Business Savvy. People Friendly.

PITTSYLVANIA COUNTY, VIRGINIA

INDUSTRIAL DEVELOPMENT AUTHORITY

Wednesday, September 17, 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 August Meeting Minutes
   B. Approval of August Financials

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

VII. **NEW BUSINESS**
   A. Approval of COF and TROF Agreements for Project Toy Story (*M. Rowe)*
   B. Approval of LPA, TROF, and COF for Project Green Recycle (*M. Rowe)*
   C. Update on Payroll Costs MOU (*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 September 17, 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 August Minutes
Staff Contact:	Matthew Rowe
Agenda Date:	September 17, 2025
Attachments:	August 2025 Meeting Minutes- DRAFT

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

1. August 2025 Meeting Minutes- DRAFT

FINANCIAL IMPACT AND FUNDING SOURCE:
Not applicable.

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

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

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
8/20/25 MEETING MINUTES

I. **CALL TO ORDER**
Faucette called Meeting to order at 6:04 PM.

II. **ROLL CALL**
- Saunders conducted Roll Call. The following IDA Members were present: Faucette, Daniel (By Zoom), Reynolds, Nuckols, Merricks, Minter, and Adkins (By Zoom).
- Staff present: Vincent, Van Der Hyde, Van Allen, Rowe, and Saunders.
- Others in Attendance: Gregory Payne (By Zoom), Kat Saunders (By Zoom), Colby Warren (By Zoom).

III. **REVISIONS TO AGENDA**
On a Motion by Nuckols, seconded by Merricks, to add MOU for payments relating to payroll costs of the County between the BOS and IDA to Item. B under New Business. Motion passed unanimously by IDA Members present.

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 Nuckols, seconded by Minter, to approve Consent Agenda with approved revisions. Motion passed unanimously by IDA Members present.

VI. **OLD BUSINESS**
Pittsylvania County Strategic Plan Update- Gregory Payne and Kat Saunders with Economic Leadership, LLC, provided IDA Members with a monthly update on the Pittsylvania County Strategic Plan. Kat Saunders discussed with IDA members about the upcoming focus group.

VII. **NEW BUSINESS**
A. On a Motion by Nuckols, seconded by Merricks, to approve the Local Performance Agreement for MerryGoRound, Inc. Motion passed unanimously by IDA Members present. Faucette stated that he is very happy with the outcome of this project and staff's hard work.
B. On a Motion by Reynolds, seconded by Merricks, to defer the motion of approval for the MOU for payments relating to payroll costs of the County between the BOS and IDA to the September meeting. 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 Merricks, seconded by Adkins. Motion passed unanimously by IDA Members present. IDA entered Closed Session at 6:48 PM.

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

IDA returned to Open Session at 7:45 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 7:46 PM.

Agenda Section:	Consent Agenda (Section V(B))
Agenda Title:	Approval of August Financials
Staff Contact:	Kim Van Der Hyde
Agenda Date:	September 17, 2025
Attachments:	August Financial Report

SUMMARY:

A copy of the August 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 August Financial Report as presented.

MOTION:

"I make a Motion to approve the August Financial Report as presented."

Balance Sheet

Pittsylvania County Industrial Development Authority

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
10000 BB&T-Regular Checking	
101000 First Citizens Checking	783,410.28
10200 ANB-Axxor Property Account	
10300 FCB-Panacea Reserve Account	
10400 FCB-IDA SR-Plastics	
10500 ANB-IDA SR-Plastics	
Total for Bank Accounts	**$783,410.28**
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	**$783,410.28**
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	2,732,312.80
125000 Other Receivable-ARCO	
125100 Other Receivable-SR-Plastics	64,901.84
125200 Other Receivable-Axxor	
130000 Interest Receivable	
140000 Lease Receivable-Rage Plastics	9,087,680.48

