Business Savvy. People Friendly.

PITTSYLVANIA COUNTY, VIRGINIA

INDUSTRIAL DEVELOPMENT AUTHORITY

Wednesday, August 20, 2025; 6:00 P.M; County Administration Conference Room;
1 Center Street, Chatham, Virginia 24531

AGENDA

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **REVISIONS TO AGENDA**

IV. **APPROVAL OF AGENDA**

V. **CONSENT AGENDA**

   A. Approval of July Meeting Minutes

   B. Approval of July Financials

VI. **OLD BUSINESS**

   A. Pittsylvania County Strategic Plan Update *(G. Payne)*

VII. **NEW BUSINESS**

   A. Approval of Local Performance Agreement for Project Toy Story (*M. Rowe)*

VIII. **ECONOMIC DEVELOPMENT UPDATES**

   A. Overview of Projects (*M. Rowe)*

IX. **MATTERS FROM IDA MEMBERS**

X. **CLOSED SESSION**

   A. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community.

   Authority: Virginia Code §2.2-3711(A)(5)
   Subject Matters: Project G, Project 10, Project B
   Purpose: Updates on Prospective Unannounced Businesses/Industries

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

A. Closed Session Certification

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY CLOSED MEETING CERTIFICATION

BE IT RESOLVED that at the meeting of the Pittsylvania County Industrial Development Authority ("Authority") on August 20, 2025, the Authority hereby certifies by a recorded vote that to the best of each Authority member's knowledge only public business matters lawfully exempted from the Open Meeting requirements of the Virginia Freedom of Information Act ("Act") and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. If any authority member believes that there was a departure from the requirements of the Act, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the Authority's minutes.

	Vote
Joey Faucette	Yes/No
John Daniel	Yes/No
Timothy Reynolds	Yes/No
Bill Nuckols	Yes/No
Steven Merricks	Yes/No
Charles L. Minter	Yes/No
Michael Adkins	Yes/No

XII. ADJOURNMENT

Agenda Section:	Consent Agenda (Section V(A))
Agenda Title:	Approval of July Minutes
Staff Contact:	Matthew Rowe
Agenda Date:	August 20, 2025
Attachments:	July 2025 Meeting Minutes- DRAFT

SUMMARY:
For the Board's review and consideration, attached are the following Meeting Minutes for July:

1. July 2025 Meeting Minutes- DRAFT

FINANCIAL IMPACT AND FUNDING SOURCE:
Not applicable.

RECOMMENDATION:
County Staff recommends the IDA Board approve the July Meeting Minutes as presented.

MOTION:
"I make a Motion to approve the July Meeting Minutes as presented."

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
7/16/25 MEETING MINUTES

I. CALL TO ORDER

Faucette called Meeting to order at 6:09 PM.

II. ROLL CALL

- Saunders conducted Roll Call. The following IDA Members were present: Faucette, Daniel, Reynolds, Nuckols, Merricks, Minter, and Adkins.
- Staff present: Vincent, Rowe (By Zoom), and Saunders.
- Others in Attendance: Gregory Payne (By Zoom), Kat Saunders (By Zoom), Brent Shelton (By Zoom)

III. REVISIONS TO AGENDA

None

IV. APPROVAL OF AGENDA

Motion by Reynolds, seconded by Nuckols, to approve Agenda. Motion passed unanimously by IDA Members present.

V. CONSENT AGENDA

Motion by Daniel, seconded by Adkins, to approve Consent Agenda with a correction to the June Meeting Minutes under *III. Revisions To Agenda* to change "seconded by" to Nuckols and remove Reynolds. Motion passed unanimously by IDA Members present.

VI. OLD BUSINESS

<u>Pittsylvania County Strategic Plan Update-</u> Gregory Payne and Kat Saunders with Economic Leadership, LLC, provided IDA Members with a monthly update on the Pittsylvania County Strategic Plan.

VII. NEW BUSINESS

A. On a Motion by Merricks, seconded by Adkins, to approve the Purchase and Sale agreement for Parcel #2348-50-2690. Motion passed unanimously by IDA Members present. Rowe stated that this parcel was intended to be included in the original purchase agreement with Cambridge Pavers, Inc. and this is the reason for the below market price on Parcel #2348-50-2690.
B. On a Motion by Nuckols, seconded by Daniel, to approve the revised lease agreement for TECHnista. Motion passed unanimously by IDA Members present.

VIII. ECONOMIC DEVELOPMENT UPDATES

Rowe provided updates on County Projects.

IX. MATTERS FROM IDA MEMBERS

There were none.

X. CLOSED SESSION

Motion to enter Closed Session (see attached Agenda Packet for full Closed Session information) by Nuckols, seconded by Minter. Motion passed unanimously by IDA Members present. IDA entered Closed Session at 6:40 PM.

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

IDA returned to Open Session at 7:47 PM and Saunders read the Closed Session Certification paragraph (see attached Agenda Packet for same), and conducted a Closed Session Certification Roll Call, which was unanimously voted “Yes” by IDA Members present.

XII. ADJOURNMENT

Faucette adjourned the Meeting at 7:48 PM.

