT TOTAL	270.00 *
				MAJOR TOTAL	3,445.00 **
021100		CIRCUIT COURT			
5230	10097	Telecommunications AT&T	392 5171 307	PHONE	48.51
	28711	EMBARQ	392 5171 307	PHONE	372.85
				ACCOUNT TOTAL	421.36 *
				MAJOR TOTAL	421.36 **
021300		SPECIAL MAGISTRATES			
8203	22321	Communications Equipment COMMILLIAN PAGER SERVICE	6011042007	PAGER RENTAL	15.90
				ACCOUNT TOTAL	15.90 *
				MAJOR TOTAL	15.90 **
021600		CLERK OF THE CIRCUIT COURT			
5230	14795	Telecommunications ESI OF VIRGINIA INC	24049	RELOCATE PHONE	128.45
				ACCOUNT TOTAL	128.45 *
				MAJOR TOTAL	128.45 **

MAJOR#	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER			
021800	LAW LIBRARY			
6012	21761	0703108148	Books and Subscriptions LEXISNEXIS	187.00
			ONLINE CHARGES	187.00 *
			ACCOUNT TOTAL	187.00 **
022100	COMMONWEALTH'S ATTORNEY			
5210	27928	EXPENSES 307	Postal Services	7.04
	30637	BOX RENT 307	RUST DONNA U S POSTAL SERVICE	132.00
			ACCOUNT TOTAL	139.04 *
			MAJOR TOTAL	139.04 **
031200	SHERIFF			
3311	14300	29015	Repairs & Maintenance - A	28.19
	14300	29233	EAST END MOTOR CO INC	673.26
	14300	29462	EAST END MOTOR CO INC	46.72
	14300	29527	EAST END MOTOR CO INC	562.39
	14300	29638	EAST END MOTOR CO INC	49.05
	20323	41755	KENBRIDGE TIRE	20.00
	29199	2149	THIRD ST WRECKER SERVICE	55.00
			ACCOUNT TOTAL	1,434.61 *
5210	11894	SHERIFF 307	Postal Services	10.24
			BUSINESS CARD	10.24 *
5510	11894	SHERIFF 307	Travel - Mileage	51.75
			BUSINESS CARD	51.75 *
5540	999999	926	Travel - Convention and E CRATER CRIMINAL JUSTICE	375.00
			ACCOUNT TOTAL	375.00 *
6001	11894	SHERIFF 307	Office Supplies	5.43
	22321	6012042007	BUSINESS CARD	230.00
	32131	SHERIFF 307	MCMILLIAN PAGER SERVICE WAL-MART COMMUNITY	709.65
			ACCOUNT TOTAL	945.08 *
6009	11894	SHERIFF 307	Vehicle & Powered Equipme	70.42
	23726	139195	BUSINESS CARD	406.52
	23726	139256	NEWMAN TIRE CO INC	10.88
	28592	108740	NEWMAN TIRE CO INC	35.91
	29332	97 307	SOUTHERN POLICE EQUIP CO TOWN OF FARMVILLE	6,474.01
			ACCOUNT TOTAL	6,997.74 *
6010	11894	SHERIFF 307	Police Supplies	10.00
			BUSINESS CARD	

MAJOR#	ACCT#	VENDOR NUMBER	VENDOR NAME	INV#	DESCRIPTION	AMOUNT
6011		17390	HARRIS TRAVIS	INFORMANT \$ 307	INFORMANT MONEY	3,500.00
		27132	RANSON'S INC	10121088	VOICE RECORDER	59.99
		32131	WAL-MART COMMUNITY	SHERIFF 307	RIFLE & AMMUNITION	489.31
					ACCOUNT TOTAL	4,059.30 *
		11894	Uniforms & Wearing Appare	SHERIFF 307	SHOES	97.45
		22166	BUSINESS CARD	26598	HATS	192.00
			MARY LOU'S MONOGRAMMING		ACCOUNT TOTAL	289.45 *
					MAJOR TOTAL	14,163.17 **
034100			BUILDING OFFICIAL			
5510		29332	Travel - Mileage	97 307	FUEL	281.97
			TOWN OF FARMVILLE		ACCOUNT TOTAL	281.97 *
					MAJOR TOTAL	281.97 **
035100			ANIMAL CONTROL			
5510		29332	Travel - Mileage	97 307	FUEL	745.41
		29332	TOWN OF FARMVILLE	97 307	FUEL	127.25
		29332	TOWN OF FARMVILLE	97 307C	CREDIT	127.25-
					ACCOUNT TOTAL	745.41 *
					MAJOR TOTAL	745.41 **
036100			BIOSOLIDS MONITORING			
5510		29332	Travel - Mileage	97 307C	FUEL	127.25
			TOWN OF FARMVILLE		ACCOUNT TOTAL	127.25 *
					MAJOR TOTAL	127.25 **
042300			REFUSE DISPOSAL			
6009		29332	Vehicle Supplies	97 307	FUEL	1,969.16
			TOWN OF FARMVILLE		ACCOUNT TOTAL	1,969.16 *
					MAJOR TOTAL	1,969.16 **
043200			GENERAL PROPERTIES			
3310		14500	Repairs/Maintenance	20724	MULCH	294.50
		25960	ELKORA INC	18993	HEATPUMP BLOWER BELT	282.00
		25960	PUTNEY MECHANICAL CO INC	18994	HEATPUMP SWITCH	95.00
					ACCOUNT TOTAL	671.50 *
5110		31846	Electrical Services	0599507431 307	RICE SITE	86.27
			DOMINION VA POWER			

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AP375H
4/06/2007

PRINCE EDWARD
LISTING OF INVOICES FOR 4/02/2007 -- 4/02/2007

BEFORE CHECKS
PAGE 4

FUND # - 100 EXPENDITURES - GENERAL FUND

MAJOR# ACCT#	VENDOR NUMBER NAME	INV#	DESCRIPTION	AMOUNT
6007	10900 Repairs and Maintenance S	8105475944	AG BLDG	1,226.19
	27922 AYERS BLDG. & SUPPLY CO	117670	KEY BLANKS	5.44
	29020 CINTAS CORPORATION #524	524 09428	UNIFORM RENTAL	490.14
		18806	HAND CLEANER	24.04
6009	29332 Vehicle & Powered Equipme	97 307	FUEL	519.62
	TOWN OF FARMVILLE			540.13
				540.13 *
				3,043.71 **
053500	COMPREHENSIVE SERVICES ACT			
3160	CSA Programs			
13812	DOMINION YOUTH SERVICES	EHARVEY 307	PROFESSIONAL SERVICE	1,080.00
13812	DOMINION YOUTH SERVICES	MHOGE 307	PROFESSIONAL SERVICE	2,970.00
13812	DOMINION YOUTH SERVICES	RSMITH 307	PROFESSIONAL SERVICE	2,970.00
				7,020.00 *
				7,020.00 **
081100	PLANNING			
6001	Office Supplies			
15240	FARMVILLE HERALD	200 CO ADMR 307	ADVERTISING	180.50
15380	FARMVILLE PRINTING	CO ADMR 307A	COPIES-ZONING ORD	129.52
				310.02 *
				310.02 **
081500	ECONOMIC DEVELOPMENT			
5899	Special Projects			
21830	LUCK STONE CORPORATION	766832	STONE-JAMESTWN PRJCT	519.25
				519.25 *
				519.25 **
094000	CAPITAL PROJECTS			
0018	R R Moton TEA-21 Grant			
32553	WILEY & WILSON	36186	PARKING LOT DESIGN	5,490.00
32553	WILEY & WILSON	36418	PARKING LOT DESIGN	6,710.00
				12,200.00 *
				12,200.00 **
				45,942.66
				45,942.66

Approved at meeting of _____ on _____

Signed _____ Title _____ Date _____

Title

Date

Title

Date



April 10, 2007

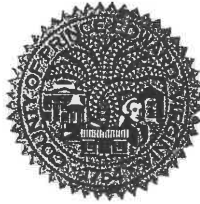
TO: Prince Edward County Board of Supervisors
FROM: Sarah Elam Puckett, Acting County Administrator
SUBJECT: SUPPLEMENTAL INFORMATION – SALE OF POPLAR HILL

On Page 39 of your Board packet is a memorandum from Supervisor Lacy Ward regarding the proposed sale of Poplar Hill. Mr. Ward indicated that he had a number of questions about the sale and asked that representatives of the CDA and Poplar Hill Holdings/Herberton be invited to the April 10th Board meeting.