Balance Sheet

Pittsylvania County Industrial Development Authority

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
141000 Lease Receivable-Technista	300,615.51
Total for Other Assets	**$12,935,510.63**
Total for Assets	**$28,368,214.48**
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	
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	**$1,476,000.74**
Total for Current Liabilities	**$1,476,000.74**
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	431,375.00
253200 Note Payabe-First Citizens-Pana	
253300 Note Payable-VRA Loan-Realty	750,000.00
253400 Note Payable-Atlantic Union SR Plastics	8,152,140.54
253500 Note Payable-VSBFA-Axxor	2,732,312.80
253600 Note Payable-VSBFA-SR-Plastics	974,651.68
2750 Deferred Inflow of Resources-Leases	7,701,723.50
Total for Long-term Liabilities	**$20,753,786.52**
Total for Liabilities	**$22,229,787.26**
Equity	
30000 Opening Balance Equity	1,943,527.66
32000 Unrestricted Net Assets	4,217,391.82
Net Income	-22,492.26
Total for Equity	**$6,138,427.22**
Total for Liabilities and Equity	**$28,368,214.48**

Pittsylvania County Industrial Development Authority

Monthly Disbursements

August 2025

Check Number	Date	Vendor Name	Paid Amount
FEE	8/7/2025	First Citizens Bank	$ 206.94
1277		VSBFA	$ 36,133.85
1279		Truist	$ 67,869.04
1280		WSP USA Inc.	$ 8,450.00
1281		Atlantic Union Bank	$ 43,887.71
1282		Pittsylvania County	$ 276.97

Pittsylvania County Industrial Development Authority
General Expenditures for Fiscal Year 2026
As of August 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	3,000.00	18,000.00	15,000.00
Rage SR-Plastics		3,000.00	3,000.00	18,000.00	15,000.00
Technista		1,500.00	4,500.00	18,000.00	13,500.00
Other Receivables:					
Invenergy		-	-	60,000.00	60,000.00
Bank Interest Earned		236.20	474.55	2,800.00	2,325.45
Fund Balance		-	-	230,041.00	230,041.00
Total Funding		6,236.20	10,974.55	360,330.00	349,355.45
Expense					
Accounting-Audit Fees				8,500.00	8,500.00
Legal Fees				80,000.00	80,000.00
Bank Service Charges		206.94	414.11	2,640.00	2,225.89
Engineering				30,000.00	30,000.00
Insurance			32,036.00	32,036.00	-
Property & Equipment Services		8,450.00	8,450.00	30,000.00	21,550.00
Postage, Mailing Service				100.00	100.00
Prospect Visit		276.97	276.97	20,000.00	19,723.03
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	8,933.91	41,177.08	360,330.00	319,152.92

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

Full name		Total
OPERATING ACTIVITIES		
Net Income	$	(22,492.26)
Adjustments to reconcile Net Income to Net Cash provided by operations:	$	-
Net cash provided by operating activities	**$**	**(22,492.26)**
INVESTING ACTIVITIES		
121800 Note Receivable-VSBFA-Axxor	$	61,543.00
125100 Other Receivable-SR-Plastics	$	(14,267.76)
140000 Lease Receivable-Rage Plastics	$	65,448.46
141000 Lease Receivable-Technista	$	233,783.49
Net cash provided by investing activities	**$**	**346,507.19**
FINANCING ACTIVITIES		
253000 Bond Payable-2311 Cane Creek Pkwy Building	$	(57,146.00)
253400 Note Payable-Atlantic Union SR Plastics	$	(38,569.83)
253500 Note Payable-VSBFA-Axxor	$	(61,543.00)
253600 Note Payable-VSBFA-SR-Plastics	$	(5,244.31)
Net cash provided by financing activities	**$**	**(162,503.14)**
NET CASH INCREASE FOR PERIOD	**$**	**161,511.79**
Cash at beginning of period	**$**	**621,898.49**
CASH AT END OF PERIOD	**$**	**783,410.28**

Agenda Section:	New Business (Section VII(A))
Agenda Title:	Approval of COF and TROF Agreements for Project Toy Story
Staff Contact:	Matthew Rowe
Agenda Date:	September 17, 2025
Attachments:	COF and TROF Agreements for Project Toy Story

SUMMARY:
A copy of the COF and TROF Agreements 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 COF and TROF Agreements for Project Toy story as presented.

MOTION:
"I make a Motion to approve the COF and TROF Agreements for Project Toy Story as presented."

COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the "Agreement") made and entered this 10th day of September, 2025, by and among the **COUNTY OF PITTSYLVANIA, VIRGINIA** (the "Locality"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), **MERRYGOROUND, INC.** a Virginia limited liability company (the "Company"), the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY** ("VEDP"), a political subdivision of the Commonwealth, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Locality has been awarded a grant of and expects to receive $350,000 (the "COF Grant") from the Commonwealth's Development Opportunity Fund (the "Fund") through VEDP for the purpose of inducing the Company to acquire an existing facility and to equip, improve, and operate a fulfillment center facility 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 meets certain criteria relating to Capital Investment and New Jobs;

WHEREAS, the Locality, the Authority, the Company, and VEDP desire to set forth their understanding and agreement as to the payout of the COF Grant, the use of the COF Grant proceeds, and the obligations of the Company regarding Capital Investment and New Jobs;

WHEREAS, the acquisition, construction, equipping, improvement, and operation of the Facility will entail a capital expenditure by or on behalf of the Company of approximately $10,003,600, of which approximately $4,500,000 will be invested in furniture, fixtures and business personal property, approximately $4,103,600 will be invested in the acquisition of an existing facility, and approximately $1,400,000 will be invested in the expansion, improvement, and up-fit of the buildings for the Facility;

WHEREAS, the acquisition, construction, equipping, improvement, and operation of the Facility will further entail the creation and Maintenance of 203 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 New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the COF Grant:

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. The purchase or lease of machinery and tools or furniture, fixtures, and business personal property, including under an operating lease, and expected building construction, improvement and up-fit by or on behalf of the Company will qualify as Capital Investment.

"Capital Investment Target" means that the Company has made or caused to be made and retained Capital Investments of at least $10,003,600.

"Fund" means the Commonwealth's Development Opportunity Fund.

"Maintain" means that the New Jobs will continue without interruption from the date of creation through the date that the level of achievement of the New Jobs Target is being tested, including 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 $54,985. Average annual wage means the average annual salary of full-time positions at the Facility determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Facility by the number of full-time positions at the Facility. 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.

"New Jobs Target" means that the Company has created and Maintained at least 203 New Jobs.

"Performance Date" means June 30, 2030.

“Performance Report” means a report to be filed by the Company in accordance with Section 5. The “Final Performance Report” is to be filed within 90 days after the Performance Date. As noted in Section 5, the Locality, the Authority and VEDP may each request a Performance Report at other dates prior to the Performance Date.

“Targets” means the Capital Investment Target and the New Jobs Target, all to be achieved as of the Performance Date.

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

Section 2. <u>Targets; Statutory Criteria</u>.

(a) *Targets*: The Company will acquire, equip, improve, and operate the Facility, and achieve the Targets.

(b) *Encouragement to Offer New Jobs to Residents of the Commonwealth*: The Locality, the Authority, and VEDP 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 $54,985 is more than the prevailing average annual wage in the Locality of $46,915 The Locality is a high-unemployment locality, with an unemployment rate for 2023, which is the last year for which such data is available, of 3.1% as compared to the 2023 statewide unemployment rate of 2.9%. The Locality is a high-poverty locality, with a poverty rate for 2022, which is the last year for which such data is available, of 14.4% as compared to the 2022 statewide poverty rate of 10.6%.

(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 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.

(e) *Support for Virginia’s and Locality’s Economic Development Efforts*: Recognizing that it is in the best interest of all parties for the Commonwealth and the Locality to achieve sustained economic growth, the parties will periodically engage with one another to advise on economic development strategies and initiatives for the Commonwealth and the Locality, such as promoting the attributes of the Commonwealth and the Locality as places to do business, or highlighting important industry trends and/or business development opportunities that the Commonwealth or the Locality may wish to pursue. Such engagement would include the Company's participation in occasional business retention and expansion visits from VEDP personnel, as deemed appropriate based on the project parameters and nature of the incentives provided to the Company.

(f) *Compliance with Environmental Laws*: The Company covenants to (i) comply in all material respects with any and all applicable federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws") with respect to its operations at the Facility, (ii) receive all material permits, licenses or other approvals required of the Company under applicable Environmental Laws to conduct its business at the Facility, and (iii) remain in compliance with all material terms and conditions of any such permit, license or approval. If the Company fails to comply with this covenant and fails to rectify the noncompliance within 30 days of notice from VEDP, VEDP shall have the option to terminate this Agreement in accordance with Section 7.

Section 3. Disbursement of COF Grant.

(a) *General Provisions:* The disbursement of the COF Grant proceeds to the Company will serve as an inducement to the Company to achieve the Targets.