Agenda Section:	Consent Agenda (Section V(B))
Agenda Title:	Approval of July Financials
Staff Contact:	Kim Van Der Hyde
Agenda Date:	August 20, 2025
Attachments:	July Financial Report

SUMMARY:
A copy of the July Financial Report is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:
None

RECOMMENDATION:
County Staff recommends the IDA approve the July Financial Report as presented.

MOTION:
"I make a Motion to approve the July Financial Report as presented."

Balance Sheet

Pittsylvania County Industrial Development Authority

As of July 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
10000 BB&T-Regular Checking	
101000 First Citizens Checking	729,786.49
10200 ANB-Axxor Property Account	
10300 FCB-Panacea Reserve Account	
10400 FCB-IDA SR-Plastics	
10500 ANB-IDA SR-Plastics	
Total for Bank Accounts	**$729,786.49**
Accounts Receivable	
11000 *Accounts Receivable	
Total for Accounts Receivable	**0**
Other Current Assets	
120000 Accounts Receivable	
Total for Other Current Assets	**0**
Total for Current Assets	**$729,786.49**
Fixed Assets	
110000 Inventory	1,300,310.00
15000 Capital Assets	0
150100 Land	497,442.00
150200 Industrial Building	13,289,443.07
150500 Construction in Progress	
Total for 15000 Capital Assets	**$13,786,885.07**
160000 Accumulated Depreciation	-437,901.50
Total for Fixed Assets	**$14,649,293.57**
Other Assets	
120100 Notes Receivable-Intertape	
120200 Note Receivable-Axxor	
120500 Notes Receivable-Axxor-Land	
121000 Note Receivable-Panacea Equip	
121100 Notes Rec-Panacea Equip Reserve	
121500 Note Receivable-Panacea Upfit	
121600 Note Receivable-VRA Loan-Realty	750,000.00
121700 Note Receivable-ANB-SR Plastics	
121800 Note Receivable-VSBFA-Axxor	2,762,181.87
125000 Other Receivable-ARCO	
125100 Other Receivable-SR-Plastics	67,230.84
125200 Other Receivable-Axxor	
130000 Interest Receivable	
140000 Lease Receivable-Rage Plastics	9,131,494.62

Balance Sheet

Pittsylvania County Industrial Development Authority

As of July 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
141000 Lease Receivable-Technista	378,543.34
Total for Other Assets	**$13,089,450.67**
Total for Assets	**$28,468,530.73**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 *Accounts Payable	
225000 Due To Danville City IDA	
Total for Accounts Payable	**0**
Credit Cards	
Other Current Liabilities	
200000 Accounts Payable	
252500 Note Payable-ANB Axxor Note	-29,047.48
252600 Closing Costs	
253700 Note Payable-TIC-Cyber Park	500,000.00
253800 Note Payable-Cyber Park	976,000.74
260000 Interest Payable	
270000 Reserve-Panacea	
270100 SR-Plastics Reserve	
Total for Other Current Liabilities	**$1,446,953.26**
Total for Current Liabilities	**$1,446,953.26**
Long-term Liabilities	
210000 Security Deposit-2311 Cane Creek Pkwy	11,583.00
250000 Note Payable-ANB-Intertape	
253000 Bond Payable-2311 Cane Creek Pkwy Building	488,521.00
253200 Note Payabe-First Citizens-Pana	
253300 Note Payable-VRA Loan-Realty	750,000.00
253400 Note Payable-Atlantic Union SR Plastics	8,171,049.80
253500 Note Payable-VSBFA-Axxor	2,791,229.35
253600 Note Payable-VSBFA-SR-Plastics	976,982.80
2750 Deferred Inflow of Resources-Leases	7,701,584.50
Total for Long-term Liabilities	**$20,890,950.45**
Total for Liabilities	**$22,337,903.71**
Equity	
32000 Unrestricted Net Assets	4,217,530.82
Net Income	-30,431.46
30000 Opening Balance Equity	1,943,527.66
Total for Equity	**$6,130,627.02**
Total for Liabilities and Equity	**$28,468,530.73**

Pittsylvania County Industrial Development Authority

Monthly Disbursements

July 2025

Check Number	Date	Vendor Name	Paid Amount
FEE	7/8/2025	First Citizens Bank	$ 207.17
1266	7/7/2025	VSBFA	$ 4,546.00
1267	7/8/2025	VSBFA	$ 36,133.85
1269	7/7/2025	Economic Leadership LLC	$ 60,000.00
1270	7/8/2025	Christian & Barton LLP	$ 16,994.86
1271	7/8/2025	Hurt & Proffitt LLC	$ 3,280.00
1272	7/10/2025	VA CORP	$ 32,036.00
1273	7/18/2025	Daniel Builders LLC	$ 17,685.00
1274	7/21/2025	Sellers Brothers INC	$ 500.00
1275	7/24/2025	Pittsylvania County Treasurer	$ 4,866.08
1276	7/15/2025	Atlantic Union Bank	$ 43,887.71
1278	7/29/2025	VSBFA	$ 4,546.00

Pittsylvania County Industrial Development Authority
General Expenditures for Fiscal Year 2026
As of July 31, 2025