I have spoken with Norm Krueger, Chairman of the Poplar Hill CDA, and he plans to attend the Board meeting tonight. Unfortunately, representatives of Herberton are out of state and unavailable to be here tonight. See the attached e-mail sent to Sharon Carney on April 5, 2007.

Additionally, enclosed for your review are the documents that were referenced in Mr. Ward's memorandum.

Attachments



COUNTY OF PRINCE EDWARD, VIRGINIA


WWW.CO.PRINCE-EDWARD.VA.US

POST OFFICE BOX 382, FARMVILLE, VA 23901
(434) 392-8837 VOICE • (434) 392-6683 FAX
INFO@CO.PRINCE-EDWARD.VA.US

April 5, 2007

MEMORANDUM

TO: William G. Fore, Jr. Chairman;
Prince Edward County Board of Supervisors;
Sarah Puckett, Interim County Administrator

FROM:  Sharon Lee Carney, Director
Economic Development & Tourism

SUBJECT: Poplar Hill Holdings LLC

As per Mr. Ward's **Memorandum** of April 3, 2007 requesting someone from Poplar Hill Holdings LLC come to the April 10th, 2007 Board of Supervisors Meeting, I extended an invitation by phone on Wednesday afternoon, April 4th. This morning I received Mr. Heffernan's reply (see attached e-mail) stating that he and Mr. Fowler had conflicting engagements on that date out of state and would be unavailable. Mr. Heffernan has requested that if there are any questions regarding their Grant Agreement with the County, to please submit them in writing and they will respond at their earliest opportunity.

Sharon Lee Carney

From: "mheffernan" <mheffernan@herbertongroup.com>
To: <scarney@co.prince-edward.va.us>
Cc: <bfowler@herbertongroup.com>
Sent: Thursday, April 05, 2007 10:11 AM
Attach: image001.png
Subject: County Meeting

Dear Sharon:

This email is in follow up to your call yesterday regarding our attendance at a Prince Edward County board of supervisors meeting next week. Unfortunately both Bob Fowler and I have conflicting engagements April 10, 2007 and will be out of the State.

If there any outstanding questions or enquiries with regard to our development plans for Polar Hill related to our Grant Agreement of March 2007 please provide in writing and we will respond at the earliest opportunity. Please note however, that there have been no material changes that would impact the representations and commitments made to the County Board January 30, 2007 and we are on track for the completion of the various components of our transaction and the development of Poplar Hill as a hospitality and residential destination resort in Prince Edward County, Virginia.

I look forward to your follow up,

Regards,
Michael.

Michael Heffernan
Managing Member,
POPLAR HILL HOLDINGS, LLC
5555 Glenridge Parkway
Suite 200
Atlanta, Georgia 30042

p. +404.459.2595
f. +404.506.9212
e. mheffernan@herbertongroup.com
www.herbertongroup.com

At a regular meeting of the Board of Supervisors of Prince Edward County, Virginia, held on the 5TH day of March, 2007, the following Board of Supervisors members were recorded as present:

PRESENT: Chairman William G. Fore, Jr., Vice-Chairman Howard F. Simpson, Pattie Cooper-Jones, Sally W. Gilfillan, Robert M. Jones, Charles W. McKay, James C. Moore, Lacy B. Ward.

On motion by Mr. Jones, the attached Resolution was adopted by a majority of the members of the Board of Supervisors by a roll call vote, the votes being recorded as follows:

<u>MEMBER</u>	<u>VOTE</u>
Pattie Cooper-Jones	Nay
William G. Fore, Jr.	Aye
Sally W. Gilfillan	Aye
Robert M. Jones	Aye
Charles W. McKay	Aye
James C. Moore	Aye
Howard F. Simpson	Aye
Lacy B. Ward	Nay

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF PRINCE EDWARD, VIRGINIA AGREEING TO
APPROPRIATE CERTAIN INCREMENTAL TAX REVENUES
TO THE INDUSTRIAL DEVELOPMENT AUTHORITY FOR
THE DEVELOPMENT OF THE POPLAR HILL INN &
CONFERENCE CENTER

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Prince Edward, Virginia (the "County") has been presented with a proposal to develop Poplar Hill as a residential, recreational and hospitality complex, including the development of the Poplar Hill Inn & Conference Center (the "Project"); and

WHEREAS, the Board of Supervisors has determined that it is advisable to assist in the development of the Project; and

WHEREAS, the Board of Supervisors has determined that the construction, development and operation of the Project will benefit the County and its residents by providing recreational facilities and additional residential options, increasing the tax base of the County, providing additional employment opportunities, enhancing the economic strength of the County and preserving the character of the historic Poplar Hill site; and

WHEREAS, in consideration of the benefits to the County and its residents, the Board of Supervisors proposes to grant certain incremental tax revenues to the Industrial Development Authority of Prince Edward County, Virginia (the "Authority") pursuant to Section 15.2-953 of the Code of Virginia of 1950, as amended, to be applied to certain costs of developing the Project; and

WHEREAS, the Board of Supervisors proposes to enter into an Economic Development Grant Agreement with the Authority and the developer of the Project (the "Grant Agreement"):

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PRINCE EDWARD, VIRGINIA:


1. Grant of Incremental Tax Revenues. The Board of Supervisors agrees to pay to the Authority, subject to annual appropriation, certain incremental tax revenues generated with respect to the Project as set forth in the Grant Agreement.

2. Authorization of Grant Agreement. The Grant Agreement is approved in substantially the form on file with the County Administrator, with such changes as do not materially adversely affect the County's interests as the County Administrator and the Chairman of the Board of Supervisors, or either of them, shall approve, such approval to be evidenced conclusively by the execution and delivery of the Grant Agreement. The Chairman of the Board of Supervisors and the County Administrator, or either of them, are authorized to execute the Grant Agreement on behalf of the County. Such officers or their designees are authorized to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Grant Agreement.

3. Nature of Obligations. Nothing in this Resolution or the Grant Agreement shall constitute a debt of the County. The County's obligations to make payments pursuant to the Grant Agreement shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors for such purpose. Nothing in this Resolution or the Grant Agreement shall constitute a pledge of the full faith and credit of the County beyond the constitutionally permitted annual appropriations.

4. Effective Date. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of Prince Edward, Virginia, certifies that the foregoing constitutes a true, complete and correct copy of the Resolution adopted at a regular meeting of the Board of Supervisors of the County of Prince Edward, Virginia, held on March 5, 2007.


Clerk, Board of Supervisors, County of Prince
Edward, Virginia

V4425180.3

ECONOMIC DEVELOPMENT GRANT AGREEMENT

This ECONOMIC DEVELOPMENT GRANT AGREEMENT dated as of March 14, 2007 (this "Agreement"), by and among POPLAR HILL HOLDINGS, LLC or an affiliate with at least a majority common ownership or control ("the Developer"), the COUNTY OF PRINCE EDWARD, VIRGINIA (the "County"), and the INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE EDWARD COUNTY, VIRGINIA, (the "Authority").

RECITALS:

The purpose of this Agreement is to describe certain obligations of the Developer and incentives to be provided by the County and the Authority to the Developer in connection with the development of residential, recreational and hospitality facilities in the County, to be known as Poplar Hill, including the development of the Poplar Hill Inn & Conference Center (the "Project").

The County is authorized to execute and deliver this Agreement and to make the grant payments described herein to the Authority pursuant to Section 15.2-953B Code of Virginia of 1950, as amended (the "Virginia Code").

The Authority is authorized to execute and deliver this Agreement fulfill its obligations hereunder pursuant to Sections 15.2-4905(12) and (13) of the Virginia Code.

The County and the Authority anticipate numerous benefits to the County and its residents as a result of the development of the Project, including additional recreational and residential options, increased tax base for the County, additional employment and training opportunities, promotion of tourism, enhanced economic strength of the County and preservation of the character of the historic Poplar Hill site.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

ARTICLE I DEVELOPER'S COMMITMENTS

In consideration of the assistance being provided by the County and the Authority under the terms of this Agreement, the Developer agrees as follows, contingent upon the Developer purchasing or leasing certain land in Prince Edward County, Virginia consisting of approximately 1,020 acres known as Poplar Hill and described on Exhibit A hereto (the "Land"). Should the Developer fail to purchase or lease the Land within one year after the date of this Agreement or should the Developer advise the County and the Authority in writing of its intention to not acquire or lease the Land, the obligations of the County and the Authority under this Agreement shall immediately cease and terminate. For purposes of satisfying the requirements of this paragraph, any lease of the Land shall be for a term of at least 25 years.