The COF Grant is to be allocated as 10% ($35,000) for the Company's Capital Investment Target, and 90% ($315,000) for the Company's New Jobs Target.

The statutory minimum requirements for a COF Grant in the Locality require that the Company (1) make or cause to be made and retained a Capital Investment of at least $1,500,000 and (2) create and Maintain at least 15 New Jobs (the "Statutory Minimum Requirements").

The COF Grant proceeds shall be retained in the Fund until needed for disbursement or the COF Grant is withdrawn in accordance with the terms of this Agreement.

(b) *Disbursement of the COF Grant:* Within 90 days after the Performance Date, the Company will deliver the Final Performance Report. Through this report, the Company will provide notice and evidence satisfactory to the Locality, the Authority and VEDP of the amount of Capital Investments made or caused to be made and retained, and the number of New Jobs created and Maintained, by the Company as of the Performance Date. The Final Performance Report will be subject to verification by the Locality and VEDP.

Upon such verification, the amount of the COF Grant proceeds to be disbursed to the Company, if any, shall be determined as follows:

(i) *If Statutory Minimum Requirements Not Met:* If, as of the Performance Date, the Company has not achieved both of the Statutory Minimum Requirements, the Company will not receive any of the proceeds of the COF Grant.

(ii) *If Targets Met:* If, as of the Performance Date, the Company has achieved the Capital Investment Target and the New Jobs Target, the Company will receive all $350,000 of the proceeds of the COF Grant.

(iii) *If Statutory Minimum Requirements Met, but Targets Not Met:* If, as of the Performance Date, the Company has achieved both of the Statutory Minimum Requirements, but has not achieved the full Capital Investment Target and the full New Jobs Target, the Company will qualify for a reduced disbursement of the COF Grant, reflecting a proportional amount of the Target or Targets for which there is a shortfall. For example, if as of the Performance Date, only $9,003,240 of the Capital Investment has been retained (reflecting achievement of 90% of the Capital Investment Target), only 152 New Jobs have been created and Maintained (reflecting achievement of 75% of the New Jobs Target), the Company will receive $31,500 (reflecting 90% of the $35,000 of the COF Grant allocated to the Capital Investment Target), *plus* $236,250 (reflecting 75% of the $315,000 of the COF Grant allocated to the New Jobs Target), for a total of $267,750. These amounts reflect the percentages of the shortfall from the Capital Investment Target and the New Jobs Target, each such shortfall multiplied by the portion of the COF Grant proceeds available to the Company allocated to that Target.

Within 30 days after verification of the Final Performance Report, if any amount of COF Grant proceeds is available for disbursement to the Company, as determined in accordance with the foregoing calculations, VEDP will disburse that amount to the Locality. Within 30 days after receipt of such amount, the Locality will disburse such COF Grant proceeds to the Authority. Within 30 days after receipt of such amount, the Authority will disburse such COF Grant proceeds to the Company.

If any amount of COF Grant proceeds has not been earned by the Company, the amount not disbursed will be retained in the Fund and will be available for other economic development projects.

(c) *Use of the COF Grant Proceeds:* The Company will use the COF Grant proceeds to pay or reimburse the cost of construction or build-out of publicly or privately owned buildings for the Facility, as permitted by Section 2.2-115(D) of the Virginia Code.

Section 4. <u>Break-Even Point; State and Local Incentives</u>.

(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 discretionary incentives, including but not limited to the COF Grant. With regard to the Facility, the Commonwealth expects to provide discretionary incentives in the following amounts:

Category of Incentive:	Total Amount
COF Grant	$350,000
Virginia Talent Accelerator Program ("Virginia Talent Accelerator") (Approximate Value)	$490,000

The proceeds of the COF Grant shall be used for the purposes described in Section 3(c). The Virginia Talent Accelerator represents the value to the Company of workforce development services expected to be provided by VEDP to the Company for recruitment and training.

(b) *Local-Level Incentives:* The Locality and the Authority expect to provide the following incentives, as matching grants or otherwise, for the Facility by the Performance Date:

Category of Incentive:	Total Amount
Tax Rebates	$284,000
Building and Land-Use Permit Fee Waivers	$75,000

If, by the Performance Date, the total value of all Local-Level Incentives disbursed or provided, or committed to be disbursed or provided, by the Locality to the Company is less than the $350,000 COF Grant local match requirement, the Locality, subject to appropriation, will make an additional grant to the Company of the difference promptly after Performance Date, so long as the Company has met its Targets.

(c) *Other Incentives*: This Agreement relates solely to the COF Grant. The qualification for, and payment of all State-Level Incentives and Local-Level Incentives, except for the COF Grant, will be governed by separate arrangements between the Company and the entities offering the other incentives.

Section 5. <u>Company Reporting</u>.

(a) *Performance Reporting:* The Company shall provide, at the Company's expense, in the form attached hereto as Exhibit A, detailed Performance Reports satisfactory to the Locality, the Authority and VEDP of the Company's progress on the Targets. The Performance Reports are due by each October 1, commencing October 1, 2026, reflecting the Company's progress toward the Targets as of the prior June 30. Further, the Company shall provide such Performance Reports at such other times as the Locality, the Authority or VEDP may require.

(b) *Final Performance Report:* The Company shall provide, at the Company's expense, in the form attached hereto as Exhibit B, a detailed Final Performance Report satisfactory to the Locality, the Authority and VEDP of the Company's achievement of the Targets as of the Performance Date. This Final Performance Report shall be filed within 90 days after the Performance Date.

Should the Company be unable to file the Final Performance Report within the 90-day timeframe, the Company may request a 60-day delay in filing the Final Performance Report.

VEDP will require a $3,000 fee, payable to VEDP, to process the request for the filing delay. Should the Company not file the Final Performance Report within the 90-day window nor request a filing delay (including payment of the required fee), or if the Company requests a filing delay but does not file the Final Performance Report prior to the new filing deadline, VEDP will withhold any COF Grant payment that might otherwise be due, and all rights of the Company under this Agreement will automatically terminate.

Section 6. Verification of Targets.

(a) *Verification of Capital Investment*: The Company hereby authorizes the Locality, including the Locality's Commissioner of the Revenue and Treasurer, to release to VEDP 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 by VEDP 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 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.

(b) *Verification of New Jobs and Wages*: The Company must submit a copy of its four most recent Employer's Quarterly Tax Reports (Form FC-20) with the Virginia Employment Commission with the Final Performance Report. The forms shall be marked and considered confidential and proprietary and shall be used by VEDP 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.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a facility-level, rather than at the company-level.

(c) *Additional Documentation:* In addition to the verification data described above, in the sole discretion of the Locality, the Authority or VEDP, the Locality, the Authority or VEDP, may each require such other documentation or audits as may be required to properly verify the Capital Investment or New Jobs.

Section 7. Possible Termination of this Agreement and Redeployment of COF Grant Proceeds. If the Locality, the Authority or VEDP shall determine at any time prior to the Performance 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, this Agreement will be terminated, no further disbursements of the COF Grant proceeds will be made to the Company, and the amount not disbursed will be retained in the Fund and made available for other economic development projects. Such a determination will be based on such circumstances as a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company, a failure to comply with the covenant provided in Section 2(f), or other similar significant event that demonstrates that the Company will be unable or is unwilling to satisfy the Targets for the COF Grant.

Section 8. **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 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 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:

MerryGoRound, Inc.
301 N. Scales St.
Reidsville, NC 27320
Email: evans@evend.com
Attention: Evans Richards

with a copy to:

B. CABELL BARROW, PLLC
P.O. Box 11111
Danville, VA 24543
Email: cabell@danville-lawyer.com
Attention: B. Cabell Barrow, Esq.

if to the Locality, to:

County of Pittsylvania, Virginia
1 Center Street
P.O. Box 426
Chatham, VA 24531
Email: Matthew.Rowe@pittgov.org
Attention: Matthew D. Rowe, Director of Economic Development

with a copy to:

County of Pittsylvania, Virginia
1 Center Street
P.O. Box 426
Chatham, VA 24531
Attention: County Attorney

if to the Authority, to:

Industrial Development Authority of Pittsylvania County, Virginia
1 Center Street
P.O. Box 426
Chatham, VA 24531
Attention: Matthew D. Rowe, Director of Economic Development

with a copy to:

County of Pittsylvania, Virginia
1 Center Street
P.O. Box 426
Chatham, VA 24531
Email: matthew.rowe@pittgov.org
Attention: Matthew D. Rowe, Director of Economic Development

if to VEDP, to:	with a copy to:
Virginia Economic Development Partnership One James Center, Suite 900 901 East Cary Street Richmond, Virginia 23219 Email: ceo@vedp.org Attention: President and CEO	Virginia Economic Development Partnership One James Center, Suite 900 901 East Cary Street Richmond, Virginia 23219 Email: generalcounsel@vedp.org Attention: General Counsel

Each party may change the address for service of notice upon it by a notice in writing to the other parties hereto.

