

**Report on the  
Town of Chatham - County of Pittsylvania  
Settlement Agreement**



**Commission on Local Government  
Commonwealth of Virginia**

**July 1990**

**REPORT ON THE  
TOWN OF CHATHAM - COUNTY OF PITTSYLVANIA  
SETTLEMENT AGREEMENT**

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**PROCEEDINGS OF THE COMMISSION**

On February 21, 1990 Pittsylvania County formally submitted to the Commission for review a proposed settlement agreement which had been negotiated with the Town of Chatham under the authority of Section 15.1-1167.1 of the Code of Virginia.<sup>1</sup> Consistent with the Commission's Rules of Procedure, the County submitted additional material in support of the proposed agreement to assist this body in its review.<sup>2</sup> Further, in accordance with statutory requirements, the County concurrently gave notice of the proposed settlement to nine other localities with which it was contiguous or with which it shared functions, revenues, or tax resources.<sup>3</sup> The essential element of the proposed agreement is a provision by which the Town of Chatham would waive its authority to initiate any proceeding for the annexation of a 30.3-acre tract of land in the County, known as the Chatham North Industrial Park, during the 20-year period commencing January 1, 1990.<sup>4</sup> Under the terms of a companion agreement, the Town has agreed to provide water to the industrial park, with a commitment to supply up to 40,000 gallons per day (GPD), through water lines constructed by the County and deeded to Chatham.

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<sup>1</sup>William D. Sleeper, County Administrator, County of Pittsylvania, letter to staff of Commission on Local Government, Feb. 21, 1990. The County's request for Commission review of the proposed settlement agreement was accompanied by a second agreement which had been negotiated by the parties concerning various water utility issues.

<sup>2</sup>County of Pittsylvania and Town of Chatham, Pittsylvania County Partial Immunity Proceeding, Mar. 7, 1990. The joint submittal by the County and the Town contained a letter from Chatham supporting the County's request for review of the settlement agreement.

<sup>3</sup>Sec. 15.1-945.7(A), Code of Va.

<sup>4</sup>See Appendix A for the complete text of the proposed settlement agreement.

Subsequent to its receipt of the proposed agreement, the Commission met in Chatham on May 23, 1990 to tour the area proposed for immunity and to receive oral testimony from the parties in support of the proposed agreement. In addition, the Commission held a public hearing, advertised in accordance with Section 15.1-945.7(B) of the Code of Virginia, on the evening of May 23, 1990 at the Pittsylvania County Courthouse in Chatham.<sup>5</sup> The Commission agreed to keep open its record for the receipt of written submission from the public through June 15, 1990. Further, the Commission solicited comment from nine other local governments in the region which were potentially affected by the Pittsylvania County - Town of Chatham Settlement Agreement.

#### SCOPE OF REVIEW

The Commission on Local Government is directed by law to review proposed annexations, petitions for partial county immunity, other local boundary change and transition issues, and interlocal agreements settling such issues prior to their being presented to the courts for ultimate disposition. Upon receipt of notice of such a proposed action or agreement, the Commission is directed "to hold hearings, make investigations, analyze local needs" and to submit a report containing findings of fact and recommendations regarding the issue.<sup>6</sup> With respect to proposed agreements negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia, such as that under review in this report, the Commission is required to determine "whether the proposed settlement is in the best interest of the Commonwealth."

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<sup>5</sup>No person appeared to testify before the Commission at the public hearing.

<sup>6</sup>Sec. 15.1-945.7(A), Code of Va.

GENERAL CHARACTERISTICS OF THE COUNTY, TOWN  
AND AREA PROPOSED FOR IMMUNITY

COUNTY OF PITTSYLVANIA

Pittsylvania County is one of the leading localities in the Commonwealth in terms of agricultural and forestal operations. According to 1987 data, the County ranked sixth amongst all Virginia jurisdictions in terms of the value of agricultural products sold.<sup>7</sup> As of that date, the County had more than 131,000 acres of its land area engaged in agricultural activity.<sup>8</sup> Moreover, according to information published in 1985 by the U. S. Forest Service, the County had more of its land area (400,638 acres) devoted to forestal uses than any other locality in the State.<sup>9</sup>

In 1980 Pittsylvania County had a land area of 1,012 square miles and a population of 66,147 persons.<sup>10</sup> Those data, however, have been modified as the result of an annexation effected by the City of Danville on December 31, 1987, which incorporated 26.5 square miles of County territory, containing approximately 10,300 persons, into the City. As a result of that annexation, the County's 1988 land area and population

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<sup>7</sup>U. S. Department of Commerce, Bureau of the Census, 1987 Census of Agriculture, Virginia State and County Data, Table 1, Page 149. In 1987 the market value of agricultural products sold by farmers in Pittsylvania County was \$39.5 million.

<sup>8</sup>Ibid. As of 1987, Pittsylvania County was the fourth largest jurisdiction in the Commonwealth in terms of acreage in cropland.

<sup>9</sup>U. S. Department of Agriculture, Forest Service, Forest Statistics for Virginia, 1986, July 1986, Table 1.

<sup>10</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, Number of Inhabitants, Virginia, Table 2. In 1980, Pittsylvania County was the largest county in Virginia in terms of geographic size and the seventh largest with respect to population. Population statistics for Pittsylvania County include persons residing in the Towns of Chatham, Gretna, and Hurt.

have been estimated at 984 square miles and 55,000 persons.<sup>11</sup>

#### TOWN OF CHATHAM

The Town of Chatham, which was incorporated by act of the Virginia General Assembly in 1852, is the seat of County government and the site of its principal administrative offices. Chatham is also the location of such educational facilities as Chatham Hall and Hargrave Military Academy. Although the Town plays a significant role in the corporate life of Pittsylvania County, it has experienced a population decline in recent years. Between 1980 and 1988 Chatham's population decreased from 1,390 to 1,200 persons, or by 13.7%, while during that same period the populations of the Towns of Gretna and Hurt each increased by 1.2%.<sup>12</sup>

With respect to fiscal resources, recent property assessment data also reveal that growth in Chatham has not been commensurate with that experienced by the two other incorporated municipalities in the County. Between 1983 and 1988 the total assessed value of real property subject to local taxation in the Town increased from \$25.4 million to \$27.1 million, or by 6.7%, while such values in the Towns of Gretna and Hurt grew during the same period by 40.4% and 11.4%, respectively.<sup>13</sup>

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<sup>11</sup>Julia H. Martin, Estimates of the Population of Virginia Counties and Cities: 1987 and 1988 (Charlottesville: Center for Public Service, University of Virginia, Sep. 1989).

<sup>12</sup>U. S. Department of Commerce, Bureau of the Census, 1988 Place Estimates for Virginia, 1989.

<sup>13</sup>Hunt A. Meadows, III, Commissioner of Revenue, County of Pittsylvania, letter to staff of Commission on Local Government, May 31, 1990. These statistics do not include the value of tax exempt property located within the municipalities. Due to the location of the County governmental offices and two private educational institutions in Chatham, there are approximately \$20.0 million in assessed real property values in the Town which are exempt from local taxation.

#### AREA PROPOSED FOR IMMUNITY

The area proposed for immunity under the terms of the proposed agreement consists of a 30.3-acre tract of land located northeast of the Town of Chatham between the Town's present boundaries and the U. S. Highway 29 Bypass and designated as the Chatham North Industrial Park. That facility, which was developed by Pittsylvania County to attract new industrial firms to the Chatham area, receives water and sewage treatment service from the Town of Chatham.<sup>14</sup> The Chatham North Industrial Park contains the Pluma, Incorporated manufacturing facility and the Latrobe Industries plant.<sup>15</sup> Given its exclusively industrial nature, the area proposed for immunity has no resident population.

#### REVIEW OF SETTLEMENT AGREEMENT

The Commonwealth's principal interest in proposed agreements relative to local boundary change issues is, in our judgement, the preservation of the general viability of the local governments involved and the provision of appropriate services to the affected areas. In this instance, the Commission is required to review a proposed agreement which would immunize the Chatham North Industrial Park from annexation by the Town of Chatham for a 20-year period of time. The site for that industrial park was purchased by the County in 1986, and since then

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<sup>14</sup>The water line serving the Chatham North site was installed by the County and deeded to the Town pursuant to a separate agreement between the two jurisdictions. The sewerage at the site also was installed by the County, but deeded to the Pittsylvania County Public Service Authority (PCPSA) for operation and maintenance. (County of Pittsylvania and Town of Chatham, Pittsylvania County Partial Immunity Proceedings, May 1990, p. 12.) Pittsylvania County has expended significant public resources to acquire and improve industrial parks throughout its jurisdiction. In order to have the requisite utilities available to attract new industrial operations to the County, all of those parks are located in the vicinity of the three incorporated towns in Pittsylvania County or in the environs of the City of Danville.

<sup>15</sup>Pluma Incorporated is a textile manufacturer which began operation in the park in early 1990. The Latrobe Industries facility, which is scheduled to be in full operation within approximately one year, will be engaged in the production of extruded aluminum products.



Pittsylvania County has expended over \$1.5 million in public funds for improvements to that facility.<sup>16</sup> As a result of those improvements and the County's vigorous industrial development efforts, the park is fully occupied at the present time and constitutes a focal point of industrial activity in central Pittsylvania County.<sup>17</sup>

With respect to the proposed immunization of the Chatham North Industrial Park, County officials have indicated that the impetus to protect that industrial property from annexation by the Town was the unique financial concerns of a business now located in the park.<sup>18</sup> While the industrial operations located in the area proposed for immunity will clearly benefit Pittsylvania County and Chatham in terms of increased employment opportunities and will result in additional County tax levies, the precedent-setting nature of the agreement which

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<sup>16</sup>Sleeper, letter to staff of Commission on Local Government, June 6, 1990. The initial cost of the tract containing the Chatham North Industrial Park was approximately \$96,000. Improvements to the industrial park which were funded by the County include site preparation, construction of an access road, installation of water and sewer utilities, and the erection and modification of a building on the parcel now occupied by Latrobe Industries.

<sup>17</sup>Due to topographic concerns and adjacent land use patterns, the Chatham North Industrial Park cannot be expanded.

<sup>18</sup>Sleeper, communication with staff of Commission on Local Government, June 1, 1990. As part of the County's effort to attract an industrial operation to the Chatham North Industrial Park, one of the two industrial sites in the park was proposed to be leased to the Pittsylvania County Industrial Development Authority for sub-lease to a prospective tenant. Although real property owned by the Authority is exempt from local taxation, Section 58.1-3203 of the Code of Virginia requires that leasehold interests in such property be assessed for local tax purposes to the lessee. Thus, if the industrial park was annexed by the Town of Chatham, all real estate owned or occupied by businesses in the park would be subject to local taxation by both the County and the Town. During the negotiations preceding the location of a firm in the park, officials for that company requested assurances from the County that the lease costs for their facility would not increase substantially for the 20-year period of the lease, and immunity of the Chatham North Industrial Park from annexation by the Town was established as a means to forestall major increases in those costs. (*Ibid.*)

proposes the immunization of the Chatham North Industrial Park for the benefit of a private firm should be noted. A general utilization of such immunity provisions could systematically deny towns the opportunity to share in the economic development on their peripheries, which in many instances they nurture and sustain by their municipal services and facilities.

In terms of the impact of the proposed agreement on the Town of Chatham, the evidence suggests that the immunization of the Chatham North Industrial Park from annexation during the ensuing 20-year period poses no threat to the viability of that municipality. In this regard, the Commission notes that the implementation of the proposed agreement will not substantially reduce the Town's ability to pursue an expansion of its boundaries through the utilization of the State's prescribed annexation procedures.<sup>19</sup> Indeed, the immunization of the industrial park would leave Chatham's entire boundary subject to extension by annexation, if the Town chooses to pursue such action in the future.<sup>20</sup> Moreover, since the Chatham North Industrial Park is located outside the path of development which is occurring beyond Chatham's current boundaries the immunization of that property does not constitute any bar thwarting the municipality's opportunity to share in the economic growth on its periphery.<sup>21</sup> In sum, the proposed immunization of the Chatham

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<sup>19</sup>Under State statutes, any annexation initiated by the Town of Chatham requires the Commission and a special three-judge court to determine "the necessity for and expediency of annexation." (See Sec. 15.1-1041, Code of Va.) Such determination of necessity and expediency requires consideration of the interest of the County and the Town, services rendered and needs of the area proposed for annexation, the interest of the remaining portion of the County, and the best interest of the Commonwealth in promoting viable units of local government.

<sup>20</sup>While the Chatham North Industrial Park is adjacent to the Town, it is not, however, contiguous to Chatham's current boundaries.

<sup>21</sup>Previous development in the Chatham area has occurred to the south of the Town in the community of Tightsqueeze. Located in that area are a number of retail operations, including a shopping center, Chatham High School, and the Chatham South Industrial Park which contains four major industrial operations. With respect to potential

North Industrial Park from annexation by Chatham for the next two decades should not threaten the viability of that municipality.<sup>22</sup>

With respect to the impact of the proposed immunity on the provision of services to the Chatham North Industrial Park, that area is presently served by a 12-inch water line installed by Pittsylvania County and deeded to the Town under the terms of a preceding interlocal agreement. Water to serve the industrial park is furnished directly by Chatham, with the Town having agreed to provide up to 40,000 GPD to serve the two industrial operations in the park.<sup>23</sup> As a result of the above-cited interlocal agreement, the County has available adequate water to meet the current and future needs of the industrial park.

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industrial sites in the vicinity of Chatham, the County has identified an area to the northwest of the Town as well as sites near the intersection of State Routes 703 and 1433 south of Chatham as suitable locations for future industrial development.

<sup>22</sup>The proposed agreement also preserves Chatham's authority to seek city status in accordance with statutory criteria, if such is deemed appropriate by the Town. The transition to city status, however, requires a requisite population of 5,000 persons, approval by the voters of a town, and review by the Commission and a special three-judge court as to (1) the fiscal ability of the town to function as a city, (2) the town's ability to provide appropriate urban services (including an independent school system), and (3) the impact of the proposed transition on the affected county. (See Secs. 15.1-982.8, 15.1-1003, Code of Va.) It should be noted, however, that since January 1, 1987 there has been a moratorium on the granting of charters for new cities by the Virginia General Assembly. (See Sec. 15.1-1032.2, Code of Va.)

<sup>23</sup>The Town's water treatment plant utilizes Cherrystone Creek as its raw water source, and according to its rated capacity, can treat 0.72 million gallons per day (MGD). Since the Town's present water distribution system required approximately 0.45 MGD in 1989, the system currently retains an unused capacity of 0.27 MGD. (Robert A. Schuhmann, Town Manager, Town of Chatham, letter to staff of Commission on Local Government, Apr. 2, 1990.) The County has estimated that the industries in the Chatham North Industrial Park collectively will require approximately 0.02 MGD of potable water from the Town. (Sleeper, letter to staff of Commission on Local Government, Mar. 28, 1990.) The Commission notes that at the present time, the Town of Chatham provides potable water to the PCPSA to serve the businesses and industries located in the Tightsqueeze area. The Town directly serves the Chatham Medical Center located north of Chatham along U. S. Highway 29.

In terms of sewerage service, the Chatham North Industrial Park is presently served by a sewage pump station and force main owned by the Pittsylvania County Public Service Authority.<sup>24</sup> Pursuant to a previous interlocal agreement, the Town receives and treats the sewage emanating from the industrial park at the Chatham treatment facility located on Tanyard Branch southeast of the Town's present boundaries.<sup>25</sup> The evidence indicates that such sewerage arrangements will fulfill the needs of the Chatham North Industrial Park.

Law enforcement services in the Chatham North Industrial Park and Pittsylvania County generally are provided through the County Sheriff's Department, which maintains its offices in the Town of Chatham. With a personnel complement of 75 full-time and part-time sworn law enforcement personnel, including 39 deputies assigned regular patrol responsibilities, the Sheriff's Department has the capability of furnishing crime prevention and protection services to the industrial park on a 24-hour basis.<sup>26</sup> In addition, the Sheriff's Department mutual

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<sup>24</sup>The sewer facilities serving the industrial park were installed by the County and turned over to the PCPSA for maintenance and operation. The pump station, which is located within the park, will also be used to serve approximately 60 residents of a low and moderate income neighborhood in the County adjacent to Chatham. The County is using a \$700,000 Community Development Block Grant and \$160,000 in local funds to extend sewerage to that neighborhood. (Sleeper, communication with staff of Commission on Local Government, June 8, 1990.)

<sup>25</sup>The agreement between the PCPSA and Chatham reserves approximately one-third of the capacity in the Town's sewage treatment plant for the Authority's use. (Temple Moore, Executive Director, Pittsylvania County Service Authority, communication with staff of Commission on Local Government, June 8, 1990.) The Town's treatment facility has a rated capacity of 0.45 MGD, and since it treats an average of 0.33 MGD, the plant has a reserve capacity of approximately 0.12 MGD. (Schuhmann, letter to staff of Commission on Local Government, Apr. 2, 1990.) The County estimates that the average daily sewage flow emanating from the industries in the Chatham North Industrial Park will be approximately 0.02 MGD. (Sleeper, letter to staff of Commission on Local Government, Mar. 28, 1990.)

<sup>26</sup>Ibid.

assistance agreement with the Chatham Police Department provides supplemental law enforcement assistance to serve the area if the need arises.<sup>27</sup> Given the industrial nature of the area, we believe that the law enforcement services available to the Chatham North Industrial Park are adequate for its present needs.

In terms of fire services, the Chatham North Industrial Park is served principally by the Chatham Volunteer Fire Department (CVFD). The CVFD has a complement of 17 volunteers who have available five pieces of apparatus for their fire suppression activities.<sup>28</sup> While the CVFD is a volunteer operation, it does receive financial assistance from both the Town and the County.<sup>29</sup> With respect to the specific fire service needs of the industrial park, County officials have stated that the water system improvements within the park, including the presence of three fire hydrants within the facility, have enhanced the fire suppression capabilities of the CVFD within that area.<sup>30</sup> Again, the evidence indicates that the fire services available to the Chatham North

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<sup>27</sup>Schuhmann, letter to staff of Commission on Local Government, Apr. 2, 1990.

<sup>28</sup>Sleeper, letter to staff of Commission on Local Government, Mar. 28, 1990. The CVFD station is centrally located in the Town, approximately two miles from the Chatham North Industrial Park. The CVFD serves a portion of central Pittsylvania County. In 1989 the average response time of the CVFD to fire calls within that area was eight minutes. (*Ibid.*)

<sup>29</sup>*Ibid.*; and Schuhmann, letter to staff of Commission on Local Government, Apr. 2, 1990. Since 1985 the County and the Town have contributed \$47,000 and \$37,000, respectively, for capital and operating expenses of the CVFD.

<sup>30</sup>At the time the Chatham North Industrial Park was originally opened it was served by an 8-inch water line connected to existing Town mains in the area. In order to provide additional fire flow to the park, the County installed a 12-inch water line from the Town's 300,000 gallon Spruce Hill Road water storage tank to the industrial park. (Sleeper, communication with staff of Commission on Local Government, June 8, 1990.) Those water system improvements permit a fire flow to the park of 1,000 gallons per minute. (Sleeper, letter to staff of Commission on Local Government, Mar. 28, 1990.)

Industrial Park are adequate for its needs.

In sum, we find that the proposed immunization of the Chatham North Industrial Park will not adversely affect the level of governmental services available to that property.

### FINDINGS AND RECOMMENDATIONS

In our judgment, the proposed agreement negotiated by Pittsylvania County and the Town of Chatham represents a constructive effort on the part of those jurisdictions to collaborate for the current and future benefit of their respective residents. We find that the agreement is consistent with the best interest of the Commonwealth, based upon its impact on the viability of the two jurisdictions and on the presence of needed services to the Chatham North Industrial Park. This finding, however, should not be viewed as a general endorsement of the use of the State's immunity process for the benefit of private firms. The precedent-setting nature of the provision in the agreement proposing the immunization of the Chatham North Industrial Park solely to assist a business in that facility is of concern to the Commission. As stated previously, the general application of such immunity provisions could prevent towns from sharing in the economic development occurring near their boundaries, which often is nurtured and sustained by town services and facilities. In this instance, however, while the proposed agreement is fundamentally a concession to a private firm, the fiscal interests of the Town have been evaluated and protected. Accordingly, the Commission recommends the court's approval of the proposed agreement.<sup>31</sup>

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<sup>31</sup>The Commission notes that with respect to the proposed Pittsylvania County - Town of Chatham agreement, Town officials estimate that the utility revenues the Town will receive from the firms located in the industrial park are approximately equal to the total local revenues Chatham would derive from the park if it were to be annexed by the Town. It should also be observed that the companion water agreement enables the Town to avoid the cost of constructing lines to serve the industrial park.

While this Commission recommends the court's approval of the proposed agreement, we urge that the County give consideration to the improvement of its development control instruments. In our judgment, there is an evident need for Pittsylvania County to adopt a county-wide zoning ordinance. In this regard, we note that the County's revised comprehensive plan, which was adopted initially in November 1986 and last amended in 1988, recommends the adoption of a zoning ordinance.<sup>32</sup> Further, the increased development pressures in Pittsylvania County, especially in the vicinity of its three incorporated towns and in the areas adjacent to the City of Danville, make it essential that attention be given to the establishment of development control instruments which permit proper attention to the full range of public concerns, including the protection of the environment and the provision of adequate public services.<sup>33</sup> We also recommend that the County consider the adoption of a fiscal planning instrument, such as a capital improvement plan, to assist in the proper implementation of a zoning ordinance and other land use control measures.

In regard to development control measures, it has been our collective experience that the proper protection of a locality's natural and aesthetic attributes is an essential factor in the attraction of quality industry. In brief, the quality of life in a community and the existence of appropriate development instruments to ensure its protection are factors of considerable importance in the locational decisions of well-managed industry. We strongly encourage Pittsylvania County to establish and enforce stringent regulatory measures to protect its evident physical assets.

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<sup>32</sup>County of Pittsylvania, 1986 Comprehensive Plan, July 15, 1986, pp. II-23 - 24.

<sup>33</sup>The Commission notes that the 29,000 acre watershed serving the Town's two reservoirs and the only sources of raw water for the entire Chatham area, including the Chatham North Industrial Park, is not protected from the intrusion of incompatible development. (Rudolph A. Shupik, Jr., Town Attorney, Town of Chatham, letter to staff of Commission on Local Government, June 7, 1990.)

Respectfully submitted,

Harold S. Atkinson  
Harold S. Atkinson, Chairman

William S. Hubbard  
William S. Hubbard, Vice Chairman

Mary Sherwood Holt  
Mary Sherwood Holt

Frank Rafo  
Frank Rafo



# APPENDIX A

## AGREEMENT BETWEEN THE TOWN OF CHATHAM AND PITTSYLVANIA COUNTY

This Agreement dated as of January 24, 1990, by and between the TOWN OF CHATHAM, a municipal corporation of the Commonwealth of Virginia, (referred to herein as "Town"), and PITTSYLVANIA COUNTY, a political subdivision of the Commonwealth of Virginia, (referred to herein as "County").

### RECITAL

WHEREAS, the parties hereto desire to cooperate in the industrial development of Chatham and Pittsylvania County; and

WHEREAS, an adequate supply of water and sewer is essential in the developing of new industries; and

WHEREAS, a stable environment in terms of taxes and finance is imperative to insure the continued success and growth of the new industries; and

WHEREAS, the parties hereto desire to go forward with the industrial and commercial development of the Chatham - Pittsylvania County area with unity of purpose and with all deliberate speed; and

WHEREAS, the "County" desires to acquire water from the "Town" to use at the County's Industrial Park at Route 29 Bypass and State Route 685 through a water line installed by the County as provided in a separate agreement; and

WHEREAS, the Town and County, pursuant to Chapter 26.1:1 of Title 15.1 of the Code of Virginia (1950), as amended, have reached this voluntary settlement which provides for the

waiver of certain annexation rights,

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and sufficient consideration, the Town and the County agree as follows:

1. The Town agrees that it will not initiate or institute any proceeding to annex that area within the County presently known as the Chatham North Industrial Park as described by metes and bounds on Exhibit "A" attached hereto and as depicted on the map attached hereto as Exhibit "B", for a period of twenty (20) years beginning January, 1, 1990.

2. The parties agree that the Town shall not be deemed, nor shall this Agreement be otherwise construed, to have renounced or waived its right to become a City as provided in Article 1.1 of Chapter 25 of Title 15.1 of the Code of Virginia of 1950, as amended (§15.1-1058.1, et seq.) or to seek city status pursuant to Chapter 22 (§15.1-982.1 et seq.) or any Chapter of Title 15.1 of the Code of Virginia of 1950, as amended.

3. This is a voluntary settlement entered into pursuant to the provisions of Chapter 26.1:1 of Title 15.1 of the Code of Virginia of 1950, as amended, (§15.1-1167.1, et seq.) and is expressly limited to the terms hereof, it being the intent of the parties that this Agreement shall not by its execution affect any other area of Agreement provided in said Chapter.

4. This agreement may be amended, modified or supplemented, in whole or in part, by mutual consent of the

Town and the County by a written document of equal formality and dignity executed by the authorized representatives of the Town and County.

5. The Town and the County agree to initiate promptly the steps required by Chapter 26.1:1 (§15.1-1167.1 et seq.) of Title 15.1 of the Code of Virginia (1950), as amended, to obtain approval of this agreement by the Commission on Local Government and a special court, and they shall cooperate in undertaking all necessary steps to complete such procedure.

6. In the event the special court does not affirm and approve this Agreement without modification, it shall be null and void and of no further force and effect.

7. The County agrees that it shall bear all expenses incurred by either party, including witness fees, but excluding the Town's Attorney fees arising by reason of this agreement and its implementation.

IN WITNESS WHEREOF, the governing bodies of the Town and County have each by ordinance or resolution caused this agreement to be fully executed by their respective officials and attested by their respective Clerks.

TOWN OF CHATHAM

By \_\_\_\_\_  
Thomas F. Motley, III, Mayor

ATTEST:

\_\_\_\_\_  
Cynthia Wyatt,  
Town Secretary

COUNTY OF PITTSYLVANIA

By \_\_\_\_\_  
Fred M. Ingram,  
Chairman of the Board of  
Supervisors

ATTEST:

\_\_\_\_\_  
William D. Sleeper,  
County Administrator

APPROVED AS TO FORM:

\_\_\_\_\_  
Rudolph A. Shupik, Jr.,  
Town Attorney

\_\_\_\_\_  
W. Carrington Thompson,  
County Attorney