1.01. Development of Project.

The Developer agrees to acquire (by lease or purchase), construct, develop and operate or provide for the operation of the following components of the Project:

- (a) recreation component consisting of renovation of the existing 18 holes of golf, approximately 11,500 square feet of clubhouse space, sports club with swimming, tennis, an equestrian center and a nature park with walking, biking and riding trails;
- (b) hospitality component consisting of renovated Manor House with 5 guestroom suites on second and third floors, Poplar Hill Inn & Conference Center with approximately 85 guestrooms, approximately 20 guestrooms on the second floor of the golf clubhouse, approximately 40 hospitality cottages and duplexes, an approximately 16,000 square foot spa and wellness center and an approximately 18,000 square foot conference and training center; and
- (c) residential component consisting of approximately 985 housing units estimated to be constructed over a 17 year period.

Any material changes to the Project components described above shall be made only with the prior written consent of the County. The facilities described in (a) and (b) above shall be substantially completed within 3 years from the date of this Agreement.

1.02. Financing of Project.

The Developer shall provide financing for all components of the Project. Neither the County nor the Authority shall be responsible for issuing any bonds, notes or other financing for the Project. All financing for the Project shall state clearly that such financing is not an obligation of the County or the Authority and neither the County nor the Authority has any obligation for the payment of such financing. Any financing to be repaid from proceeds of the Grant (as defined below in Section 2.01) shall be referred to in this Agreement as the "TIF Financing".

1.03. Application of Grant Proceeds.

The Developer shall use proceeds of the Grant and proceeds of any TIF Financing to pay a portion of the costs of the hospitality component described in Section 1.01 (b) above and shall not use any portion of the Grant or TIF Financing to pay for other Project costs.

1.04. Reporting.

The Developer will provide to the County and the Authority such information as the County or the Authority may reasonably request with respect to the financing, acquisition and construction of the Project, including copies of documentation relating to the TIF Financing and a debt service schedule for the TIF Financing. The Developer will provide the County no less frequently than annually with reports setting forth the amount and purpose of expenditures of Grant proceeds and/or TIF Financing proceeds.

**ARTICLE II
COUNTY'S AND AUTHORITY'S COMMITMENTS**

In consideration of the benefits to the County as a result of the Developer's performance under this Agreement, the County and the Authority agree as follows:

2.01. Grant.

The County agrees to make payments to the Authority (the "Grant") of certain incremental tax revenues (the "Incremental Tax Revenues") as described below on the terms and subject to the limitations set forth in this Agreement:

- (a) 75% of the incremental increase in real estate tax revenues collected with respect to any non-residential portion of the Land in any calendar year in excess of the amount of such taxes collected in calendar year 2007; and
- (b) 75% of the transient occupancy taxes collected in any calendar year from any facilities located in the Poplar Hill Community Development Authority District created by resolution adopted by the Board of Supervisors of the County on June 29, 1999 in excess of the amount of such taxes collected in calendar year 2007.

2.02. Subject to Appropriation.

Payments by the County of the Grant to the Authority shall be subject to annual appropriation by the Board of Supervisors and shall not constitute a debt or general obligation of the County. The County Administrator, or other officer responsible for preparing the County's budget, will include each year in the County's budget an appropriation of the Grant to the Authority; however, payment of the Grant shall be subject to appropriation each fiscal year by the Board of Supervisors.

2.03. Limitation on Amount.

The amount of Grant paid to the Authority shall not exceed the lesser of (i) the Incremental Tax Revenues collected each year during the term of this Agreement or (ii) an aggregate amount sufficient to pay principal of and interest on a TIF Financing in a maximum principal amount of \$4,500,000. Payments of the Grant shall not exceed the amount of Incremental Tax Revenues actually collected by the County.

2.04. Expiration of Grant.

Payment of the Grant shall terminate on the earlier to occur of (i) payment in full of the TIF Financing; or (ii) December 31, 2030.

2.05. Authority's Obligations.

The Authority will apply all amounts received pursuant to this Agreement to the payment of the TIF Financing and the Authority agrees to assign its rights to payment of the Grant to the

lender or trustee for the TIF Financing. The Authority's obligations hereunder shall be limited to amounts paid to it by the County under this Agreement.

ARTICLE III INDEMNIFICATION; PAYMENT OF EXPENSES

The Developer shall indemnify, protect, and save the County, the Authority, and each of their respective officers, directors and employees harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs, and expenses, including reasonable attorneys' fees, arising or resulting directly from the issuance of the TIF Financing. The Developer agrees to pay the costs, fees and expenses of the County and the Authority, including reasonable attorneys' fees, incurred by the County or the Authority in connection with this Agreement and the administration of the Grant. The indemnification arising under this Article III shall survive the termination of this Agreement.

ARTICLE IV TERMINATION OF THE COUNTY'S AND THE AUTHORITY'S OBLIGATIONS

Should any of the following circumstances occur or exist (each an "Event of Default"), the obligation of the County and the Authority to provide the Grant, as described herein, to the Developer shall cease and terminate:

- (a) The Developer fails to substantially complete construction of the Project components described in Section 1.01 (a) and (b) within three years after the date of this Agreement;
- (b) The Developer assigns its rights hereunder without the prior written consent of the County and the Authority; or
- (c) The Developer ceases to operate or cause the Project to be operated substantially as described herein for a period of 12 months.

The provisions of this Article IV are subject to the following limitation: if by reason of *force majeure* the Developer is unable in whole or in part to carry out this Agreement, the Developer shall not be deemed in default during the continuance of such inability. The term "*force majeure*" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the Commonwealth of Virginia or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission lines, pipes or canals; or any other cause or event not reasonably within the control of the Developer.

**ARTICLE V
TERMINATION OF AGREEMENT**

This Agreement shall terminate upon the earlier of (i) payment in full of the TIF Financing or (ii) December 31, 2030.

**ARTICLE VI
ASSIGNMENTS**

No party may sell or assign any interest in or obligation under this Agreement without the prior written consent of all of the parties.

**ARTICLE VII
LIMITED OBLIGATIONS OF THE COUNTY AND THE AUTHORITY**

NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY OR THE AUTHORITY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS A DONATION OR A LENDING OF THE CREDIT OF THE COUNTY OR THE AUTHORITY WITHIN THE MEANING OF THE VIRGINIA CONSTITUTION. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY OR THE AUTHORITY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT SHALL BE IN EFFECT. THE AUTHORITY SHALL BE UNDER NO OBLIGATION TO MAKE ANY PAYMENTS HEREUNDER EXCEPT FROM MONIES PROVIDED TO IT BY THE COUNTY PURSUANT TO THIS AGREEMENT. THE AUTHORITY SHALL BE UNDER NO OBLIGATION TO MAKE ANY INVESTIGATION OR DETERMINATION AS TO ANY MATTERS THAT WOULD CONSTITUTE AN EVENT OF DEFAULT HEREUNDER AND THE AUTHORITY SHALL BE ENTITLED TO RELY ON INSTRUCTIONS PROVIDED BY THE COUNTY AS TO SUCH MATTERS.

**ARTICLE VIII
MISCELLANEOUS**

8.01. Governing Law.

This Agreement shall be governed in all respects by the laws of the Commonwealth of Virginia. Any litigation with respect thereto shall be filed solely in the Circuit Court of Prince Edward County, Virginia. The Developer hereby waives the right, if any, to remove any case to federal court.

8.02. Notices.

- (a) All notices required or permitted to be given pursuant to this Agreement shall be effective only if the same shall be in writing and sent by first class mail with

postage prepaid, return receipt requested, or by a nationally recognized next day courier delivery service, addressed as follows:

If to the Developer:
Poplar Hill Holdings, LLC
5555 Glenridge Connector, Suite 200
Atlanta, GA 30342

If to the County:
111 South Street
Farmville, VA 23901
Attention: County Administrator

If to the Authority:
111 South Street
P. O. Box 382
Farmville, VA 23901
Attention: Chairman

Notice shall be deemed given when deposited with the United States Postal Service by first class mail, postage prepaid or when received, if by next day courier delivery service.

- (b) Any addressee may designate additional or different addresses for communications by notice given under this Section to each other.

8.03. Severability.

If any term, covenant, or condition of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and in lieu of each term, covenant or condition that is found to be invalid or unenforceable, a provision may be added as a part of this Agreement that is mutually agreeable to County the Authority and the Developer and is as similar to the invalid or unenforceable term, covenant or condition as may be possible and be valid and enforceable.

8.04. Waiver.

Any party to this Agreement may waive any right or remedy hereunder, if permitted by law, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement. The failure to enforce any particular provision of this Agreement on any particular occasion shall not be deemed a waiver by either party of any of its rights hereunder, nor shall it be deemed to be a waiver of that party's rights for any subsequent or continuing breach of such provision.

8.05. Liability of Officers and Agents.

No officer, agent, or employee of the County or the Authority shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent, or employee from the performance of any official duty required by law.

8.06. Counterparts.

This Agreement may be executed in several counterparts, including separate counterparts, and each shall constitute the same instrument.


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers, all as of the date above written.

[Signature Pages Follow]

WITNESS the following signatures:

POPLAR HILL HOLDINGS, LLC

By: 
Michael Heffernan, Managing Member

By: 
Robert D. Fowler, Managing Member

COUNTY OF PRINCE EDWARD, VIRGINIA

By: 
Acting County Administrator

APPROVED AS TO FORM:


James R. Ennis, Acting County Attorney

INDUSTRIAL DEVELOPMENT AUTHORITY
OF PRINCE EDWARD COUNTY, VIRGINIA

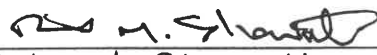
By: 
Robert Showalter, Chairman

EXHIBIT A

DESCRIPTION OF THE LAND

LEASE AGREEMENT

This Lease Agreement is made and entered into on this the 13th day of September, 2006 by and between THE POPLAR HILL COMMUNITY DEVELOPMENT AUTHORITY, PRINCE EDWARD COUNTY, VIRGINIA, a public body politic and corporate and political subdivision of the Commonwealth of Virginia (hereinafter referred to as "Landlord"), and POPLAR HILL HOLDINGS, LLC, a Delaware Limited Liability Company (hereinafter referred to as "Tenant").

SECTION 1. DEMISED PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord for the term and upon the terms and conditions set forth hereinafter in this Lease Agreement the real property described as follows:

A. REAL PROPERTY. Those parcels of land described as Parcel #1 and Parcel "U" on that certain plat of Draper Aden Associates, dated December 12, 2001 and last revised June 7, 2006 commonly known as Poplar Hill Golf Club, including, without limitation, the golf course, clubhouse, all related amenities, all maintenance buildings, golf carts, interest in such land and improvements necessary for the operation of the golf course, all easements, covenants, water rights and other appurtenant rights and interests in such land, and improvements necessary for the operation of the golf course (hereinafter referred to as "the real property").

B. PERSONAL PROPERTY. All equipment, furnishings, machinery, golf carts, and vehicles utilized in the operation of the demised premises, including that personal property described in Exhibit A, which is attached to this Lease Agreement and incorporated into this Lease Agreement as if fully set forth herein *verbatim* (hereinafter referred to as "the personal property"). The real property, personal property, and maintenance facility are referred to collectively as the "leased premises" or alternately as the "demised premises."

C. WATER RIGHTS. All water rights, riparian rights, appropriation rights, water allocations, and water stock, including, without limitation, all of Landlord's rights and interest as those may exist extending to the real property owned by the County of Prince Edward, Virginia.

SECTION 2. USE OF DEMISED PREMISES

A. USE. Tenant shall use the demised premises for the operation of a golf course and for other activities customarily associated with or incidental to the operation of a golf course, including, without limitation, sale or rental of golf-related merchandise at a golf professional shop, furnishing of lessons by a golf professional, operation of a driving range, and sales of food and beverages, including liquor sales. Tenant shall not use the demised premises for any unlawful purpose and shall comply with all laws, rules, and regulations applicable to the demised premises or the businesses conducted on the demised premises.

B. TENANT'S RIGHT TO CONTROL BUSINESS OPERATIONS. Except as specifically set forth hereinafter in Section 2 B of this Lease Agreement, after, Tenant shall have

the exclusive right and authority to operate and manage the leased premises as Tenant deems appropriate. Without limiting the foregoing, (a) Tenant shall have the right to implement all policies and procedures and to perform any act deemed necessary or desirable for the operation and management of the leased premises; (b) Tenant shall have the right to determine all green fees, cart fees, driving range fees, and all other charges associated with the operation of the leased premises; and (c) Tenant shall have the right to determine all personnel requirements, recruitment schedules, and compensation levels and shall employ, train, promote, discharge and supervise all personnel performing services in and about the leased premises.

(1) **NOTIFICATION OF VENDORS OF TENANT'S ASSUMPTION OF GOLF COURSE OPERATIONS.** Immediately upon the activation of this Lease Agreement, Landlord and Tenant shall jointly deliver written notification to all vendors with whom Landlord has a business relationship apprising said vendors that Tenant shall be held solely responsible for any and all expenses incurred after such activation date as a result of the operation and maintenance of the golf course.

SECTION 3. QUIET ENJOYMENT. Subject only to the terms of this Lease Agreement, so long as Tenant complies with its obligations set forth hereunder, Landlord shall secure to Tenant the quiet and peaceful enjoyment of the demised premises and the sole and exclusive possession of the demised premises without objection or interference from Landlord or any party claiming under Landlord.

SECTION 4. TERM. The term of this Lease Agreement shall be for a period of ninety-nine (99) years and shall commence on the date upon which Tenant delivers written notice to the Landlord (the "Activation Date"). In the event the Tenant does not deliver written notice of activation within ~~six (6)~~ months from the date of this Lease, this Lease Agreement shall terminate.

*eight (8) amended by action taken by CD# Board
on January 10, 2001*

SECTION 5. RENT. In consideration of Landlord executing this Lease Agreement and granting the rights provided herein, Tenant shall pay to Landlord, at the address listed for Landlord in Section 21 E hereinbelow, an annual rent in the amount of one dollar (\$1.00). Additionally, in consideration of Landlord executing this Lease Agreement and granting the rights provided herein, Tenant shall assume all payments owed on Landlord's debt on the golf course for the entirety of the lease term and shall assume payments on all operational leases (equipment, the golf cart fleet, pro shop, etc.) for the entirety of the lease term.

SECTION 6. TAXES.

A. DEFINITION OF REAL PROPERTY TAXES. The term "real property taxes" as used herein shall mean any fee, assessment, license fee, commercial rental tax, penalty, or tax imposed by any taxing authority against the demised premises. However, the term "real property

taxes" shall not include any special assessment imposed against the demised premises for improvements made in connection with the construction on the demised premises or any adjacent property owned by Landlord or any affiliate of Landlord, any tax imposed upon this transaction or based upon a reassessment of the demised premises due to a change of ownership or other transfer of all or part of Landlord's interest in the demised premises or Landlord's federal or state income, franchise, inheritance, or estate taxes.

B. REAL PROPERTY TAXES. Tenant shall be solely responsible for and shall pay when due all real property taxes assessed against the demised premises during the term of this lease, prior to delinquency (except in the case of contests of such taxation made in good faith). Upon final determination of the real property tax liability after a tax contest, Tenant shall, within fifteen (15) days of such final determination, pay the amount of real property taxes owed. Tenant shall forward proof of payment of all real estate taxes to Landlord annually and within fifteen (15) days after payment of such taxes by Tenant. Landlord shall pay its *pro rata* share of real property taxes for the period prior to the commencement of the lease term.

C. OTHER TAXES. Tenant shall be held solely responsible for and shall pay when due all taxes, license fees, or other governmental charges assessed or imposed on the personal property owned by Tenant located on the demised premises or upon the business operations of Tenant conducted on the demised premises, but Tenant's responsibility pursuant to this Section 7 shall not include any extraordinary charges or one-time assessments.

SECTION 7. TENANT'S RESPONSIBILITY FOR OPERATIONAL EXPENSES.

Tenant shall be held solely responsible and shall be charged with all operational costs incurred from the Activation Date until the end of this lease term as a result of operating and maintaining the Poplar Hill Golf Course.

SECTION 8. UTILITIES. The parties acknowledge and agree that the payment of utilities by Landlord and reimbursement of same by Tenant is addressed in Section 7 hereinabove.

SECTION 9. PRORATION OF INCOME AND EXPENSES. Landlord and Tenant acknowledge and agree that the following items have been fairly and equitably prorated between the parties hereto:

- Tenant shall pay to Landlord a sum for operational expenses previously posted to Landlord's general ledger.
- Tenant shall pay to Landlord a sum equal to invoices received prior to the Activation Date but not yet posted by Landlord.

- Tenant shall pay to Landlord a sum equal to the fair market value of items relinquished to Tenant on the Activation Date as inventory in the golf pro shop and in the maintenance buildings.

The above-referenced three (3) bulleted items shall be paid by Tenant to Landlord on the Activation Date.

SECTION 10. CAPITAL IMPROVEMENTS.

A. CAPITAL IMPROVEMENTS GENERALLY. During the term of this lease, Tenant shall, subject to the provisions of Section 2 B, but otherwise with Landlord's written consent, which consent shall not be withheld unreasonably, construct at Tenant's sole expense such alterations, additions, and improvements as Tenant shall deem necessary and appropriate. In constructing said improvements, Tenant may find it necessary at times to temporarily close portions of the golf course being operated on the demised premises.

B. OWNERSHIP OF IMPROVEMENTS; NO LIENS. During the lease term, all improvements shall be the property of Tenant. All improvements shall become the property of Landlord upon the termination of this lease unless otherwise agreed by Landlord in writing. Tenant shall not have the right to create or permit the creation of any lien attaching to Landlord's interest in the leased premises as a result of construction or any improvements. Additionally, Landlord, its agents, employees, servants, entities, or affiliated entities shall be prohibited from executing any loan made to Tenant as a guarantor of said loan.

SECTION 11. MAINTENANCE AND REPAIRS.

A. TENANT'S OBLIGATIONS. Tenant assumes sole responsibility for maintenance and repair of the demised premises, and Tenant shall maintain the demised premises in good order and in a sanitary and safe condition at Tenant's sole expense, consistent with the customary golf management practices as those which have been employed at Poplar Hill Golf Club during the year immediately prior to the lease term. In addition, subject to Landlord's obligation to deliver the demised premises in compliance with all laws as defined below and as provided in Section 11 B. Tenant shall keep and maintain the demised premises in compliance with all laws during the lease term. Upon the expiration or sooner termination of this lease, Tenant shall return the demised premises to Landlord in as good a condition as that which existed at the commencement of the lease term.

B. TENANT'S ACCEPTANCE OF DEMISED PREMISES AND ACKNOWLEDGEMENT OF CODE COMPLIANCE. Tenant acknowledges that it has conducted a thorough inspection of the demised premises and that Tenant is eminently familiar with same. Landlord and Tenant expressly agree that the demised premises are in compliance with all applicable federal, state, and local governmental laws, codes, ordinances, and regulations, including, without limitation, the Americans with Disabilities Act and all building,

plumbing, electrical, heating, ventilating, air conditioning, fire, health, environmental (*i.e.*, laws relating to hazardous and toxic waste and substances), and safety and zoning codes. To the extent it is determined following execution of this Lease Agreement that the demised premises were, in fact, not in compliance with all applicable laws as of the date of execution of this Lease Agreement, Tenant shall, at Tenant's option, have the right to terminate this Lease Agreement or assume sole financial responsibility for take all necessary steps to bring the demised premises into compliance with all laws.

SECTION 12. LANDLORD'S COOPERATION. Landlord recognizes and acknowledges that Tenant will require the assistance and cooperation of Landlord in order to properly perform and fulfill Tenant's covenants and obligations hereunder. However, Landlord's assistance shall not include the execution of any loan made to Tenant as a guarantor of said loan by Landlord, Landlord agrees that it shall use its best efforts to secure for Tenant, with Tenant's assistance as needed, all permits or licenses that are required in order for Tenant to fulfill its obligations under this Lease Agreement. Landlord further agrees that it shall designate a specific officer or agent having appropriate experience and authority whose responsibility it is to work with Tenant in assuring that Tenant obtains the full cooperation and assistance of Landlord, subject to the terms of this Lease Agreement and of all applicable laws.

SECTION 13. INSURANCE. Tenant shall obtain and maintain the following types of insurance coverage relating to the leased premises and to Tenant's operations of the leased premises at all times throughout the lease term:

A. LIABILITY INSURANCE. Tenant shall maintain, at Tenant's sole expense, a policy or policies of comprehensive general liability insurance, with coverage of not less than one million dollars (\$1,000,000.00) combined single limit for bodily injury and property damage. Landlord shall be named as an additional insured on all such liability insurance policies. Tenant shall provide proof of insurance coverage within ten (10) days from the date of execution of this Lease Agreement. Further, Tenant shall provide to Landlord proof of continued liability insurance coverage covering the period of time for which each insurance premium is paid by Tenant.

B. WORKERS' COMPENSATION INSURANCE. Tenant shall maintain, at Tenant's sole expense, a policy or policies of workers' compensation insurance in compliance with applicable Virginia law. Landlord shall be named as an additional employer on all such workers' compensation insurance policies. Tenant shall provide proof of workers' compensation insurance coverage within ten (10) days from the date of execution of this Lease Agreement. Further, Tenant shall provide to Landlord proof of continued workers' compensation insurance coverage covering the period of time for which each insurance premium is paid by Tenant.

C. FIRE AND CASUALTY INSURANCE. Tenant shall maintain, at Tenant's sole expense, a standard form policy or policies of fire and casualty insurance on the following buildings and personal property and in the following amounts: (1) maintenance building and

contents to be valued at _____ thousand dollars (\$____,000.00); (2) irrigation system, including pump and pump house; and (3) all golf course equipment and golf cart fleet as set forth and valued on Exhibit C attached hereto and incorporated herein by reference as is fully set forth *verbatim*. All of the foregoing shall be insured with coverage limits not less than the full replacement cost of each enumerated item. Tenant shall maintain insurance coverage on, or otherwise assume sole financial liability for, the personal property, furnishings, and equipment owned by Tenant. Tenant shall provide proof of fire and casualty insurance coverage within ten (10) days from the date of execution of this Lease Agreement. Further, Tenant shall provide to Landlord proof of continued fire and casualty insurance coverage covering the period of time for which each insurance premium is paid by Tenant.

SECTION 14. INDEMNITY.

A. TENANT'S INDEMNITY. Tenant shall indemnify, protect, defend, and hold Landlord, its agents, employees, servants, entities, or affiliated entities harmless from any and all claims, demands, causes of action, and liability resulting from injury to persons or damage to property sustained on or about the leased premises and arising from Tenant's operations or as a proximate result of the acts or omissions of Tenant or its employees or agents. However, the foregoing indemnity does not apply to any such liability as may be the result of the direct and proximate negligence or willful misconduct of Landlord or Landlord's employees or agents.

B. LANDLORD'S INDEMNITY. Landlord shall indemnify, protect, defend, and hold harmless Tenant and its owners, officers, directors, shareholders, and employees from and against any and all claims, demands, causes of action, and liability resulting from any of the following:

(1) Any event, condition, or activity occurring or existing prior to the date of execution of this Lease Agreement;

(2) Landlord's performance of, or failure to perform its obligations, under any labor or employment condition or situation occurring or existing prior to the date of execution of this Lease Agreement;

(3) The presence in, on, under, or about the leased premises, or the escape, seepage, leakage, spillage, discharge, emission, or release, of any hazardous materials, toxic substances, or petroleum products (as defined or regulated under any and all applicable state and federal laws) from or through the leased premises prior to the execution of this Lease Agreement. It is expressly understood and acknowledged that Landlord's indemnity of Tenant shall include, without limitation, any and all costs of any required or necessary repair, clean-up, remediation, or decontamination of the leased premises and the preparation and implementation of any closure, remedial, or other required plans;

(4) Any act or omission constituting negligence or willful misconduct on the part of Landlord's employees or agents;

(5) Any pending or threatened claims, actions, litigation, proceedings, or governmental investigations as of the date of execution of this Lease Agreement; and

(6) Any and all federal, state, and county taxes, assessments, penalties, and other charges (including, without limitation, sales tax) relating to the leased premises or the use or operation thereof during the period of time preceding the lease term.

SECTION 15. DAMAGE AND RESTORATION. If the buildings or other improvements on the demised premises or the personal property leased hereunder should be damaged by fire or other casualty or a *force majeure* event, then Tenant shall, subject to the availability of insurance proceeds (it being understood and acknowledged that Tenant shall have no obligation to repair or restore any portion of the demised premises if insurance proceeds are not available to restore fully and completely the same), restore the buildings, improvements, and personal property in a good and workmanlike manner and to a condition as good or better than that in which the buildings, improvements, and personal property existed prior to their damage or deconstruction. All insurance proceeds paid in connection with any casualty at the demised premises shall be utilized by Landlord and Tenant for repair and restoration of the demised premises.