Section 9. Miscellaneous.

(a) *Entire Agreement; Amendments*: This Agreement constitutes the entire agreement among the parties hereto as to the COF Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. 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 this Agreement shall lie in the Circuit Court of the City of Richmond, 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) *Attorney's Fees:* Attorney's fees shall be paid by the party incurring such fees.

(f) *Force Majeure:* Notwithstanding the foregoing provisions of this Agreement, if the Company does not achieve a Target or take any action required under this Agreement because of an "Event of Force Majeure" (as defined below), the time for achieving the applicable Target or taking such action will be extended day-for-day by the delay in meeting the applicable Target or taking such action caused by the Event of Force Majeure. "Event of Force Majeure" means 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; pandemics; 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.

[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 PITTSYLVANIA, VIRGINIA

By ______________________________
Name: ______________________
Title: ______________________
Date: ___________________________

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

By ______________________________
Name: ______________________
Title: ______________________
Date: ___________________________

MERRYGOROUND, INC.

By ______________________________
Name: ______________________
Title: ______________________
Date: ___________________________

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY

By ______________________________
Name: Jason El Koubi
Title: President and CEO
Date: ___________________________

Exhibit A: Performance Report Form
Exhibit B: Final Performance Report Form

Exhibit A

PERFORMANCE REPORT
COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Reporting Period	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _______	% Complete
New Jobs (over ___ baseline)[1]			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Capital Investment (provide breakdown below)			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Average Annual Wage			N/A
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Standard Fringe Benefits (check one)	Yes ☐	No ☐	N/A

[1]Data will be verified using Virginia Employment Commission records. Attach the company's four most recent Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission.

Capital Investment Breakdown	Amount
Land	$
Land Improvements	
New Construction or Expansion	
Renovation or Building Up-fit	
Production Machinery and Tools	
Furniture, Fixtures and Equipment	
Other	
Total	**$**

COMMENTS:

Discuss project status, including the current level of new jobs and capital investment, progress on targets, changes or likely changes in project's nature that may impact achievement of targets, and other information relevant to project performance. If the project is not on track to meet targets, please provide an explanation.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ______________________________________

Submitted By: ______________________________________
Signature of Official

Name: ______________________________________
Print Name

Title: ______________________________________

Date: ______________________

Please return to:

Kim Ellett, Director of Compliance, Virginia Economic Development Partnership, 804.545.5618, kellett@vedp.org

Exhibit B

FINAL PERFORMANCE REPORT
COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Date	

PROJECT PERFORMANCE:[1]

Performance Measurement	Target	As of ________, 20__	% Complete
New Jobs (over __ baseline)[2]			
Capital Investment (provide breakdown below)[3]			
Average Annual Wage			N/A
Standard Fringe Benefits			

[1]Final, actual performance will be reported on VEDP's public reporting website.
[2] Attach the company's four most recent Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission.
[3] Data will be verified using records from the Commissioner of the Revenue and invoices.

Capital Investment Breakdown	**Amount**
Land	$
Land Improvements	
New Construction or Expansion	
Renovation or Building Up-fit	
Production Machinery and Tools	
Furniture, Fixtures and Equipment	
Other	
Total	**$**

LOCAL MATCH:

Goal	
Actual	

COMMENTS:

Discuss Project status or the importance of the Project to the locality and region.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ____

Submitted By: ____
Signature of Official

Name: ____
Print Name

Title: ____

Date: ________________________

Please return to:

Kim Ellett, Director of Compliance, Virginia Economic Development Partnership, 804.545.5618, kellett@vedp.org

TOBACCO REGION OPPORTUNITY FUND

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (this "Agreement") made and entered as of the 1st day of July, 2025 (the "Award Date") by and among the **COUNTY OF PITTSYLVANIA VIRGINIA** (the "Locality"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth of Virginia, **MERRYGOROUND, INC.** (the "Company"), a Virginia corporation whose Federal Employer Identification Number is 33-2556221, and the **TOBACCO REGION REVITALIZATION COMMISSION** (the "Commission"), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Virginia General Assembly created the Commission to, among other things, stimulate the economic growth and development of tobacco-dependent communities in the Southern and Southwest regions (the "Region") of the Commonwealth; and

WHEREAS, the Commission awarded a grant in the amount of $145,500.00 to the Locality for the benefit of the Company from the Tobacco Region Opportunity Fund (the "Grant") for the purpose of inducing the Company to undertake the Project (as defined herein); and

WHEREAS, the Commission has determined that the Project will benefit the Region and is consistent with and in furtherance of the Commission's public purposes; and

WHEREAS, the Company will construct, equip and improve a warehouse and distribution/headquarters/office facility 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; and

WHEREAS, the Locality will provide the Grant to or for the use of the Company, provided that the Company promises to meet certain criteria relating to Capital Investment and New Jobs; and

WHEREAS, the parties desire to set forth their understanding and agreement as to the payout of the Grant and the obligations of the Company regarding Capital Investment and New Jobs; and

WHEREAS, the construction, equipping, improvement and operation of the Facility will entail a capital expenditure by or on behalf of the Company of approximately $10,003,600.00 and will further entail the creation and maintenance of 203 New Jobs at the Facility; and

WHEREAS, the Commission has determined that the expenditure of the Grant to stimulate the generation of additional tax revenue and economic activity in the Region constitutes a valid public purpose for the expenditure of public funds as outlined in Section 3.2-3100, *et seq.* of the *Code of Virginia* of 1950, as amended, and is the animating purpose for the Grant:

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. The Capital Investment must be in addition to any new investments the Company promised to make under any other agreement with the Commission. The Capital Investment must be in addition to the capital improvements at the Facility as of the Award Date.

"Earned Grant Funds" means the portion of the Grant that is due to the Company pursuant to Section 6 of this Agreement.

"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.

"Minimum Investment Target" means the Company's obligation to make a Capital Investment of at least $1 million.

"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 $54,985.00. Average annual wage means the average annual salary of full-time positions at the Facility determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Facility by the number of full-time positions at the Facility. 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. Net new jobs in the Commonwealth for contractors or employees of contractors who provide dedicated

full-time service to the Company may count as New Jobs, even though the Company is not directly paying the wages or providing the fringe benefits, if the other conditions set forth in this paragraph have been satisfied. The New Jobs must be in addition to any new positions the Company promised to make under any other agreement with the Commission. The New Jobs must also be in addition to the full-time jobs at the Facility as of the Award Date, as evidenced by a recent filing with the Virginia Employment Commission.

"Performance Date" means the date that is the third anniversary of the Award Date. If the Locality, in consultation with the Authority and the Commission, deems that the Company is making good faith and reasonable efforts to achieve the Targets, the Locality may request an extension of the Performance Date by up to 12 months. Any extension of the Performance Date shall require the prior written approval of the Commission's Executive Director or his designee. Any further extensions will require the approval of the Commission's governing body. If the Performance Date is extended, the Commission shall send written notice of the extension to the Authority and the Company, and the date to which the Performance Date has been extended shall be the "Performance Date" for the purposes of this Agreement.

"Project" means the Company's completion and operation of the Facility and satisfaction of the Targets.

"Targets" means the Company's obligations to make Capital Investments at the Facility of at least $10,003,600.00 and to create and Maintain at least 203 New Jobs at the Facility, all as of the Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

Section 2. <u>Targets</u>.

(a) *Targets*: The Company will complete the Project, including making a Capital Investment of at least $10,003,600.00, and creating and Maintaining at least 203 New Jobs at the Facility, all as of the Performance Date.

Section 3. <u>Disbursement of the Grant</u>.

(a) *Disbursement of the Grant in arrears:* After the Performance Date, the Commission will determine the extent to which the Company met or exceeded the Targets as of the Performance Date and the amount of Earned Grant Funds that are due to the Company. Within 30 days thereafter, the Commission will pay to the Locality the Earned Grant Funds. Within 30 days thereafter, the Locality will pay to the Authority, and the Authority will pay to the Company, the Earned Grant Funds.

Section 4. Company Reporting.

(a) *Award Date Report:* