

AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

| THURSDAY, MARCH 12TH |

| 8:00 AM |

COUNTY ADMINISTRATION BUILDING @ FIRST FLOOR CONFERENCE ROOM

107 N. KENT STREET WINCHESTER, VA

1. Call to Order
2. Approval of Minutes – February 6th || ACTION
3. Treasurer’s Report || ACTION
4. Business Retention Manager Project Update || INFORMATION
 - *Staff presentation on activity of their position*
5. Joint Meeting with Frederick County Board of Supervisors || DISCUSSION
 - *Discussion of possible topics/agenda for annual meeting with the Frederick County Board of Supervisors*
6. Incentive Policy || ACTION
 - *Annual review of incentive policy to reflect current business targets and wage levels.*
7. Such other business as may come before this Authority

MINUTES
ECONOMIC DEVELOPMENT AUTHORITY
| THURSDAY, FEBRUARY 6, 2020 |

A meeting of the Frederick County Economic Development Authority was held on Thursday, February 6, 2020, at 8:00A.M. in the County Administration Building, First Floor Conference Room, 107 North Kent Street, Winchester, Virginia.

PRESENT: Stan Crockett, Judy McCann-Slaughter, Robert Claytor, Bryan Fairbanks, Doug Rinker, and Heather McKay

STAFF: Patrick Barker and Donna McIlwee, Frederick County Economic Development Authority, Jay Tibbs, Deputy County Administrator, and Michael Bryan, Attorney

MEETING CALLED TO ORDER: Chairman Crockett called the meeting to order at 8:00 a.m.

APPROVAL OF MINUTES

The minutes from the December 12, 2019, meeting were presented.

On motion duly made by Mr. Rinker and seconded by Mr. Fairbanks, the minutes were approved by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Abstain (due to absence at December meeting)
Bryan Fairbanks	Aye
Heather McKay	Aye
John Riley	Absent
Doug Rinker	Aye
Judy McCann-Slaughter	Aye

TREASURER'S REPORT

Mr. Barker submitted the following report:

Checking Account - Bank of Clarke County as of January 31, 2020 - \$55,115.77.
Savings Account - Scott & Stringfellow as of January 31, 2020 - \$1,298,195.40.

On motion of Mr. Claytor, seconded by Mr. Rinker, the Treasurer's Report was approved as submitted by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Aye
Bryan Fairbanks	Aye
Heather McKay	Aye
John Riley	Absent
Doug Rinker	Aye
Judy McCann-Slaughter	Aye

ANNUAL MEETING

Mr. Barker stated that, according to the EDA By-Laws, there is to be an annual meeting prior to March 1 for the purpose of electing officers.

Mr. Claytor made a motion to nominate Stan Crockett for Chairman; Mr. Rinker made a motion to nominate John Riley for Vice Chairman; and Jay Tibbs, Secretary-Treasurer.

Both motions were seconded and approved by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Aye
Bryan Fairbanks	Aye
Gary Lofton	Aye
Heather McKay	Aye
John Riley	Absent
Doug Rinker	Aye

All present agreed that the designated days and time for EDA Board meetings, as stated in the By-Laws, is acceptable.

NORTHERN SHENANDOAH VALLEY TALENT STRATEGY

Mr. Barker presented an overview of the project and reviewed the plan and recommendations submitted by Development Counsellors International (DCI).

He also reported the following next steps have been identified:

- Joint meeting with EDAs, Tourism and Workforce partners/programs (Workforce Initiative)
 - Discuss final report and status, if any, of proposed tactics by others
 - Look for partnerships, and avoiding duplication



- Construct a budget using DCI's as a guiding baseline
- By March 31, 2020
- Meetings with new businesses on project's implementation and funding interest
 - By March 31, 2020
- Structure GOVA per capita request for implementation based on first two items and loosely based on CampusRVA proposal
 - By April 30, 2020
- Submit a GOVA per capita request
 - By June 1, 2020

Mr. Fairbanks stated he feels it is important to meet with other EDS and decide what is most important to focus on.

Mr. Crockett asked if the current percentage of those of who live here but commute out of the area for work is known. Mr. Barker stated it is in the high 60s.

RESOLUTION OF APPRECIATION

As directed at the December Board meeting, Mr. Barker presented a draft resolution of appreciation to be presented to Mr. Gary Lofton recognizing his service to Frederick County's economic development efforts by serving on the EDA Board from January 11, 2012, to November 7, 2019.

Mr. Rinker made a motion that the resolution be approved and presented to Mr. Lofton. This was seconded by Mrs. McKay and approved by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Aye
Bryan Fairbanks	Aye
Gary Lofton	Aye
Heather McKay	Aye
John Riley	Absent
Doug Rinker	Aye

LEGISLATIVE EVENT

At the December Board meeting, Mr. Barker offered to check with other areas to see if they are doing something similar. He reported his findings as follows:

- Majority do execute some level of legislative outreach but mostly informal
- Most attend/partner with their Chamber's legislative activities



- Few engage their State legislative contacts with individual meetings
- One holds a regional annual “Legislative Briefing” dinner where their Congressional and General Assembly delegations are invited. The delegation reports on the past year and immediate plans, followed by reports on local economic development needs. A keynote speaker from Richmond is typically part of the agenda.

Mr. Crockett stated we have been doing the same legislative event for years and feels it is prudent to step back and review our efforts.

Jay Tibbs remarked that we originally partnered with the City of Winchester on a legislative event but as leadership changed, their involvement waned.

Mr. Claytor stated it is hard to get legislators to a local area and inquired if we could “shirt tail” with the Chamber of Commerce’s Hob Nob event.

Mr. Crockett suggested we reach out to the Chamber to see about the possibility of partnering with them. Mr. Barker will do.

SMALL BUSINESS MICRO-LOAN PROGRAM

At the December meeting, the idea of creating a small business micro-loan program was presented by the Small Business Development Center (SBDC) and Virginia Community Capital (VCC). Mr. Barker was asked to contact other areas who have this program in place for more information.

Mr. Barker then reviewed information he had gotten from Stafford County and Norfolk. In summary, their experience with micro-loans through VCC is still relatively new but positive. If we desire to initiate a small business micro-loan program, VCC is the best option from a time aspect.

Mr. Crockett stated the risks involved in this type of program need to be considered.

Mrs. McCann-Slaughter asked if we have gotten any inquiries about the availability of such a program and what would staff time be for the program. Mr. Barker stated that, hopefully, the SBDC would be willing to handle the paperwork required.

Mr. Bryan asked Mr. Barker to ask the SBDC what people are looking for and what they would use the funds for. Also, in her opinion, would they even qualify.

Mr. Crockett stated we need to proceed with caution and obtain lots more information before making a decision.



SUCH OTHER BUSINESS AS MAY COME BEFORE THIS AUTHORITY

At the December meeting, the Board expressed a desire to hold one of its monthly meetings at the Winchester Airport. Due to several schedule conflicts, the date of the March meeting was changed to March 12. Mr. Barker will check on the availability of the airport and if they prefer we meet at 8 a.m. or noon.

ADJOURN

There being no further business to come before this Authority, the meeting was adjourned at 9:05 a.m.

Stan Crockett
Chairman

Jay Tibbs
Secretary





**RESOLUTION OF APPRECIATION
MR. GARY LOFTON,
ECONOMIC DEVELOPMENT AUTHORITY
FREDERICK COUNTY, VIRGINIA**

WHEREAS, Mr. Gary Lofton served the County of Frederick, Virginia, faithfully, as a member of the Economic Development Authority of the County of Frederick, Virginia from January 11, 2012 to November 7, 2019; and

WHEREAS, Mr. Lofton performed a valuable role in the economic development of our community without thought of personal gain.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of the County of Frederick, Virginia, we recognize Mr. Lofton for his unselfish service and continued friendship toward this Board and the citizens of Frederick.

WHEREAS, this Board will always consider Mr. Lofton a colleague and friend.

NOW, THEREFORE BE IT RESOLVED, that the Economic Development Authority of the County of Frederick, Virginia, extends its sincerest thanks to Mr. Gary Lofton and wishes him all of the best in his future endeavors.

BE IT FURTHER RESOLVED, that this resolution be spread across the minutes of the Frederick County Economic Development Authority.

ADOPTED this 6th day of February 2020.



Stan Crockett
Chair



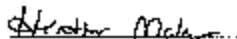
John Riley
Vice Chair



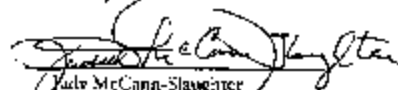
Doug Rinker



Bryan Fairbanks



Heather McKay



Judy McCann-Slaughter



Bob Clayton



**TREASURER'S REPORT SYNOPSIS
ECONOMIC DEVELOPMENT AUTHORITY
February 29, 2020**

BANK OF CLARKE COUNTY

Beginning Balance - as of January 31, 2020		\$55,115.77
Total Deposits	\$0.00	
Total Disbursements	\$0.00	
BALANCE AS OF February 29, 2020		\$55,115.77

SCOTT & STRINGFELLOW

Beginning Balance - as of January 31, 2020		\$1,298,195.40
Total Deposits	\$44,077.34	
Total Disbursements	\$0.00	
BALANCE AS OF February 29, 2020		\$1,342,272.74

TREASURER'S REPORT
ECONOMIC DEVELOPMENT AUTHORITY
February 29, 2020

BANK OF CLARKE COUNTY

Beginning Balance - as of January 31, 2020 **\$55,115.77**

Deposits

TOTAL DEPOSITS **\$0.00**

Disbursements

TOTAL DISBURSEMENTS **\$0.00**

BALANCE AS OF February 29, 2020 **\$55,115.77**

* - Check 1442 to Fresh Cut Lawn Service, LLC in the amount of \$500 remains outstanding.



**ECONOMIC DEVELOPMENT AUTHORITY
February 29, 2020**

SCOTT & STRINGFELLOW

Beginning Balance - as of January 31, 2020

\$1,298,195.40

Deposits

2/20/2020	Insurance Claim - Missing Rt 50 Welcome Sign	\$5,158.50
2/24/2020	NSVRC - Draw #3 Talent Solutions Strategy	\$38,144.00
2/29/2020	Interest	\$774.84
TOTAL DEPOSITS		\$44,077.34

Disbursements

TOTAL DISBURSEMENTS **\$0.00**

BALANCE AS OF February 29, 2020

\$1,342,272.74

** \$707,000 represents proceeds from the sale of the Robinson School.





2 East Main Street
Berryville, VA 22611

Statement Ending 02/29/2020

ADDRESS SERVICE REQUESTED

[Redacted]

ECONOMIC DEVELOPMENT AUTHORITY OF
THE COUNTY OF FREDERICK VIRGINIA

[Redacted]

[Redacted]



Managing Your Accounts

[Redacted]

Summary of Accounts

Account Type	Account Number	Ending Balance
Public Fund Chk	[Redacted]	\$55,615.77

Public Fund Chk- [Redacted]

Account Summary

Date	Description	Amount
02/01/2020	Beginning Balance	\$72,117.27
	0 Credit(s) This Period	\$0.00
	2 Debit(s) This Period	\$16,501.50
02/29/2020	Ending Balance	\$55,615.77

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
1448	02/06/2020	\$16,000.00	1449	02/10/2020	\$501.50

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02/01/2020	\$72,117.27	02/06/2020	\$56,117.27	02/10/2020	\$55,615.77

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00



00000 73624* 001036 002075 0001/0002

CHANGE OF ADDRESS Please visit one of our nearest branch locations (go to www.bankofclarke.bank for location information), contact our Customer Support Center at 540-955-2510 (toll-free: 800-650-8723) or log into online banking and update your information.

IMPORTANT NOTICE CONCERNING ELECTRONIC FUND TRANSFERS In case of errors or questions about your electronic transfers: call us at 540-955-2510 (toll-free: 800-650-8723) or write us at P.O. Box 391, Berryville, Virginia 22611, as soon as you can, if you think your statement is wrong or if you need more information about a transfer listed on the statement. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared. A. Provide us your name and account number. B. Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information. C. Tell us the dollar amount of the suspected error. We will tell you the results of our investigation within 10 business days after we hear from you and will correct any error promptly. If we need more time, we will re-credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. For information or help on Electronic Fund Transfers, please call us at the telephone number indicated above.

IMPORTANT NOTICE CONCERNING FAIR CREDIT BILLING In case of errors or inquiries about your **ACCOUNT statement** Send your inquiry in writing on a separate sheet to: P.O. Box 391, Berryville, Virginia 22611. We must receive it within 60 days after your statement was mailed to you. Your written inquiry must include: 1. Your name and account number; 2. A description of the error and why (to the extent you can explain) you believe it is an error; and 3. The dollar amount of the suspected error. You can call us, but doing so will not preserve your rights. You remain obligated to pay the part of your statement not in dispute, but you do not have to pay any amount in dispute during the time we are resolving the dispute. During the same time, we may not take any action to collect disputed amounts or report disputed amounts as delinquent. This is a summary of your rights; a full statement of your rights and our responsibilities under the Federal Fair Credit Billing Act will be sent to you both upon request and in response to an Account Statement error notice.

IMPORTANT NOTICE FOR BANK OF CLARKE COUNTY LOAN CUSTOMERS FINANCE CHARGES Begin to accrue on the day an advance is taken on your account. The FINANCE CHARGE is computed by applying the daily periodic rate to the "average daily balance" of your loan account for the billing cycle and multiplying that amount by the total number of days in the billing cycle. The "average daily balance" is computed by applying new advances and principal reductions to the beginning balance of the account each day to get the daily balance. Then, we add up all of the daily balances for a billing cycle and divide the total by the number of days in the billing cycle to obtain the "average daily balance."

FREDERICK COUNTY E.D.A. [REDACTED] 1448
 Date Jan. 31, 2020
 Pay to the Order of Development Consultants International \$ 16,000.00
 Fifteen thousand & 00/100
 Bank of Clarke County
 502 N. Loudoun Street
 Warrenton, VA 22691
 For Inv. 033845 [REDACTED]

#1448 02/06 \$16,000.00

FREDERICK COUNTY E.D.A. [REDACTED] 1449
 Date Jan. 31, 2020
 Pay to the Order of Michael L. Bryan, Requite \$ 501.50
 Five hundred one & 30/100
 Bank of Clarke County
 502 N. Loudoun Street
 Warrenton, VA 22691
 For 2266-004 [REDACTED]

#1449 02/10 \$501.50

THIS PAGE LEFT INTENTIONALLY BLANK



[Redacted]

ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF FREDERICK VA

[Redacted]

Statement of Account: February 1, 2020 to February 29, 2020

Account Number: [Redacted]

Financial Advisor: WN39

[Redacted]

Account Activity Summary

Securities Purchased		Deposits	43,302.50
Securities Sold		Withdrawals	
Income	774.84	Checking	
Income Reinvestment	-774.84	Visa	
Maturities		Automatic Activity	
Other Income		Other/Money Transfer	
<small>(Income not reported by this broker/dealer)</small>			

Income Summary

Taxable*	<u>This Period</u>	<u>This Year</u>
Dividends		
Money Market Dividends		
Interest	774.84	1,553.02
Accrued Interest		
Credit Interest		
Total Taxable	774.84	1,553.02
Federal Non-Taxable		
Dividends		
Money Market Dividends		
Interest		
Accrued Interest		
Total Federal Non-Taxable		
Total Income	774.84	1,553.02

* IRA or Qualified Retirement Account income is not currently taxable.

Investment Objective: Capital Preservation

Risk Tolerance: Conservative

BB&T Scott & Stringfellow is a division of BB&T Securities, LLC, member FINRA/SIPC. BB&T Securities, LLC is a wholly-owned non-bank subsidiary of Truist Financial Corporation. Securities and insurance products or annuities sold, offered, or recommended by BB&T Scott & Stringfellow are not a deposit, not FDIC insured, not guaranteed by a bank, not guaranteed by any federal government agency and may lose value. A Truist bank or non-bank subsidiary may be a lender to the issuer of securities sold through BB&T Securities. Cash on deposit at a bank participating in the Insured Deposit Program and Certificates of Deposit are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor per bank in accordance with FDIC rules. Deposits in the Insured Deposit Program are not held by BB&T Securities, LLC and are not protected by SIPC.

Portfolio Summary

PREVIOUS STATEMENT: January 31, 2020

	<u>Previous Value</u>	<u>Ending Value</u>	<u>% of Portfolio</u>
Equities			
Non-Taxable Fixed Income			
Fixed Income			
Government & Agency Bonds			
Options, Rights, Warrants			
Limited Partnerships			
Mutual Funds			
529 Plans			
Alternative Investments			
Private Investments			
Short Securities Value			
Margin Cash Balance			
Cash Balance			
Money Market Balance			
Insured Deposit Program+	1,298,195.40	1,342,272.74	100.0
Estimated Portfolio Value	1,298,195.40	1,342,272.74	100.0%
Annuities+			

+These assets are not held at BB&T Securities, LLC. See Detail section for disclosure information. Portfolio Value does not include unpriced securities. Bond values are provided as general guidelines.



Statement of Account: February 1, 2020 to February 29, 2020

Account Number: [REDACTED]

Financial Advisor: [REDACTED]

ECONOMIC DEVELOPMENT AUTHORITY

Daily Account Activity

Date	Transaction	Quantity	Description	Symbol/CUSIP	Type	Price	Amount	Cash & Margin Cash Balance	Money Market & IDP Balance
BEGINNING TOTALS								.00	1,298,195.40
02-20-20	INTEREST		INSD DEPOSIT PROGRAM 022020 1,298,970		1		774.84	774.84	1,298,195.40
02-20-20	INTEREST REINVEST		INSD DEPOSIT PROGRAM		1		-774.84	.00	1,298,970.24
02-20-20	DEPOSIT		FUNDS RECD		1		5,158.50	5,158.50	1,298,970.24
02-21-20	DEPOSIT		INSD DEPOSIT PROGRAM		1	1.0000	-5,158.50	.00	1,304,128.74
02-24-20	DEPOSIT		FUNDS RECD		1		38,144.00	38,144.00	1,304,128.74
02-25-20	DEPOSIT		INSD DEPOSIT PROGRAM		1	1.0000	-38,144.00	.00	1,342,272.74
TOTAL								.00	1,342,272.74

Insured Deposit Program Bank Allocations

The Insured Deposit Program consists of monies held in interest-bearing deposit accounts at multiple banking institutions, some of which are affiliates of BB&T Securities, LLC. These assets are eligible for FDIC Insurance up to \$250,000 per depositor per institution per category of legal ownership for maximum FDIC Insurance coverage of \$2,500,000 on uninvested cash balances. These assets, however, are not held in your securities brokerage account carried by BB&T Securities, LLC, rather by the respective banks listed below, and therefore not covered by SIPC. Balance information that we believe to be reliable has been obtained from the program banks. BB&T Securities, LLC does not guarantee the accuracy or completeness of such information. Balances are insured up to the FDIC limits per institution, subject to the combined total of all your deposits at a specific bank by category of ownership, including those outside this account. It is your responsibility to monitor your aggregate relationship with a particular banking institution to ensure proper FDIC coverage. Please refer to the Insured Deposit Program Terms and Conditions for more detail. For any questions regarding Insured Deposit Program, please contact your Financial Advisor. Please note that BB&T Securities, LLC and your Financial Advisor receive compensation on IDP balances that may exceed that received for other money market sweep alternatives.

<u>DESCRIPTIONS</u>	<u>CURRENT VALUE</u>
Simmons Bank	Pine Bluff AR 237,500.00



Statement of Account: February 1, 2020 to February 29, 2020

Account Number: [REDACTED]

Financial Advisor: [REDACTED]

ECONOMIC DEVELOPMENT AUTHORITY

Insured Deposit Program Bank Allocations (continued)

<u>DESCRIPTIONS</u>		<u>CURRENT VALUE</u>
Truist Bank Charlotte NC	Charlotte NC	237,500.00
Enterprise Bank & Trust	Clayton MO	5,864.75
East West Bank	Pasadena CA	237,500.00
EagleBank	Bethesda MD	110,762.61
Progress Bank and Trust	Huntsville AL	38,145.38
Sterling National Bank	Montebello NY	237,500.00
BankUnited	Miami FL	237,500.00
TOTAL INSURED BANK DEPOSITS		\$1,342,272.74

Money Market/Insured Deposit Program

<u>INSURED DEPOSIT PROGRAM</u>		<u>APY For This Period Was 0.70%</u>
Summary		
Beginning Balance		1,298,195.40
Ending Balance		1,342,272.74

Please see the Insured Deposit Program Bank Allocations section for additional disclosures on the Insured Deposit Program.



Statement of Account: February 1, 2020 to February 29, 2020

Account Number: [REDACTED]

Financial Advisor: [REDACTED]

ECONOMIC DEVELOPMENT AUTHORITY

Important Client Messages:

Our parent company BB&T has merged with SunTrust to become Truist!

BB&T Scott & Stringfellow and BB&T Capital Markets will continue to serve your investment needs in the new organization. Until our separate operating systems are fully integrated we will still operate under the BB&T name. Communications will be provided during the integration efforts. Please contact your Financial Advisor to learn more details about the Truist Financial Corporation. You will still have access to your account online using the same log in credentials as well as all of the same products and services currently available to you.

Consolidated Forms 1099 Mailing Schedule:

The mailing deadline set by the Internal Revenue Service for 2019 Consolidated Forms 1099 is Tuesday, February 18, 2020. The IRS offers reporting entities the ability to file for a 30 day extension to the stated deadline. Consistent with industry practice, BB&T Securities elects to annually request the 30 day extension to the mailing deadline. We will begin mailing Forms 1099 in January 2020; however, tax statements for accounts holding securities with more complex features may not be issued until March. This allows BB&T Securities time to obtain and process the required reporting data and lessens the need for amended/corrected tax documents. Investments that may have more complex features include but are not limited to mutual funds and other regulated investment companies (RICs), real estate investment trusts (REITs), royalty trusts, real estate mortgage investment conduits (REMIC), widely held mortgage trusts (WHMT), and unit investment trusts (UITs).

All 2019 Consolidated Forms 1099 will be mailed prior to March 16, 2020.

TurboTax:

BB&T Securities will continue to support the downloading of tax information directly into TurboTax for those clients using the software for tax year 2019. Additional details regarding this service will be provided with your 2019 1099 package.

Changes to the Insured Deposit Program (IDP):

Effective February 4th, 2020, we have made changes to the IDP Program Bank List. The Program Bank List determines the order in which your deposit accounts are opened and your funds are deposited at each of the participating program banks. A copy of the revised IDP Program Bank List can be found at www.bbtsecurities.com, along with the IDP Terms & Conditions.



Statement of Account: February 1, 2020 to February 29, 2020

Account Number: [REDACTED]

Financial Advisor: [REDACTED]

ECONOMIC DEVELOPMENT AUTHORITY

IMPORTANT CLIENT INFORMATION

IMPORTANT- KEEP FOR TAX PURPOSES. Please notify your financial advisor of any change of address.

- ◆ Types of Accounts: 1) Cash Account 2) Margin Account 4) When-issued Account 6) Short Account 8) Stock Loan Account 9) Annuity
- ◆ This is a combined statement of your Margin Account and of a Special Miscellaneous Account (SMA) maintained for you under Section 4(f)(6) of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection upon request.
- ◆ Further information with respect to commissions and other charges has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly upon request. You should also advise us of any material change in your investment objectives and/or financial situation.
- ◆ Customer free credit balances may be used in this firm's business subject to the limitations of 17 CFR Section 240.15c3-3 under the Securities Exchange Act of 1934. You have the right to receive from us upon demand and in the course of normal business operation the delivery of: a) any free credit balance to which you are entitled, b) any fully paid securities to which you are entitled, and c) any securities purchased on margin upon full payment of any indebtedness to us. Any funds subject to a sweep program can be liquidated upon your demand and either returned to the account as a free credit balance or remitted to you directly.
- ◆ A financial statement of this firm is available for your personal inspection at its office or a copy of it will be mailed upon your written request.
- ◆ All securities held by BB&T Securities, LLC for you, but which are not registered in your name, are commingled with identical securities being held for other clients. In the event any securities so held are "called" by the issuer, we will determine the beneficial ownership thereof by an impartial random selection system required by FINRA rules.
- ◆ SIPC provides protection to each BB&T Securities, LLC correspondent client account through the Securities Investor Protection Corporation amounting to a total of \$500,000 inclusive of up to \$250,000 in cash. BB&T Securities, LLC carries insurance coverage issued by Lloyd's of London in excess of the standard SIPC coverage with a maximum limit per customer of \$50,000,000 and a \$200,000,000 total aggregate over all customers and every situation during the policy period. You may obtain information about SIPC, including the SIPC Brochure, by contacting SIPC at www.sipc.org or by calling SIPC at 202-371-8300.
- ◆ The Statement of Financial Condition for BB&T Securities, LLC may be obtained, at no cost, by accessing the company's website at www.bbtsecurities.com or by calling the company toll free at 866-619-1648.
- ◆ This statement will be deemed conclusive if not objected to within 10 days. All inquiries regarding your account or the activity therein should be directed to your Financial Advisor. Please report any inaccuracy or discrepancy in your account in writing to the office servicing your account or to BB&T Securities, LLC, 8006 Discovery Drive, Richmond, VA 23229, tel. 866-619-1648. Customer complaints may be directed to BB&T Securities, LLC at 877-679-5463. You may reach FINRA by calling the FINRA Regulation Public Disclosure Program Hotline at 800-289-9999 or by visiting FINRA Regulation online at www.finra.org. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.



Statement of Account: February 1, 2020 to February 29, 2020

Account Number: [REDACTED]

Financial Advisor: [REDACTED]

ECONOMIC DEVELOPMENT AUTHORITY

IMPORTANT CLIENT INFORMATION

- ◆ The prices displayed on this Client Statement represent the value on the last day of the statement period based on pricing information provided to us by quotation services or other sources. The sources of this information are considered reliable, however the accuracy of this information cannot be guaranteed. If you hold private or alternative investments, such securities may be priced by using the issuer's net asset value (NAV) or by one of the approved valuation methods below:
 - A) Net Investment Method – IMPORTANT – Part of your distribution includes a return of capital. Any distribution that represents a return of capital reduces the estimated per share value shown on your account statement.
 - B) Appraised Value Method – The appraised valuation disclosed in the issuer's most recent periodic or current report filed with the SEC.

Such securities are not listed on a national securities exchange, are generally illiquid, and even in the event of a sell transaction, the price received may be less than the per share estimated value provided in the account statement. Please contact your financial advisor for a current market quote.

- ◆ Credit rating contained herein is obtained by BB&T Securities, LLC from sources believed by it to be accurate and reliable. The credit ratings are statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities and are subject to change. Please contact your Financial Advisor for current credit rating information.

8006 Discovery Drive, Richmond, Virginia 23229

DATE: March 9, 2020

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CEcD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Business Retention Manager Project Update

The EDA is staffed by five (5) economic development professionals (1 vacancy) with approximately 50 years of combined experience. A full listing of staff and their chief activities is provided.

Patrick Barker, CEcD | Executive Director

- Performs strategic planning
- Handles reactive & proactive clients
- Manages project negotiation
- Conducts advanced data analysis

Wendy May | Marketing Manager

- Manages web presence and all publications
- Creates direct marketing materials
- Handles all press releases and social media

Sally Michaels | Business Retention Manager

- Manages existing business call team
- Leads career pathway program
- Handles business forums

Donna McIlwee | Administrative Assistant

- Processes financial records
- Handles special projects, as requested
- Supports staff, as needed

Vacant | Project Specialist

- Manage the office and industrial building/land database and online site selection tools
- Provide support to the Business Retention, Business Attraction and Talent Engagement programs

In an effort to keep the Board aware of individual staff activities, most staff make regular presentations on their current projects. This month Sally Michaels, the EDA's Business Retention Manager, will provide an update on her activities.

DATE: March 9, 2020

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CEcD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Joint Meeting with Board of Supervisors | Agenda Planning

The 2014 MOU between the EDA and Board of Supervisors calls for an annual discussion and review of BOS's expectations for economic development.

Staff recommends structuring an agenda for this year's joint meeting to provide an overview of core EDA functions and recent projects, then an update to planned activities from last year.

- General overview of EDA's mission
- Website upgrade project results
- Business targets (who they are and how arrived)
- State of land and building inventory
- Talent project results
- Update to planned activities from last year

At last year's meeting, the following planned activities for the next 12 months were presented and discussed.

- Activity #1 | Partner with appropriate local and regional partners to create solutions for current and projected workforce needs.
 - Completion of the Shenandoah Valley Talent Solutions Strategy
 - Submission of a GO Virginia per capita grant for implementation of the Shenandoah Valley Talent Solutions Strategy
 - Assist the Workforce Initiative board with project implementation
- Activity #2 | Continue refinement of the business sites program.
 - Finalize a Business Ready Sites Loan Program Agreement with one or more of the characterized sites
 - Complete additional site characterizations should additional sites matching the approved criteria come to market

Staff is seeking the Authority's concurrence with the meeting's proposed agenda. Late April or early/mid-May is targeted for this meeting.

DATE: March 9, 2020

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CEcD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Incentive Policy | Update

Attached is the revised Incentive Policy. As background, this document governs all aspects of the local incentive process (i.e. who qualifies, what is the process for approval, who conducts the audit of a company's performance and who reviews performance agreements). Staff suggests the EDA Board review this document annually.

Building upon the approved Policy from August 2017, staff has updated to reflect current business targets. In addition, staff has suggested some additional revisions, including clarity on which businesses qualify for incentives and alignment with the State incentive policy. Those areas are highlighted in the attached draft policy.

Staff is seeking EDA approval of the document.

FREDERICK COUNTY, VIRGINIA BUSINESS INCENTIVE GUIDELINES

March 2020 **DRAFT**

ELIGIBLE BUSINESSES

At the discretion of the Frederick County Board of Supervisors, qualified businesses that are locating to or expanding within Frederick County, Virginia may be offered incentives outlined in these guidelines. Businesses within targeted sectors (list follows) will receive priority consideration.

Sector	Niches
Advanced Manufacturing	Plastics Products Engineered Wood Products Fabricated Metal Products Bioscience Products Chemical Supportive Logistic Consulting Supportive Trucking
Business Administration and Support Services	Corporate Headquarters Back Office Service Centers
Retail	Specialty Retailers Casual Dining Restaurants Fast Casual Restaurants
Professional Services	Information and Communication Technology Data Centers Cyber Security Engineering
Agribusiness and Food Processing	Specialty foods and beverages Packaged Foods Perishable Foods Beverages and Breweries

QUALIFICATIONS

Businesses Moving to or Expanding in Frederick County, Virginia

Frederick County may elect to match the Virginia Governor's Development Opportunity Fund or provide cash appropriations as authorized by Virginia Code § 15.2- 953 or other applicable law.

Minimum Requirements

- The company must create a minimum of 5 new jobs over a 36 month period, each of which pay at least 100 percent of the county's median wage.
- The company must make a minimum \$5 million investment in buildings, land and equipment over a 36 month period.
- Frederick County must be competing with another jurisdiction for the company's final location decision.

Incentive Guidelines

- ~~• The company must be in one of the targeted industries listed above.~~
- ~~• Companies that meet the minimum requirements will, at the Board of Supervisors' discretion, be approved for Frederick County's Fast Track commercial development process.~~

The ~~types of~~ incentives funds made available to businesses moving to or expanding in Frederick County ~~will be limited to~~ can be used for:

- ~~• Public infrastructure improvements, such as roads, sidewalks, parking facilities, etc.~~
- Cash-cash appropriations as authorized by Virginia Code § 15.2-953 or other applicable law.

Frederick County Companies Expanding Within Frederick County

Minimum Requirements

- The company must create a minimum of 5 new jobs.
- The company must make a minimum \$2.5 million investment in buildings, land and equipment.
- The company must receive a Virginia Jobs Investment Program grant.
- Frederick County must be competing with another jurisdiction for the company's final location decision.
- ~~• The company must be in one of Frederick's targeted business industries.~~



Incentive Guidelines

- ~~• Companies that meet the minimum requirements will, at the Board of Supervisors' discretion, be approved for the county's Fast Track commercial development process.~~

The ~~types of~~ incentives funds made available to companies expanding within Frederick County ~~will be limited to:~~ can be used

- ~~• Public infrastructure improvements, such as roads, sidewalks, parking facilities, etc.~~
- ~~• A match of the Virginia Jobs Investment Program grant.~~
- Cash appropriations as authorized by Virginia Code § 15.2-953 or other applicable law.

PROCESS

Project Review and Audit Committee

All projects requesting discretionary incentives from Frederick County are reviewed by the Project Review and Audit Committee. Committee members include the EDA Director, County Attorney, County Administrator and ~~Assistant~~ Deputy County Administrator. The following are the responsibilities of the committee:

- Review all elements of the project
- Consider strategic, competitive and financial implications
- Evaluate ROI analysis
- Approve proposed conditions (examples follow) for release of LEDIG.
 - Portion of funds released upon Certificate of Occupancy issuance and/or certain number of jobs hired and/or capital investment on tax
 - Per job basis as employees ramp up
 - Upon start of construction
- Determine whether to proceed to executive session with Board of Supervisors
- Approve project offer letters upon concurrence from Board of Supervisors in executive session
- Conduct yearly audits of open performance agreements



Performance Agreement

Every project receiving a LEDIG must have a performance agreement. An example of a performance agreement is included. ~~At a minimum, the performance agreement must contain the following:~~

- ~~• Definition of key aspects like capital investment, new jobs, performance date and target~~
- ~~• Process in which specific dates when grants will be distributed and how grants will be repaid, if necessary~~
- ~~• Reporting procedure of company to targets~~

The following individuals will review and provide comments, within 5 business days when possible, to any performance agreement

- Applicant or Applicant's counsel
- EDA Director
- EDA Counsel
- Frederick County Attorney
- ~~Assistant- Deputy~~ County Administrator
- VEDP Counsel (if applicable)
- State Attorney General (if applicable)

Upon completion of review and comment by the above, the performance agreement will be additionally circulated for seven business days to the EDA Chairman, the representative of the Board of Supervisors and the Frederick County Treasurer's Office. After which, the performance agreement will be submitted to the Board of Supervisors for final approval at least five business days prior to the next Board of Supervisors meeting at which the proposed agreement is to be considered. Final approval of the Performance Agreement is by the Frederick County Board of Supervisors and the EDA Board of Directors.



COMMONWEALTH’S DEVELOPMENT OPPORTUNITY FUND
PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** made and entered this DATE by and among the **COUNTY OF FREDERICK, VIRGINIA** (the “Locality”), a political subdivision of the Commonwealth of Virginia (the “**Commonwealth**”), **NAME OF COMPANY** (the “**Company**”), description of type of Company, and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF FREDERICK, VIRGINIA** (the “**Authority**”), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Locality has been awarded a grant of and expects to receive \$VALUE from the Commonwealth’s Development Opportunity Fund (a “**COF Grant**”) through the Virginia Economic Development Partnership Authority (“**VEDP**”) for the purpose of inducing the Company to expand, equip, improve, and operate its description of facility located in the Locality (the “**Facility**”), thereby making a significant Capital Investment, and creating and Maintaining a significant number of New Jobs, as such capitalized terms are hereinafter defined;

WHEREAS, the Locality is willing to provide the funds to the Authority with the expectation that the Authority will provide the funds to or for the use of the Company, provided that the Company promises to meet certain criteria relating to Capital Investment and New Jobs;

WHEREAS, the Locality wishes to make a Local Economic Development Incentive Grant from its Financial Investment Fund in the amount of \$VALUE (the “**LEDIG**”) through the Authority to the Company for the purpose of inducing the Company to expand, equip, improve, and operate the Facility, thereby making a significant Capital Investment, and creating and Maintaining a significant number of New Jobs;

WHEREAS, the Locality, the Authority and the Company desire to set forth their understanding and agreement as to the payout of the COF Grant and the LEDIG (together, the “**Grants**”), the use of the proceeds of the Grants, the obligations of the Company regarding Capital Investment and New Jobs, and the repayment by the Company of all or part of the Grants under certain circumstances;

WHEREAS, the expansion, equipping, improvement, and operation of the Facility will entail a capital expenditure by or on behalf of the Company of approximately \$VALUE, of which approximately \$VALUE will be invested in furniture, fixtures and equipment, and approximately \$VALUE will be invested in the construction of a new building;

WHEREAS, the expansion, equipping, improvement, and operation of the Facility will further entail the creation and Maintenance of VALUE New Jobs at the Facility; and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment and the New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for each of the Grants:

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Definitions.

For the purposes of this Agreement, the following terms shall have the following definitions:

“Capital Investment” means a capital expenditure by or on behalf of the Company in taxable real property, taxable tangible personal property, or both, at the Facility, excluding existing real property improvements. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, by or on behalf of the Company will qualify as Capital Investment. The Capital Investment must be in addition to the capital improvements at the Facility as of Date. The total expected capital expenditure of \$VALUE is referred to in this Agreement as the “Capital Investment.”

“Maintain” means that the New Jobs will continue without interruption from the date of creation through the Performance Date. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company’s employment levels (so long as there is active recruitment for open positions), (ii) strikes, and (iii) other temporary work stoppages.

“New Job” means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an average annual wage of at least \$VALUE (W-2 wages, including without limitation, any annual Partners In Performance (“PIP”) bonus). Each New Job must require a minimum of either (i) 35 hours of an employee’s time per week for the entire normal year of the Company’s operations, which “normal year” must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs. The New Jobs must be in addition to the VALUE full-time jobs at the Facility as of Date.

“Performance Date” means Date. The Performance Date shall not be subject to extension.

“Targets” means the Company’s obligations to make Capital Investments at the Facility of at least \$VALUE and to create and Maintain at least VALUE New Jobs at the Facility, all as of the Performance Date.

“Virginia Code” means the Code of Virginia of 1950, as amended.

Section 2. Targets; Statutory Criteria.

(a) *Targets:* The Company will expand, equip, improve, and operate the Facility in the Locality, make Capital Investments at the Facility of at least \$VALUE, and create and Maintain at least VALUE New Jobs at the Facility, all as of the Performance Date.

(b) *Encouragement to Offer New Jobs to Residents of the Commonwealth:* The Locality and the Authority hereby strongly encourage the Company to ensure that at least 30% of the New Jobs are offered to “Residents” of the Commonwealth, as defined in Virginia Code Section 58.1-302. In pertinent part, that definition includes natural persons domiciled in Virginia or natural persons who, for an aggregate of more than 183 days of the year, maintained a place of abode within the Commonwealth, whether domiciled in the Commonwealth or not.

(c) *Prevailing Wage; Unemployment and Poverty Rates:* The average annual wage of the New Jobs of at least \$VALUE is more than the prevailing average annual wage in the Locality of \$VALUE. The Locality is not a high-unemployment locality, with an unemployment rate for YEAR, which is the last year for which such data is available, of VALUE% as compared to the YEAR statewide unemployment rate of VALUE%. The Locality is not a high-poverty locality, with a poverty rate for YEAR, which is the last year for which such data is available, of VALUE% as compared to the YEAR statewide poverty rate of VALUE%.

(d) *Disclosure of Political Contributions:* The Company acknowledges that the name of the Company will be shared by VEDP with the Governor of Virginia, and any campaign committee or political action committee associated with the Governor. The Company acknowledges that within 18 months of the date of this Performance Agreement, the Governor, his campaign committee, and his political action committee will submit to the Virginia Conflict of Interest and Ethics Advisory Council a report listing any contribution, gift, or other item with a value greater than \$100 provided by the Company to the Governor, his campaign committee, or his political action committee, respectively, during the period from the date of the Company’s application for the COF Grant through the one-year period immediately after the date of this Agreement.

Section 3. Disbursement of the Grants; Use of Proceeds

(a) *Disbursement of the COF Grant:* By no later than DATE, the Locality will request the disbursement to it of the COF Grant. If not so requested by the Locality by DATE, this Agreement will terminate and the Company will have no claim whatsoever against the Locality or the Authority. The Locality and the Company will be entitled to reapply for a COF Grant thereafter, based upon the terms, conditions and availability of funds at that time.

The Locality anticipates that the COF Grant in the amount of \$DATE will be paid to the Locality, upon its request. Within 30 days of its receipt of the COF Grant proceeds, the Locality will disburse the COF Grant proceeds to the Authority. Within 30 days of its receipt of the COF Grant proceeds, the Authority will disburse the COF Grant proceeds to the Company as an

inducement to the Company to achieve the Targets at the Facility. This Agreement shall terminate and shall be of no force or effect in the event that the COF Grant is not requested by the Locality on or before DATE.

(b) *Use of the COF Grant Proceeds:* The Company will use the COF Grant proceeds to pay or reimburse itself for the costs of grading, drainage, paving and any other activity required to prepare the site for construction, road, rail or other transportation access costs beyond the funding capability of existing programs, and for construction of the Facility, all as permitted by Section 2.2-115(D) of the Virginia Code.

(c) *Disbursement of the LEDIG:* As an inducement to the Company to achieve the Targets at the Facility and provided that the Company is not in default under the terms of this Agreement, the Locality will disburse the \$VALUE of LEDIG proceeds through the Authority to the Company in equal installments as follows:

- (i) The first installment of \$VALUE will be paid by the Locality to the Authority and by the Authority to the Company after DATE, but no later than DATE.
- (ii) The second installment of \$VALUE will be paid by the Locality to the Authority and by the Authority to the Company after DATE, but no later than DATE.

(d) *Use of the LEDIG Proceeds:* The Company will use the LEDIG proceeds for the costs of grading, drainage, paving and any other activity required to prepare the site for construction and for construction of the Facility.

Section 4. Break-Even Point; State and Local Incentives.

(a) *State-Level Incentives:* VEDP has estimated that the Commonwealth will reach its “break-even point” by the Performance Date. The break-even point compares new revenues realized as a result of the Capital Investment and New Jobs at the Facility with the Commonwealth’s expenditures on incentives, including but not limited to the COF Grant. With regard to the Facility, the Commonwealth expects to provide incentives in the following amounts:

<u>Category of Incentive:</u>	<u>Total Amount</u>
COF Grant	\$VALUE
Virginia Jobs Investment Program (“VJIP”) (Estimated)	VALUE
Virginia Economic Development Incentive Grant (“VEDIG”)	VALUE

The proceeds of the COF Grant shall be used for the purposes described in Section 3(b). The VJIP proceeds shall be used by the Company to pay or reimburse itself for recruitment and training costs. The VEDIG proceeds may be used by the Company for any lawful purpose.

(b) *Locality-Level Incentives:* The Locality expects to provide the following incentives, as matching grants or otherwise, for the Facility:

<u>Category of Incentive:</u>	<u>Total Amount</u>
LEDIG	\$VALUE

If, by the Performance Date, the proceeds of the LEDIG disbursed or committed to be disbursed by the Locality to the Company, total less than the required \$VALUE COF Grant local match, the Locality, subject to appropriation, will make an additional grant through the Authority to the Company of the difference at the Performance Date, so long as the Company has met its Targets.

The proceeds of the LEDIG shall be used for the purposes described in Section 3(d).

Section 5. Repayment Obligation.

(a) *If Statutory Minimum Eligibility Requirements are Not Met:* Section 2.2-115 of the Virginia Code requires that the Company make a Capital Investment of at least \$5,000,000 in the Facility and create and Maintain at least 50 New Jobs at the Facility in order to be eligible for the COF Grant, and the Locality’s policy is to administer its LEDIG similarly. Failure by the Company to meet either of these statutory minimum eligibility requirements by the Performance Date shall constitute a breach of this Agreement and the entire amount of both Grants must be repaid by the Company to the Authority.

(b) *Allocation of COF and LEDIG Proceeds:* For purposes of repayment under subsection (c), each of the Grants are to be allocated as 50% for the Company’s Capital Investment Target (\$VALUE for the COF Grant and \$VALUE for the LEDIG) and 50% for the Company’s New Jobs Target (\$VALUE for the COF Grant and \$VALUE for the LEDIG).

(c) *If Statutory Minimum Eligibility Requirements are Met:* The provisions of this subsection 5 (c) shall become applicable only if the Company has met the statutory minimum eligibility requirements set forth in subsection 5 (a). If the Company has met at least 90% of both of the Targets as of the Performance Date, then and thereafter the Company is no longer obligated to repay any portion of either Grant. If the Company has not met at least 90% of either or both of its Targets as of the Performance Date, the Company shall repay to the Authority that part of the Grants that is proportional to the Target or Targets for which there is a shortfall. For example, if at the Performance Date, the Capital Investment is only \$VALUE (reflecting achievement of 75% of the Capital Investment Target), and only VALUE New Jobs have been created and Maintained (reflecting achievement of 75% of the New Jobs Target), the Company shall repay to the Authority 25% of the moneys allocated to the Capital Investment Target (\$VALUE for the COF Grant + \$VALUE for the LEDIG = \$VALUE) and 25% of the moneys allocated to the New Jobs Target (\$VALUE for the COF Grant + \$VALUE for the LEDIG = \$VALUE), for a total repayment of \$VALUE. Among other things, in the event that the Company should file any amended tax return indicating, among other things, that the Company

did not meet the Capital Investment and/or the New Jobs Target, the Company shall be obligated to repay all or a portion of the Grants, according to the formula set forth herein. The Company's repayment obligation hereunder shall survive the Performance Date to the extent that the Locality or VEDP subsequently receives information to the effect that the Company did not meet the Targets.

(d) *Determination of Inability to Comply:* If the Locality or VEDP shall determine at any time prior to the Performance Date (a "Determination Date") that the Company is unable or unwilling to meet and Maintain its Targets by and through the Performance Date, and if the Locality, the Authority or VEDP shall have promptly notified the Company of such determination, the Company must repay to the Authority all of the proceeds of the Grants previously disbursed to the Company. Such a determination will be based on such circumstances as a filing by or on behalf of the Company under the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company or other similar significant event that demonstrates that the Company will be unable or is unwilling to satisfy the Targets for the Grants. Upon such determination, then and in that event, no further LEDIG installments shall be disbursed to the Company and the COF Grant and LEDIG proceeds previously disbursed to the Company will be required to be repaid as set forth in subsection 5(e).

(e) *Repayment:* In the event that the Company is obligated to repay the Grants, or any portion thereof, as called for under the terms of this Agreement, the Company shall pay such sums within 30 days after notification of the amount of the sums to be repaid by the Company. Such determination of liability shall be made promptly as of the Performance Date or the Determination Date, or promptly upon receipt of the Progress Report, as hereinafter defined, or other information confirming lack of achievement of the Targets as of the Performance Date, whichever shall first occur.

Any COF Grant and LEDIG repayment shall be made as follows:

(i) *COF Grant:* Any COF Grant moneys repaid by the Company to the Authority hereunder shall be repaid by the Authority to the Locality within 30 days after the repayment by the Company to the Authority, and shall be repaid by the Locality promptly to VEDP for redeposit into the Commonwealth's Development Opportunity Fund.

(ii) *LEDIG:* Any LEDIG moneys repaid by the Company to the Authority hereunder shall be repaid by the Authority to the Locality within 30 days after the repayment by the Company to the Authority. In the event that the Company fails or refuses to repay any of the LEDIG moneys as called for in this Section 5, such sums shall be assessed interest at the rate of 8.00% per annum until repaid in full by the Company.

The Locality and the Authority shall use their best efforts to recover any proceeds of the Grants due, including judicial proceedings for any breach of this Agreement by the Company.

Neither the Locality nor the Authority shall have any responsibility for the repayment of any COF Grant sums payable by the Company hereunder unless said sums have been received by the Authority from the Company.

In the event that the Company fails to make full repayment of any repayment due, any monies that are repaid shall be allotted as 50% to the COF Grant and 50% to the LEDIG.

(f) *Attorney's Fees with Respect to Repayment:* In the event that the Company fails to comply with the repayment obligations set forth in this Section 5, the Locality and the Authority shall be entitled to recover their reasonable attorney's fees and costs incurred in connection with such default by the Company, whether or not judicial proceedings are instituted to collect such funds.

Section 6. Company Reporting.

Commencing on DATE, and on DATE of each year thereafter, the Company shall provide, at the Company's expense, an annual report on the progress of achievement of the Targets ("**Progress Report**"). Such Progress Report shall indicate the amount of Capital Investment, the number of New Jobs, the average annual wage paid to the New Jobs (W-2 wages, including PIP), and the standard fringe benefits provided to those New Jobs through the prior December 1. Such Progress Report also shall include an affirmative statement signed by an authorized Company Officer or Director that the information provided in the report is true and correct and certifies the status of its efforts to achieve the Targets.

The Company shall provide other reports on the progress of achievement of the Targets at such other times as the Locality, the Authority or VEDP may reasonably require.

The Company hereby authorizes the Locality, including the Locality's Commissioner of the Revenue and Treasurer, to provide for review by the Locality and VEDP of the Company's real estate tax, business personal property tax and machinery and tools tax information. Such information shall be marked and considered confidential and proprietary and shall be used solely for verifying satisfaction of the Capital Investment Target. If the Locality, the Office of the Commissioner of the Revenue, or the Office of the Treasurer should require additional documentation or consents from the Company to access such information, the Company shall promptly provide, at the Company's expense, such additional documentation or consents as the Locality, the Authority or VEDP may request. In accordance with Virginia Code Section 58.1-3122.3, VEDP is entitled to receive the Company's real estate tax, business personal property tax and machinery and tools tax information from the Locality's Commissioner of the Revenue.

In addition to the verification data described above, the Locality, the Authority and VEDP may request such other documentation or audits as may be required to properly verify Capital Investment.

With each Progress Report, the Company shall provide for review by the Locality and VEDP copies of the Company's quarterly payroll tax filings with the Virginia Employment Commission covering the period from DATE through the Performance Date. The Company will

denote on those filings which of the employees met the definition of New Jobs to confirm satisfaction with the New Jobs Target. Such information shall be marked and considered confidential and proprietary and shall be used by solely for verifying satisfaction of the New Jobs Target. In accordance with Virginia Code Section 60.2-114, VEDP is entitled to receive the Company's employment level and wage information from the Virginia Employment Commission.

Since the Company has more than one business location in the Commonwealth, the Company agrees that it will report to the Virginia Employment Commission with respect to its employees at the Facility at the Facility-level and not at the Company-level.

In addition to the verification data described above, the Locality, the Authority and VEDP may request such other documentation or audits as may be required to properly verify New Jobs.

Section 7. Notices.

Formal notices and communications between the Parties shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed as noted below. Notices and communications personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices and communications mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices and communications delivered by facsimile or email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices and communications shall be addressed to:

if to the Company, to:

COMPANY CONTACT INFO
Facsimile:
Email:
Attention:

with a copy to:

COMPANY CONTACT INFO
Facsimile:
Email:
Attention:

if to the Locality, to:

County of Frederick, Virginia
107 North Kent Street
Winchester, Virginia 22601
Facsimile: 540-667-0370
Email: ktierney@fcva.us
Attention: County Administrator

with a copy to:

County of Frederick, Virginia
107 North Kent Street, 3rd Floor
Winchester, Virginia 22601
Facsimile: 540-667-0370
Email: rwillia@fcva.us
Attention: County Attorney

if to the Authority, to:

Economic Development Authority of the
County of Frederick, Virginia
107 North Kent Street
Winchester, Virginia 22601
Facsimile: 540-722-0604
Email: scrockett@vit.org
Attention: Chair

with a copy to:

Economic Development Authority of the
County of Frederick, Virginia
107 North Kent Street
Winchester, Virginia 22601
Facsimile: 540-722-0604
Email: pbarker@yesfrederickva.com
Attention: Executive Director

if to VEDP, to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Post Office Box 798 (zip: 23218-0798)
Richmond, Virginia 23219
Facsimile: 804.545.5611
Email: smoret@yesvirginia.org
Attention: President and CEO

with a copy to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Post Office Box 798 (zip: 23218-0798)
Richmond, Virginia 23219
Facsimile: 804.545.5611
Email: smcniinch@yesvirginia.org
Attention: General Counsel

Section 8. Miscellaneous.

(a) *Entire Agreement; Amendments:* This Agreement constitutes the entire agreement among the parties hereto as to the Grants and may not be amended or modified, except in writing, signed by each of the parties hereto and consented to by VEDP. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign its rights and obligations under this Agreement without the prior written consent of the Locality, the Authority and VEDP.

(b) *Governing Law; Venue:* This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving the COF Grant under the terms of this Agreement shall lie in the Circuit Court of the City of Richmond, Virginia, and such litigation shall be brought only in such court. Jurisdiction and venue for any litigation arising out of or involving the LEDIG under the terms of this Agreement shall lie in the Circuit Court of the County of Frederick, Virginia, and such litigation shall be brought only in such court.

(c) *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

(e) *Time:* Time is of the essence as to all matters set forth in this Performance Agreement.

(f) *Attorney Fees:* Except as noted in Section 5(f), attorney's fees shall be paid by the party incurring such fees.

(g) *Interpretation:* Should any provision of this Agreement require judicial interpretation, it is agreed that the Court interpreting the same shall not apply the presumption that the terms of any such provision shall be more strictly construed against one party or the other by reason of the rule of construction that document is to be construed most strictly against the party who itself or through its counsel prepared the same, it being agreed that counsel for the Locality, the Company and the Authority have participated in the preparation and review of this Agreement

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

COUNTY OF FREDERICK, VIRGINIA

By _____

Name: Charles S. DeHaven, Jr.
Title: Chair, Board of Supervisors of
the County of Frederick, Virginia
Date: _____

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF FREDERICK,
VIRGINIA**

By _____

Name: Stanley Crockett
Title: Chair, Economic Development
Authority of the County of Frederick, Virginia
Date: _____

COMPANY

By _____

Name: _____
Title: _____
Date: _____