SECTION 16. EMINENT DOMAIN.

A. TOTAL TAKING. If, at any time during the lease term, use of all or a material portion of the demised premises shall be taken by condemnation or by right of eminent domain, this lease shall terminate on the date of such taking, and all rental payments already made shall be apportioned as of the date of the taking. For purposes of this Section 16, a "material portion" shall be deemed to have been taken if the remaining portion cannot economically be used by Tenant, in Tenant's reasonable judgment, in the manner in which the demised premises were used prior to such taking.

B. PARTIAL TAKING. In the event that use of less than all or a material portion of the demised premises is taken by condemnation or by right of eminent domain, this Lease Agreement shall not terminate, but the minimum rent due during the remainder of the lease term shall be reduced as of the date of such partial taking in a portion to the reduction in the gross revenues of the demised premises attributable to such partial taking.

C. CONDEMNATION AWARD. If there is a taking by right of eminent domain, the award shall belong to and be paid to Landlord, except that Tenant shall receive from the award the following: (1) a sum attributable to the value of Tenant's leasehold estate, including improvements, and (2) a sum attributable to Tenant's loss of good will.

SECTION 17. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

A. POWER AND AUTHORITY. Landlord hereby represents and warrants that it has the requisite right, power, legal capacity, and authority to enter into this Lease Agreement and to fully perform each and all of its obligations hereunder. Tenant hereby represents and warrants that it has the requisite right, power, legal capacity, and authority to enter into this Lease Agreement and to fully perform each and all of its obligations hereunder.

B. NO CONFLICT. Landlord represents that neither this Lease Agreement nor the consummation of the transactions contemplated by this Lease Agreement will result in a breach or constitute a default under any other agreement, commitment, or obligation to which Landlord or the demised premises is bound, nor will it violate any law, rule, regulation, restriction, judicial or administrative order, or judgment or decree applicable to Landlord or the demised premises. Tenant represents and warrants that neither this Lease Agreement nor the consummation of the transactions contemplated by this Lease Agreement will result in a breach of or constitute a default under any other agreement, commitment, or obligation to which Tenant is bound, nor will it violate any law, rule, regulation, restriction, judicial or administrative order, or judgment or decree applicable to Tenant.

C. ENCUMBRANCES. Landlord shall not (1) grant any easements, rights-of-way, licenses, or other similar rights; (2) convey or dedicate to the public all or any portion of the demised premises; or (3) consent to the demised premises being included as part of an assessment district; or (4) encumber, lien, or mortgage its fee simple interest in the demised premises, in each case without first obtaining Tenant's prior written consent, which consent shall be granted or withheld in Tenant's sole discretion. Tenant acknowledges and consents to the existing mortgage liens granted by Landlord in favor of Manufacturers and Traders Trust Company. Landlord shall be responsible for the monthly installments due under the loans secured by said mortgages and covenants to perform all of its obligations under such mortgages, loans, and all other loan documents executed in connection with the loans secured by such mortgages. Landlord represents that Landlord's execution of this Lease Agreement does not constitute a default under such mortgages.

D. TITLE TO PREMISES; SUBDIVISION. Except as set forth in Section 17 C above, Landlord hereby represents and warrants that it has good and marketable title to the demised premises, free and clear of all monetary liens and encumbrances.

E. NO THIRD PARTY RIGHTS. Landlord hereby represents and warrants that no third party has any right or interest in the demised premises that would interfere with Tenant's use and operation of the demised premises. Landlord has obtained all necessary approvals from non-governmental third parties in order to enter into this Lease Agreement.

F. NO HAZARDOUS MATERIALS. Landlord hereby represents and warrants that there has been no production, generation, treatment, collection, disposal, discharge, or storage on the demised premises or in any ground water or aquifer below the surface of the demised premises by Landlord, or to Landlord's best knowledge by any prior owner or occupant of the demised premises or any other person, of any hazardous or toxic substance, material, or waste in

violation of any applicable federal, state, or local environmental laws, ordinances, restrictions, licenses, or regulations, including, but not limited to, the Federal Water Pollution Control Act, codified at 33 U.S.C. § 1251, *et seq.*; Resource Conservation and Recovery Act, codified at 42 U.S.C. § 6901, *et seq.*; Safe Drinking Water Act, codified at 42 U.S.C. § 3000(f), *et seq.*; Toxic Substances Control Act, codified at 15 U.S.C. § 2601, *et seq.*; Clean Air Act, codified at 42 U.S.C. § 7401, *et seq.*; Comprehensive Environmental Response, Compensation and Liability Act, codified at 42 U.S.C. §9601, *et seq.*; and other similar statutes of the State of Tennessee and the County of DeKalb; with the express exception of those substances which may be considered hazardous or toxic substances, material, or waste under applicable federal, state, and/or local laws, ordinances, etc. that are used in the ordinary operation of a golf course. Landlord has not received any notices from any governmental agency or other third party regarding the existence of any hazardous or toxic substances, material, or waste on the leased premises or in the improvements thereon or requiring the removal, clean-up, or remediation of any environmental condition relating to the leased premises. As used herein, the terms "toxic" or "hazardous" wastes, substances, or materials shall include, without limitation, all those so designated and all those in any way regulated by any of the above-referenced laws or regulations or any other present or future environmental or other similar laws or regulations.

G. TERMINATION OF CONTRACTS. Landlord has terminated, effective prior to the commencement of the lease term, all contracts and agreements pertaining to the leased premises.

I. CONDITION OF LEASED PREMISES. Landlord represents and warrants, to the best of its knowledge, that there are no structural defects in the buildings, irrigation system, fixtures, or other improvements constituting any part of the leased premises. All such improvements were designed and constructed in a manner compatible with the soil condition of the leased premises. Landlord further represents and warrants that the heating, ventilating, air conditioning, electrical, plumbing, and other systems located at the leased premises are in good and proper working order.

J. NO LITIGATION OR REASSESSMENT. Landlord represents and warrants that there is no claim, action, litigation, arbitration, or other proceeding pending or, to the best of Landlord's knowledge, threatened against Landlord which relates to the leased premises or the transaction contemplated hereby or which could result in the imposition of a lien against the leased premises. If Landlord receives notice of any such claim, litigation, or proceeding prior to the lease term, Landlord shall promptly notify Tenant of the same in writing. In addition, Landlord represents and warrants that Landlord has no knowledge of any proposed reassessment of the leased premises by the local taxing agencies and has no knowledge that there is any pending or threatened special assessment district or action which would increase real property taxes or assessments against the leased premises except those typical and customary assessments which occur in the ordinary course.

K. NO VIOLATIONS OF LAW. Landlord represents and acknowledges that neither the demised premises nor Landlord is in violation of, and Landlord has not received any notice of

violation of, any law, ordinance, regulation, order, or requirement applicable to the demised premises, including, without limitation, requirements imposed under any recorded covenants, conditions, restrictions, easements, or other rights affecting the demised premises. If Landlord receives such a notice at any time, either prior to after the commencement of the lease term, Landlord shall immediately notify Tenant in writing.

L. **CORRECT AND COMPLETE DOCUMENTATION.** All of the documents delivered by Landlord to Tenant in connection with this Lease Agreement are true, correct, and complete.

SECTION 18. FRUSTRATION OF PURPOSE. At any time during the lease term, if the governing body of any political subdivision having competent jurisdiction over the demised premises should enact any valid zoning ordinance, law, or regulation which prohibits the use of the whole or a substantial part of the demised premises for the purposes as provided in Section 2 of this Lease Agreement, or if an event of *force majeure* occurs, including, without limitation, declared or undeclared war, sabotage, riot or other acts of civil disobedience, acts or omissions of government, labor disputes, shortages of fuel or other materials, accidents, fires, tornadoes, explosions, floods, earthquakes, or other acts of God, which substantially prevents Tenant's use of the demised premises as provided for in Section 2 of this Lease Agreement, it is agreed that Tenant may elect, within one hundred twenty (120) days after the effective date of such ordinance, law, regulation, or the occurrence of the event of *force majeure*, to cancel this Lease Agreement and surrender possession of the demised premises. Any such cancellation and surrender will act to release and discharge Tenant from any further obligation under this Lease Agreement. In addition, it is agreed that during the period of any *force majeure* event, Landlord and Tenant shall be excused from performing their respective obligations under this Lease Agreement whether or not Tenant exercises its right to terminate as provided herein.

SECTION 19. ASSIGNMENT. Except as otherwise provided below, Tenant shall not assign this lease or sublet all of the demised premises without the prior written consent of Landlord. Tenant shall notify Landlord of any proposed assignment or subletting at least thirty (30) days prior to the proposed effective date of such assignment or subletting. In the event that any such assignment or subletting is approved by Landlord in writing, Landlord shall thereafter release Tenant from liability under this Lease Agreement. Landlord's consent shall not be required for any assignment or sublease of all or any portion of Tenant's interest in this lease to any individual or corporation, partnership, or other entity which controls, is controlled by, or is under common control with, Tenant, *i.e.*, Tenant's affiliate. In such case, any Tenant's affiliate shall assume in writing all of Tenant's obligations under this Lease Agreement, but Tenant shall remain liable for all obligations of the Tenant hereunder, unless Landlord agrees, in writing, to release Tenant from such obligations. Notwithstanding the foregoing, Tenant shall be permitted to enter into subleases or concession agreements for the operation of the pro shop, food and beverage services, and other related activities at the demised premises, and such subleases and/or concession agreements shall not be considered assignments for purposes of this Section 19.

SECTION 20. BREACH AN REMEDIES. Notwithstanding the provisions of Section 7 hereinabove, the following additional conditions will constitute a breach of this Lease Agreement and a default thereunder:

A. CONDITIONS OF DEFAULT.

(1) If Tenant shall fail to pay rent to Landlord and Tenant fails to pay such rent within ten (10) days after written notice from Landlord to Tenant of such monetary default.

(2) If either party shall fail to perform any of its other non-monetary obligations under this lease when due or called for, and the party in default fails to cure such non-monetary default within thirty (30) days after written notice from the non-defaulting party of such non-monetary default; provided, however, that if the nature of the non-monetary default is of a nature such that it cannot be fully cured within that thirty-day period, the party in default shall have such an additional time as is reasonably necessary to cure the default so long as the party in default is proceeding diligently to complete the necessary cure after service of notice by the non-defaulting party.

B. REMEDIES.

(1) If any of the conditions identified in Section 20 A above should occur and the party in default does not cure the default, the non-defaulting party may elect to terminate this Lease Agreement immediately and to seek all remedies available to the non-defaulting party in law and in equity. The parties agree to use commercially reasonable efforts to mitigate damages caused by a breach by the other party of its obligations hereunder.

(2) If either party at any time by reason of the other party's default pays any sum or does any act that requires payment of any sum, the sum paid by the non-defaulting party shall be immediately due and owing by the defaulting party to the non-defaulting party at the time the sum is paid, and if paid at a later date shall bear interest at the rate of ten percent (10%) *per annum* from the date the sum is paid by the non-defaulting party until the non-defaulting party is reimbursed by the defaulting party.

(3) If either Landlord or Tenant should bring an action in a court of law or equity to enforce any of its rights or remedies under this Lease Agreement, both parties agree that the prevailing party in any such litigation shall be entitled to a recovery of reasonable attorney fees, litigation tax and costs of the cause, prejudgment and post-judgment interest, and all other costs incurred on account of such litigation.

SECTION 21. MISCELLANEOUS PROVISIONS.

A. WAIVER. Waiver by either Landlord or Tenant of any breach by the other of any covenant, condition, or obligation contained in this Lease Agreement or failure by either

Landlord or Tenant to exercise any right or remedy in respect of any such breach shall not constitute a waiver of any such breach or of any subsequent breach of any covenant, condition, or obligation, nor bar any right or remedy of Landlord or Tenant in respect of any such subsequent breach.

B. TIME IS OF THE ESSENCE. Time is declared to be of the essence with respect to the performance or observance of each of the obligations, covenants, and agreements hereunder.

C. BROKERS. Landlord and Tenant represent to each other that they are not obligated to any brokers or finders in connection with this Lease Agreement, and each party agrees to defend, indemnify, and hold the other harmless from any claim, suit, or demand made upon the other by any person, firm, or corporation for brokerage fees or commission or other similar compensation with respect to this Lease Agreement.

D. FURTHER ASSURANCES. Landlord and Tenant agree that at any time or from time to time after the execution of this Lease Agreement, they shall, upon request of the other, execute and deliver such further documents and do such further acts and things as may be reasonably requested in order to fully effect the purposes of this Lease Agreement. However, at no time shall Landlord, its agents, employees, servants, entities, or affiliated entities execute any loan made to Tenant as a guarantor of said loan.

E. NOTICES AND ADDRESSES. All notices, demands, requests, or replies provided for or permitted by this Lease Agreement shall be in writing and may be delivered by any one of the following methods: (1) by personal delivery with receipt acknowledged in writing; (2) by deposit with the United States Postal Service as certified or registered mail, return receipt requested, postage prepaid to the addresses stated below; or (3) by deposit with an overnight express delivery service with receipt acknowledged in writing. Notice deposited with the United States Postal Service in the manner described above shall be deemed effective when deposited with the United States Postal Service. Notice by overnight express delivery service shall be effective one (1) business day after deposit with the express delivery service. Notice by personal delivery shall be deemed effective at the time of personal delivery. Notice also may be given by mean of electronic facsimile transmission (fax); provided, however, that in order for a fax notice to be deemed effective, the party giving notice by fax shall provide a "hard copy" of the fax notice thereafter to the other party pursuant to one of the three (3) methods of "hard copy" delivery specified in this Section 21 E. All notices to Landlord shall be delivered in duplicate pursuant to one of the three (3) methods set forth hereinabove to each of the following persons and addresses:

All notices to Tenant shall be delivered pursuant to one of the three (3) methods set forth hereinabove to Poplar Hill Holdings, LLC, whose address is P.O. Box 6347, Harrisburg, Pennsylvania 17112; fax number: (717) 657-5456. Each party shall have the right to designate a different address or addresses within the United States of America by the giving of notice in conformity with this Section 21 E.

F. NO JOINT VENTURE. Nothing contained in this Lease Agreement shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent, a partnership, or a joint venture between Landlord and Tenant. It is understood and agreed that neither any provision contained in this Lease Agreement nor any acts of Landlord or Tenant shall be deemed to create any relationship between Landlord and Tenant other than the relationship of Landlord and Tenant.

G. EXHIBITS. The exhibits referred to hereinbelow and attached to this Lease Agreement are incorporated herein as if set forth *verbatim*.

Exhibit "A" - Schedule Personal Property

Exhibit "B" - List of Scheduled Tournaments

Exhibit "C" - Poplar Hill Equipment List

Exhibit "D" - Poplar Hill Chemical Application

Exhibit "E" - Maintenance List for Poplar Hill Golf Course 2006

Exhibit "F" - Sales History by Customer

Exhibit "G" - List of Persons with Founder Memberships

J. FOUNDER MEMBERS. Attached hereto as Exhibit G is an extant list of those persons to whom Tenant shall accord founders memberships. Exhibit G is incorporated into this Lease Agreement as if fully set forth herein *verbatim*.

K. TENANT'S OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL. Tenant shall have the option to purchase from Landlord all that certain parcel of land utilized as an eighteen-hole golf course upon assumption of the Landlord's outstanding indebtedness. Tenant's option to purchase shall be exercisable by at any time during the term of this Lease Agreement upon 15 days written notice to the Landlord.

L. CAPTIONS. The captions utilized in this Lease Agreement are included solely for the convenience of the parties and are not intended to be taken into consideration in any construction or interpretation of this Lease Agreement or any provisions therein.

K. ENTIRE AGREEMENT. This Lease Agreement contains all of the agreements of the parties with respect to the matters covered by this Lease Agreement, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated into this Lease Agreement. The provisions of this Lease Agreement shall not be amended or altered in any manner except by an agreement in writing signed by both of the parties.

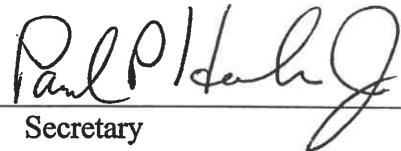
M. GOVERNING LAW; PARTIAL INVALIDITY. This Lease Agreement and the rights and liabilities of the parties to this Agreement shall be governed by the laws of the Commonwealth of Virginia. Any litigation brought by either party to enforce any provision of this Lease Agreement shall be brought in the courts of law or equity in Prince Edward County, Virginia, said county being the place of execution of this Lease Agreement. If any term or provision of this Lease Agreement or application of this Lease Agreement to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected by such invalidity or unenforceability, and each term and provision of this Lease Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, this Lease Agreement has been executed as of the date set forth above.

LANDLORD:

THE POPLAR HILL COMMUNITY
DEVELOPMENT AUTHORITY, PRINCE
EDWARD COUNTY, VIRGINIA

By: 
(Vice) Chairman


Secretary

TENANT:

POPLAR HILL HOLDINGS, LLC

By: 
Managing Member



November 8, 2006

TO: Prince Edward County Board of Supervisors
FROM: Sarah Elam Puckett, Acting County Administrator
SUBJECT: Personnel Committee Recommendations

The Personnel Committee met on April 5, 2007. Committee Members Present: Howard Simpson, Pattie Cooper-Jones, Sally Gilfillan, and James Moore. Also Present: Sarah Elam Puckett, Acting County Administrator.

A summary of the Committee's agenda and the Committee's recommendations to the Board are as follows:

1. The Committee reviewed the FY 07-08 Personnel Complement, which includes a proposed 3.2% salary increase for all county employees, based on a Consumer Price Index increase of 3.2%. Salaries for specific Compensation Board funded positions receiving extraordinary state increases were also reviewed. A new part-time and a part-time to full-time position have been requested in the Office of Economic Development. The Committee had a discussion concerning the costs of staffing the Cannery as part-time vs. full-time. The Committee reviewed salaries for the deviation of Social Services from the state personnel policy.

Board Recommendations:

- Review and discuss the future of the cannery's operations and salary structure as part of the FY 07-08 Budget process.
2. The Committee discussed the proposed amendments to Section 1.4(A) 3, Section 4.10(B) 2, and Section 4.10(B) 4 of the County Personnel Policy that were referred to the Committee by the Board of Supervisors and makes the following recommendations to the Board:

Board Recommendations: (proposed new wording for these sections of the personnel policy)

Section 1.4(A) 3 Employees specifically exempted by actions of the Prince Edward County Board of Supervisors, including the County Administrator.

Section 4.10(B) 2 Non-exempt employees who work approved overtime shall receive compensatory time off at the rate of one and one-half (1½) for each hour worked. The maximum accrual of compensatory time shall be 40 hours.

Section 4.10(B) 4 Department directors shall take all necessary actions to allow employees to use their accrued compensatory time. Department directors are also responsible for ensuring that an employee under his/her supervision does not accrue more than 40 hours of compensatory time.

- The new County Administrator should be asked to establish an organizational chart for County employees for approval by the Board of Supervisors.
 - Compensatory leave balances will be reviewed by the Personnel Committee again in December.
3. The Committee was briefed by the Acting County Administrator concerning a verbal request by Piedmont ASAP to provide fiscal agent services. A request in writing has been requested.

Board Recommendations:

- The Board should consider instating a fiscal agent fee policy for services provided by the County to outside agencies. The Acting County Administrator will research through the Virginia Institute of Government policies used by other counties.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

P. O. BOX 11649

LYNCHBURG, VIRGINIA 24506

DAVID S. EKERN, P.E.
COMMISSIONER

April 6, 2007

J. A. Clarey
Southern Sales
P. O. Box 872
Roanoke Rapids, NC 27870

Certified Mail / Return Receipt

RE: Commercial Entrance to Southern Trailer Sales
Route 460 WBL, .1mi. east of Norfolk & Southern Overpass
Prince Edward County

Dear Mr. Clarey:

I met with you at the above location on March 23, 2007. You were informed that you had 10 days in which to obtain a Land Use Permit to upgrade your entrance to current commercial standards as outlined in the *Minimum Standards of Entrances to State Highways*.

As of Friday, April 6, 2007 no permit application has been received by the Dillwyn Residency Office to upgrade the entrance up to current commercial standards.

Upon official notification that you have received this letter VDOT will schedule to have this entrance closed. Mr. Leatherwood feels that The Department has been more than generous in trying to work with you to see this entrance meets *the Minimum Standards of Entrances to State Highways*.

Jim Clarey
April 6, 2007
Page 2

Please contact me at 434-983-2017 if you have any questions or concerns regarding this matter.

Yours truly,



C. Daryl Edwards
Permit & Subdivision Specialist

CDE/jcf

cc: W. A. Leatherwood
Jonathan Pickett
Sarah Elam Puckett
James R. Ennis



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000

DAVID S. EKERN, P.E.
COMMISSIONER

April 6, 2007

County Administrators

Dear County Administrator,

Over the last year the Virginia Department of Transportation has been working on a cooperative project with Stafford County and James City County to identify and analyze opportunities which exist for counties through the current devolution statute (Virginia Code Section 33.1-84.1) and to outline key considerations associated with any devolution option. This effort has resulted in the *Guide to County Assumption of Secondary Roads (Devolution Guidebook)* and a companion computer model, *Feasibility Model for Secondary System Assumption by Virginia Counties*.

The *Devolution Guidebook* explores many issues that a county may want to consider as it examines opportunities offered through the devolution process. The Guidebook assesses a range of options; from assumption of only one portion of the program, such as construction or maintenance; to taking on full responsibility and operational ownership of the secondary road system in the county. The accompanying *Model* allows a county to simulate various scenarios in order to determine programmatic costs for any or all of the devolution options as well as program delivery options. It is important to note that the Model offers a projection of county costs based on specific criteria but does not specifically represent payments that a county might receive.

The *Devolution Guidebook* and *Model* are valuable tools and can be accessed and downloaded through the Local Assistance Division *Devolution* web page which can be found at www.virginiadot.org/business/local-assistance.asp under "Recent Updates."

In addition to the *Devolution Guidebook* and *Model*, our consultant for this effort has agreed to offer any interested county additional consultation on the use of the model. Further information on how to access these services from the consultant is also available on the website.

Should you or your staff have any questions, please feel free to contact your local Residency office or Bernie Schmelz (804-786-2595) of my staff. We hope that you and your Board of Supervisors find this effort as interesting and exciting as we have and find these tools useful as you evaluate your options.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Estes".

Michael A. Estes, P.E.
Director, Local Assistance Division

cc: Virginia Association of Counties



Virginia Cooperative Extension

A partnership of Virginia Tech and Virginia State University www.ext.vt.edu



VIRGINIA STATE UNIVERSITY

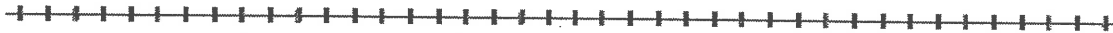
Inventing Your County's Future: The Role of Community Planning

Sunday, April 29, 2007, Charlottesville	4:00 p.m. - 9:00 p.m.
Monday, April 30, 2007, Charlottesville	8:00 a.m. - 2:00 p.m.
Concluding Session, Fri., June 29, Charlottesville	10:00 a.m. - 3:30 p.m.

Cost: \$450 includes course materials and meals

This comprehensive two day program with home study and a follow-up session is open to all County Supervisors. It is one of the five core courses in the Virginia Certified County Supervisor Program, a joint effort of Virginia Tech and the Virginia Association of Counties.

This session will be taught in part by practitioners as well as some of Virginia's leading experts in county and community planning. Mike Chandler, Professor Emeritus at Virginia Tech, and Scott Tate, Community Viability Specialist with Virginia Cooperative Extension, will also lead parts of this course. There is an eight week home study segment following the April session. Both sessions will be held in Charlottesville.



VACo/Virginia Tech - Inventing Your County's Future: The Role of Community Planning

Sunday, April 29	4:00 p.m. - 9:00 p.m.
Monday, April 30	8:00 a.m. - 2:00 p.m.
Friday, June 29	10:00 a.m. - 3:30 p.m.

Fee: \$450

Name: _____

Home Address _____

Phone # _____ Fax # _____ E-mail _____

Position/Office Held: _____

Credit Card # _____ Exp. Date _____ Type _____

Hotel: Courtyard by Marriott – University Medical Center, Charlottesville, Virginia (434) 977-1700

Registration Information: Checks made payable to VACo. Send all registrations to VACo, c/o Carol Huff, 1001 E. Broad Street, Suite LL20, Richmond, VA 23219. You can also fax this form with credit card info to (804) 788-0083.