	Cash Balance	Current Rev/Exp	YTD Rev/Exp	Budget	Balance
Funding					
Locality Contributions:					
Pittsylvania County		-		13,489.00	13,489.00
Rent:					
Axxor		1,500.00	1,500.00	18,000.00	16,500.00
Rage SR-Plastics		-	-	18,000.00	18,000.00
Technista		3,000.00	3,000.00	18,000.00	15,000.00
Other Receivables:					
Invenergy		-	-	60,000.00	60,000.00
Bank Interest Earned		238.35	238.35	2,800.00	2,561.65
Fund Balance		-	-	230,041.00	230,041.00
Total Funding		4,738.35	4,738.35	360,330.00	355,591.65
Expense					
Accounting-Audit Fees				8,500.00	8,500.00
Legal Fees				80,000.00	80,000.00
Bank Service Charges		207.17	207.17	2,640.00	2,432.83
Engineering				30,000.00	30,000.00
Insurance		32,036.00	32,036.00	32,036.00	-
Property & Equipment Services				30,000.00	30,000.00
Postage, Mailing Service				100.00	100.00
Prospect Visit				20,000.00	20,000.00
Professional Services -Board				13,565.00	13,565.00
Strategic Plan Economin Leadership				130,000.00	130,000.00
2311 Cane Creak Facility				13,489.00	13,489.00
Total Expense		32,243.17	32,243.17	360,330.00	328,086.83

Statement of Cash Flows
Pittsylvania County Industrial Development Authority
July 1-31, 2025

Full name		Total
OPERATING ACTIVITIES		
Net Income	$	(30,431.46)
Adjustments to reconcile Net Income to Net Cash provided by operations:	$	-
Net cash provided by operating activities	**$**	**(30,431.46)**
INVESTING ACTIVITIES		
121800 Note Receivable-VSBFA-Axxor	$	31,673.93
125100 Other Receivable-SR-Plastics	$	(16,596.76)
140000 Lease Receivable-Rage Plastics	$	21,634.32
141000 Lease Receivable-Technista	$	155,855.66
Net cash provided by investing activities	**$**	**192,567.15**
FINANCING ACTIVITIES		
253400 Note Payable-Atlantic Union SR Plastics	$	(19,660.57)
253500 Note Payable-VSBFA-Axxor	$	(31,673.93)
253600 Note Payable-VSBFA-SR-Plastics	$	(2,913.19)
Net cash provided by financing activities	**$**	**(54,247.69)**
NET CASH INCREASE FOR PERIOD	**$**	**107,888.00**
Cash at beginning of period	**$**	**621,898.49**
CASH AT END OF PERIOD	**$**	**729,786.49**

Agenda Section:	New Business (Section VII(A))
Agenda Title:	Approval of Local Performance Agreement for Project Toy Story
Staff Contact:	Matthew Rowe
Agenda Date:	August 20, 2025
Attachments:	Local Performance Agreement for Project Toy Story

SUMMARY:
A copy of the Local Performance Agreement for Project Toy Story is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:
None

RECOMMENDATION:
County Staff recommends the IDA approve the Local Performance Agreement as presented.

MOTION:
"I make a Motion to approve the Local Performance Agreement as presented."

LOCAL PERFORMANCE AGREEMENT

THIS LOCAL PERFORMANCE AGREEMENT (this "**Agreement**"), made and entered into as of the 30th day of June 2025, by and among **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("**PCIDA**"); the **COUNTY OF PITTSYLVANIA, VIRGINIA,** a political subdivision of the Commonwealth of Virginia (the "**County**"); and **MERRYGOROUND, INC.**, a Virginia corporation ("**MGR**" or the "**Company**");

W I T N E S S E T H :

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

a. PCIDA and the County, in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity.

b. The Company desires to establish and to operate a live commerce market and fulfillment center (the "**New Facility**"). The New Facility would be established on that certain real property containing approximately **20.17 acres**, commonly known as **3401 US Highway 29, Pittsylvania County, Virginia 24540** in Pittsylvania County, Virginia (the "**Project Site**"); provided, however, MGR shall initially enter into a sixty-two (62) month lease (the "**Temporary Lease**") at the Project Site, which Temporary Lease provides an option for MGR to purchase the Project Site (the “**Option**”) at a fixed purchase price of Five Million Three Hundred Fifty Thousand and 00/100 Dollars ($5,350,000.00) (the “**Project Site Purchase Price**”), which Option MGR intends to exercise during or after the thirty eighth (38) month of the Temporary Lease term, but in any event before the expiration thereof.

c. Tankwarehouse, LLC, a North Carolina limited liability company ("**Landlord**"), intends to purchase the Project Site from the Project Site's current owner, and the Company, after entering into the Temporary Lease, will subsequently complete certain renovations to the Project Site for the operations of the New Facility. The Landlord currently estimates the purchase of the Project Site to be completed during the second quarter of 2025, and the Company estimates the renovations to commence within six (6) to nine (9) months after purchase, and the Company anticipates completion of the renovations by December 31, 2026 (the “**New Facility Completion Date**”). Upon MGR’s exercise of the Option, MGR shall purchase the Project Site from Landlord, the closing date of which shall be reasonably acceptable to PCIDA.

d. During the Performance Period described below, the Company plans to make capital investments in the Project Site of at least Ten Million Three Thousand Six Hundred and

00/100 Dollars ($10,003,600.00) and to create two hundred three (203) full-time jobs with an average yearly base wage of at least Fifty-Four Thousand Nine Hundred Eighty-Five and 00/100 Dollars ($54,985.00), as set forth in this Agreement.

e. Each of PCIDA and the County is willing to provide those certain incentives to the Company summarized in **Schedule 1(e)**, attached hereto and incorporated herein by this reference, provided that the Company satisfies certain criteria relating to employment projections and capital investment as described below.

f. Each of PCIDA and the County finds that the provisions of this Agreement and the commitments of the Company will promote the expansion of industry by inducing industrial development within the County, and that such development will promote the safety, health, welfare, convenience and prosperity of the citizens of the County.

Section 2. - Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

a. ***"Agreement"*** shall mean this Local Performance Agreement and shall have the same meaning as set forth in the header paragraph.

b. ***"Affiliated Operations Entity"*** shall have the same meaning as in Section 3 below.

c. ***"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 New Facility. A capital expenditure related to a leasehold interest in real property will be considered to be made "**on behalf of the Company**" if a lease between a Government Party (or a third party developer) and the Company is a capital lease, or is an operating lease having a term of at least ten (10) years, and the real property would not have been constructed or improved but for the Company's interest in leasing some or all of the real property. Only the capital expenditures allocated to the portion of the real property to be leased by the Company will count as Capital Investment. The purchase or lease of furniture, fixtures, machinery and equipment, will qualify as Capital Investment hereunder. Provided MGR purchases the Project Site pursuant to the Option and purchases any related equipment for the continued operations of the New Facility, the Project Site Purchase Price and any capital expenditures made by or on behalf of the Company in taxable tangible personal property at the New Facility during the term of the Temporary Lease will qualify as Capital Investment.

d. ***"Company"*** shall have the same meaning as such term in the header paragraph of this Agreement and shall include any Affiliated Operations Entity.

e. ***"County"*** shall have the same meaning as that term in the header paragraph of this Agreement.

f. ***"Event of Default"*** shall have the same meaning as that term is used in Section 8 below.

g. ***"Event of Force Majeure"*** shall mean without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the Commonwealth or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

h. ***"Government Party"*** *or* ***"Government Parties"*** shall mean any one or more of PCIDA and the County.

i. ***"Landlord"*** shall have the same meaning as that term is used in Section 1(c) above.

j. ***"Maintain"***, as it pertains to a New Job, shall mean that the New Job 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 not to exceed sixty (60) days.

k. ***"New Facility"*** shall have the same meaning as that term is used in Section 1(b) above.

l. ***"New Facility Completion Date"*** shall have the same meaning as that term is used in Section 1(c) above.

m. ***"New Job"*** shall mean new permanent full-time employment of an indefinite duration at the New 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 Fifty Four Thousand Nine Hundred Eighty Five and 00/100 Dollars ($54,985.00), excluding standard fringe benefits. Each New Job must require a minimum of either (i) thirty-five (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 forty-eight (48) weeks, or (ii) one thousand six hundred eighty (1,680) hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth of Virginia, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs.

n. ***"Option"*** shall have the same meaning as that term is used in Section 1(b) above.

o. ***"PCIDA"*** shall have the same meaning as that term in the header paragraph of this Agreement.

p. ***"Performance Date"*** shall mean the date that is six (6) years after the date of this Agreement. The Performance Date shall be extended one (1) day, for a maximum of three hundred sixty-five (365) days, for each day after the New Facility Completion Date has passed without all of the applicable certificates of occupancy or permitting and/or inspection approvals related to the Company's renovation of the New Facility having been issued. The Company shall give written notice to PCIDA of any extension of the Performance Date.

q. ***"Performance Period"*** shall mean that period of time commencing on the date of this Agreement and ending on the Performance Date.

r. ***"Project Site"*** shall have the same meaning as that term is used in Section 1(b) above.

s. ***"Project Site Purchase Price"*** shall have the same meaning as that term is used in Section 1(b) above.

t. ***"Recruitment Documents"*** shall mean any one or more of this Agreement, any and all performance grant agreements executed by the Company pertaining to State Grants and any other document(s) executed, at the request of PCIDA, by the Company in connection with this Agreement.

u. ***"State Grants"*** shall mean the Commonwealth Opportunity Fund Grant, and such other items as described in Section 5(f).

v. ***"Tax Rebates"*** shall mean the rebates of certain taxes imposed upon the Company and actually paid and received by the County pursuant to Sections 5(a) through 5(c) below.

w. ***"Temporary Lease"*** shall have the same meaning as that term is used in Section 1(b) above.

Section 3. - Temporary Lease; Purchase of Project Site; Affiliated Operations Entity.

a. Temporary Facility Lease. On or within sixty (60) days from the beginning of the Performance Period, the Company shall provide PCIDA with the following:

i. A copy of the recorded deed evidencing Landlord's purchase of the Project Site; and

ii. a fully executed copy of the Temporary Lease by and between Landlord and the Company pursuant to which the Company shall locate its live commerce market and fulfillment center operations; and

iii. the Company's plans and specifications for the upfitting of the Project Site approved by Landlord, including estimated Capital Investment by or for the Company for the same and the estimated annual timeframes therefor.

b. Purchase of the Project Site. The Company shall, during the Performance Period, provide PCIDA with a fully executed copy of the Exercise Notice (as defined in the Temporary Lease) evidencing the Company's exercise of the Option and commitment to purchase the Project Site, the form of which shall be previously approved by PCIDA, such approval shall not be unreasonably withheld, conditioned or delayed. After the Company has exercised the Option, the Company covenants not to amend the terms of the Option without the prior written consent of PCIDA, such consent shall not be unreasonably withheld, conditioned or delayed.

c. Affiliated Operations Entity. In the event that an affiliated entity controlled by the Company will actively support the Company's operations at the New Facility (the "**Affiliated Operations Entity**"), the Company shall cause the Affiliated Operations Entity to execute a joinder certificate in the form reasonably satisfactory to PCIDA's counsel, under which the Affiliated Operations Entity joins this Agreement as a party and agrees to be bound by the same terms and conditions of this Agreement to the same extent as the Company is bound. Failure of the Company to obtain written approval from PCIDA's counsel as to the form of such joinder certificate shall be a material breach of this Agreement. The Company and the Affiliated Operations Entity, if any, shall be in good standing with the Virginia State Corporation Commission and authorized to transact business in Virginia throughout the balance of the Performance Period. The Company shall promptly notify PCIDA, but not to exceed ten (10) days, in the event that the Affiliated Operations Entity (i) files a petition or has a petition filed against the Affiliated Operations Entity under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (vi) becomes insolvent, however otherwise evidenced.

Section 4. - Capital Investment; New Job Creation by the Company; and Virginia Domestication.

a. $10,003,600.00 Capital Investment. On or before the Performance Date, the Company shall make Capital Investment in the minimum aggregate amount of Ten Million Three Thousand Six Hundred and 00/100 Dollars ($10,003,600.00) to or for the New Facility. Notwithstanding the foregoing, it shall not constitute an Event of Default under Section 8 below if the Company during the Performance Period shall make a Capital Investment of at least Nine Million Three Thousand Two Hundred Forty and 00/100 Dollars ($9,003,240.00) on or before the Performance Date.

b. 203 New Jobs. The Company shall create and employee two hundred three (203)

New Jobs on or before the Performance Date and shall Maintain these New Jobs until at least the Performance Date. Beginning October 1, 2025, and on April 1 and October 1 of each year during the Performance Period, the Company shall produce and deliver to PCIDA a New Jobs roster itemizing, at a minimum, each New Job and the base pay (excluding fringe benefits), as described in Section 2(m) above and any other information pertaining to such New Job employees as may be reasonably requested by PCIDA. The Company shall redact from the New Jobs roster any personally identifiable information of its employees. The Company hereby authorizes each of the County's Economic Development Director and the PCIDA Treasurer or her respective designees to obtain and to verify the information contained in the New Jobs roster from the Virginia Employment Commission. Notwithstanding the foregoing, it shall not constitute an Event of Default under Section 8 below if the Company during the Performance Period shall create and Maintain at least one hundred eighty two (182) New Jobs on or before the Performance Date.

c. Domestication in Virginia. The Company shall be in good standing with the Virginia State Corporation Commission and authorized to transact business in Virginia throughout the balance of the Performance Period. The Company shall remain domesticated in the Commonwealth of Virginia, at all times, during the Performance Period.

d. Financial Report. On April 1 and October 1 of each year during the Performance Period, the Company shall produce and deliver to PCIDA a general financial report on the status of the Company's business since the date of its opening of the New Facility.

Section 5. - Funds Extended to or for the Company.

a. Long-Term/High Impact 60% Real Estate Tax Rebate for Year 1 through Year 6. Subject to appropriations, the County shall rebate to the Company sixty percent (60%) of the real estate taxes imposed upon the New Facility that are paid by the Company and actually received by the County, during the first six (6) tax years after the execution of this Agreement. After these rebate grants are made, these grants are subject to recapture by the County in the event the Company fails to make the Capital Investment and/or create and Maintain the New Jobs on or before the Performance Date.

b. Long-Term/High Impact 60% Machinery and Tools Tax Rebate for Year 1 through Year 6. Subject to appropriations, the County shall rebate to the Company sixty percent (60%) of the machinery and tools tax imposed upon the Company that are paid by the Company and actually received by the County, during the first six (6) tax years after the execution of this Agreement. After these rebate grants are made, these grants are subject to recapture by the County in the event the Company fails to make the Capital Investment and/or create and Maintain the New Jobs on or before the Performance Date.

c. Long-Term/High Impact 60% Business Personal Property Tax Rebate for Year 1 through Year 6. Subject to appropriations, the County shall rebate to the Company sixty percent (60%) of the business personal property tax imposed upon the Company that are paid by the Company and actually received by the County, during the first six (6) tax years after the execution of this Agreement. After these rebate grants are made, these grants are subject to recapture by the County in the event the Company fails to make the Capital Investment and/or create and Maintain the New Jobs on or before the Performance Date.

d. Waiver of Building Zoning and Land Disturbance Permit Fees, and Water and Sewer Fees: Estimated Value of $50,000.00. The County will waive one hundred percent (100%) of the cost of building zoning and land disturbance permit fees for eligible new construction and expansions in the enterprise zone. Water and sewer connection fees are reimbursed by the County for new construction and expansions and the County Department of Public Works will run necessary water and sewer lines to the Facility at no charge to the Company. The waivers under this Section 5(d) shall be subject to all the enterprise zone terms and conditions.

e. Up to $145,500.00 Tobacco Region Opportunity Fund Grant. As a condition to and as a part of the application for the Tobacco Region Opportunity Fund Grant, PCIDA and the Company shall enter into a performance grant agreement with the Tobacco Commission. If the application for such grant is approved, PCIDA shall disburse the funds to the Company upon the Company's satisfaction or achievement of certain performance metrics as set forth in such performance grant agreement. After this grant is made, the grant funds are subject to recapture by PCIDA in the event the Company fails to make the Capital Investment and/or create and Maintain the New Jobs on or before the Performance Date.

f. State Grant Applications. As part of the establishment and operation of the New Facility, PCIDA or the County shall apply for and accept State Grants as follows:

i. Up to $350,000.00 Commonwealth Opportunity Fund Grant. As a condition to and as a part of the application for the Commonwealth Opportunity Fund Grant, PCIDA and the Company shall enter into a performance grant agreement with the Virginia Economic Development Partnership. If the application for such grant is approved, PCIDA shall disburse the funds to the Company upon the Company's satisfaction or achievement of certain performance metrics as set forth in such performance grant agreement.

ii. Major Business Facility Job Tax Credit (estimated value $93,000.00). The Company may be eligible to receive an income tax credit for each new full-time job created over a threshold number of jobs.

iii. Virginia Talent Accelerator Program ($490,000.00 in estimated cost savings). The Virginia Talent Accelerator's team, with extensive experience in advanced manufacturing, offers direct recruitment and training services that are fully customized to the Company's unique process, procedures, standards, and culture. This training is designed to teach new employees how to apply their education, skills and experience to the Company's specific jobs. Eligibility and participation in this program are subject to the then applicable terms and conditions.

The Company shall reasonably cooperate with the Government Parties in connection with the applications for the State Grants, including without limitation providing financial information about the Company, the Company's planned Capital Investments, and the creation schedule of the New Jobs.

The Government Parties acknowledge that one or more advances of the State Grants could be made by PCIDA or other Government Party applying for such grants, provided that the advanced disbursements are adequately secured in the sole and absolute determination of such applicant Government Party, in the event that the Company does not meet the performance metrics or other requirements for such State Grant.

Section 6. - Capital Investment Report and Unaudited Annual Financial Statements. The Company shall provide a signed report to PCIDA annually, beginning October 1, 2025, documenting the Company's progress in Capital Investment and in maintenance of the Capital Investment. The Company further agrees that each of the County's Economic Development Director and the PCIDA Treasurer or her respective designees are authorized to verify all taxable Capital Investment and related information through the Office of the Commissioner of Revenue for the County. Along with the report in this Section, the Company shall provide to PCIDA (i) unaudited financial statements covering the previous twelve (12) month period, prepared under generally accepted accounting principles (GAAP) as used in the United States of America and (ii) documentation or other information reasonably satisfactory to PCIDA demonstrating the Company’s plans to have sufficient working capital to operate its business for at least the next eighteen (18) months and to meet its required Capital Investment as set forth in this Agreement.

Section 7. - Representations and Warranties of the Company. As of the date of this Agreement and continuing until the Performance Date, the Company hereby represents and warrants to each Government Party the following:

a. MGR is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia as of the date of this Agreement and is authorized to transact business in the Commonwealth of Virginia and all other jurisdictions in which it is required by law.

b. This Agreement, the transactions contemplated herein, and the other Recruitment Documents to be executed by the Company have been or shall have been approved by all necessary corporate action by the Company; and the persons executing this Agreement and any of the other Recruitment Documents to be executed by the Company have or shall have full and complete authority to execute and deliver the same for and on behalf of the Company.

c. The execution, delivery, and performance of this Agreement, the other Recruitment Documents, and the consummation of the transactions contemplated hereby and thereby by the Company will not violate, conflict with, or result in any default under, or cause any acceleration of any obligation under, any (i) Articles of Incorporation, Bylaws, or other organizational documents of the Company; (ii) any existing contract, agreement, note, or other document to which the Company is a party, or by which the Company is bound; or (iii) any orders, decrees, or laws of any jurisdiction applicable to and binding upon the Company.

d. This Agreement and all other Recruitment Documents constitute the legal, binding and enforceable obligations of the Company in accordance with the terms contained herein or therein.

e. There is no pending or threatened litigation or proceeding against the Company or any of its members which may materially adversely affect the financial condition, business operations, or business prospects of the Company.

f. The Company is not in material default with respect to any existing indebtedness incurred by it to the extent that (i) would materially adversely affect the financial condition, business operations, or business prospects of the Company, or (ii) would, in the reasonable good faith determination of PCIDA, likely cause the Company to have insufficient working capital to operate its business for at least the next eighteen (18) months and to meet its required Capital Investment as set forth in this Agreement. None of the Company's members is in material default with respect to any existing indebtedness incurred by any one or more of them.

g. All financial statements, certificates, resolutions, and other information or documentation furnished to any one or more of the Government Parties prior to the date of this Agreement by the Company are true, correct, and accurate, and no such information fails to disclose or misrepresents any information which could materially or adversely affect the transactions contemplated in this Agreement; and the Company has not failed to disclose any information which could materially and adversely affect the business or financial condition of the Company.

For purposes of this Section 7, the "**Company**" shall, specifically and without limitation, include any permitted assignee of the Company to any one or more of the Recruitment Documents and any Affiliated Operations Entity and wholly owned subsidiary of the Company that acquires any ownership or leasehold interest in any portion or all of the Project Site.

Section 8. - Event of Default. It shall be an Event of Default upon the occurrence of any one or more of the following events:

a. The occurrence of any material default under this Agreement, or any other Recruitment Document which is not cured within sixty (60) days after written notice to the Company of such default (or if such default cannot reasonably be cured within such sixty (60) day period, then if the Company fails to substantially begin such cure within such sixty (60) day period or fails thereafter to diligently pursue such cure);

b. The Company discontinues business for a period of sixty (60) days or more, or materially changes the nature of the Company's business;

c. The Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (vi) becomes insolvent, however otherwise evidenced;

d. The controlling owner of the Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (vi) becomes insolvent, however otherwise evidenced;

e. The Company is not in good standing with the Virginia State Corporation Commission after having received at least sixty (60) days written notice from the Commission;

f. An officer or a controlling member of the Company or the Affiliated Operations Entity (i) is convicted of a felony, or (ii) is convicted of any other crime involving lying, cheating, stealing, fraud, misappropriation, or other similar acts of dishonesty;

g. The occurrence of a material default under the Temporary Lease and the applicable cure period, if any, has expired; or

h. The Company's failure to proceed to closing by the closing date under the Option terms contained in the Temporary Lease.

For purposes of this Section 8, the "**Company**" shall, specifically and without limitation, include any permitted assignee of the Company to any one or more of the Recruitment Documents, any Affiliated Operations Entity and wholly owned subsidiary of the Company that acquires any ownership or leasehold interest in any portion or all of the Project Site.

Section 9. - Upon Occurrence of an Event of Default. In addition to and not in lieu of any other remedies or relief made available to any one or more of the Government Parties under this Agreement, at law or in equity, upon the occurrence of an Event of Default, irrespective of whether any Government Party has terminated this Agreement, each Government Party (as the case may be) may elect any one or more of the following:

a. The Government Party may immediately cease to disburse any further payments (including without limitation rebates) to or for the Company under this Agreement or the

Recruitment Documents;

b. The Government Party may give written notice to the Company exercising the right to accelerate the Company's obligation to repay its unpaid indebtedness of the Company to that Government Party, declaring the outstanding balance to be immediately due and payable;

c. Upon giving written notice to the Company, the Government Party shall have the right, but not the obligation, to offset any amounts owed by the Government Party against amounts owed or claimed to be owed by the Company; and/or

d. Upon demand of PCIDA, the Company shall pay back the Tax Rebates as set forth in Section 10 below.

e. The Government Party may pursue any and all other remedies available to it under this Agreement, any one or more of the Recruitment Documents or applicable law.

Section 10. - Repayments to PCIDA.

a. Repayment of Tax Rebates for Failure to make the Capital Investment and/or to create and to maintain New Jobs. In the event the Company fails to make the Capital Investment and/or to create and to maintain New Jobs as required under this Agreement and such failure constitutes an Event of Default, the Company shall repay to PCIDA portions of the Tax Rebates in an amount equal to the sum of the following:

i. Failure to Make the Capital Investment. An amount equal to fifty percent (50%) of the total amount of the Tax Rebates actually disbursed as of the Performance Date, minus the following calculation: an amount equal to the Capital Investment actually made by the Company as of the Performance Date multiplied by a fraction, (A) the numerator of which is fifty percent (50%) of the total amount of the Tax Rebates actually disbursed as of the Performance Date, and (B) the denominator of which is Nine Million Three Thousand Two Hundred Forty and 00/100 Dollars ($9,003,240.00);

plus

ii. Failure to Create and to Maintain New Jobs. An amount equal to fifty percent (50%) of the total amount of the Tax Rebates actually disbursed as of the Performance Date, minus the following calculation: an amount equal to the New Jobs actually Maintained by the Company as of Performance Date multiplied by a fraction, (A) the numerator of which is fifty percent (50%) of the total amount of the Tax Rebates actually disbursed as of the Performance Date, and (B) the denominator of which is one hundred eighty two (182) New Jobs.

b. Repayment of the Tobacco Region Opportunity Fund Grant for Failure to make the Capital Investment and/or to create and to maintain New Jobs. In the event the Company fails to make the Capital Investment and/or to create and to maintain New Jobs as required under this Agreement and such failure constitutes an Event of Default, the Company shall repay to PCIDA portions of the Tobacco Region Opportunity Fund Grant in an amount equal to the sum of the following:

i. Failure to Make the Capital Investment. An amount equal to fifty percent (50%) of the total amount of the Tobacco Region Opportunity Fund Grant actually disbursed as of the Performance Date, minus the following calculation: an amount equal to the Capital Investment actually made by the Company as of the Performance Date multiplied by a fraction, (A) the numerator of which is fifty percent (50%) of the total amount of the Tobacco Region Opportunity Fund Grant actually disbursed as of the Performance Date, and (B) the denominator of which is Nine Million Three Thousand Two Hundred Forty and 00/100 Dollars ($9,003,240.00);

plus

ii. Failure to Create and to Maintain New Jobs. An amount equal to fifty percent (50%) of the total amount of the Tobacco Region Opportunity Fund Grant actually disbursed as of the Performance Date, minus the following calculation: an amount equal to the New Jobs actually Maintained by the Company as of Performance Date multiplied by a fraction, (A) the numerator of which is fifty percent (50%) of the total amount of the Tobacco Region Opportunity Fund Grant actually disbursed as of the Performance Date, and (B) the denominator of which is one hundred eighty two (182) New Jobs.

The Company shall pay the sums described in this Section 10 no later than sixty (60) days after the date on which the Company is given written notice of such Event(s) of Default described in this Section.

Section 11. - Audit and Guideline Requirements. Upon reasonable prior written request, the Company shall allow each of the County's Economic Development Director and the PCIDA Treasurer (or her respective designees) reasonable access during regular business hours to all records pertaining to the Company's employment and investment at the New Facility, and the Company shall cooperate with PCIDA in any audit of such records by furnishing all information necessary to verify the Company's performance under this Agreement. In return, each of PCIDA and the County agrees to maintain the confidentiality of any and all proprietary, confidential and/or sensitive information, including without limitation personal payroll earnings or similar information that those Government Parties or its designees may receive or access.

Section 12. - Force Majeure. Notwithstanding the foregoing, if the Company does not meet the New Job and Capital Investments requirements because of an Event of Force Majeure, the Performance Date will be extended day-for-day by the delay in meeting the targets caused by the Event of Force Majeure.

Section 13. - Subject to Annual Appropriations. As provided under Virginia law, the obligations of the Government Parties to pay the cost of performing its obligations under this Agreement are subject to and dependent upon annual appropriations being made from time to time by the governing body of such Government Party, for such purpose.

Section 14. - Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

Section 15. - Attorneys' Fees. Each of the parties shall be solely responsible for their respective attorneys' fees in the negotiating, drafting, and execution of this Agreement and any of the transactions contemplated hereby.

Section 16. - Other Documents. The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

Section 17. - Default. In the event that a party to this Agreement incurs attorneys' fees and/or costs in pursuing or defending an alleged breach of this Agreement, the non-prevailing party, in addition to any other remedy, shall be responsible for the reasonable attorneys' fees and costs incurred by the prevailing party, as the same may be determined by a court of competent jurisdiction. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

Section 18. - Entire Agreement. This Agreement and the schedules hereto contain the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated hereby; and this Agreement and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 19. - Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 20. - Notices. Any notice required or contemplated to be given to any of the parties by any other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

<u>If to the County</u>:
Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

<u>With a copy to</u>:
County Attorney's Office
1 Center Street
P.O. Box 426
Chatham, VA 24531

<u>If to PCIDA</u>:
Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

<u>With a copy to</u>:
County Attorney's Office
1 Center Street
P.O. Box 426
Chatham, VA 24531

<u>If to MGR</u>:
MerryGoRound, Inc.
Attn.: Evans Richards
301 N. Scales St.
Reidsville, NC 27320

<u>With a copy to</u>:
B. Cabell Barrow, Esq.
B. CABELL BARROW, PLLC
P.O. Box 11111
Danville, VA 24543

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate. Copies as set forth in this <u>Section 20</u> are provided as a courtesy and shall not be required to effectuate notice as provided herein.

<u>Section 21. - Governing Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party

by virtue of authorship of any of the provisions of this Agreement.

Section 22. - Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

Section 23. - Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest.

Section 24. - Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

Section 25. - Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

Section 26. - Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 27. - Survival. Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

Section 28. - No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

[**SIGNATURES ARE ON FOLLOWING PAGES.**]

WITNESS our signature and seal to this **LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: ________________________________

Joey Faucette, Chairman

List of Schedules

1(e) - Summary of Incentives

WITNESS our signature and seal to this **LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: ______________________________
Robert M. Tucker, Jr., Chairman
Board of Supervisors

List of Schedules
1(e) - Summary of Incentives

WITNESS our signature and seal to this **LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

MERRYGOROUND, INC., a Virginia corporation

DocuSigned by:

By: Evans Richards

72A6A0B41DDC4B3...

Evans E. Richards, President

<u>List of Schedules</u>
1(e) - Summary of Incentives

Schedule 1(e)

(Summary of Incentives)

Local Incentives*	**Estimated Value or Max. Value**
Long-Term/High Impact 60% Real Estate Tax Rebate, Machinery and Tools Tax Rebate, and Business Personal Property Tax Rebate, for Year 1 through Year 6 (§5(a)-(c))	$169,543.00
Waiver of Building Zoning and Land Disturbance Permit Fees, and Water and Sewer Fees (§5(d))	$50,000.00
Tobacco Region Opportunity Fund Grant (§5(e))	$145,500.00
TOTAL LOCAL INCENTIVES	**$365,043.00**

**Any and all local incentive disbursements shall be made after the Performance Date.*

State Incentives	**Estimated Value or Max. Value**
Commonwealth Opportunity Fund Grant (§5(f)(i))	$350,000.00
Major Business Facility Job Tax Credit (§5(f)(ii))	$93,000.00
Virginia Talent Accelerator Program (§5(f)(iii))	$490,000.00
TOTAL STATE INCENTIVES	**$933,000.00**

TOTAL INCENTIVES	**$1,298,043.00**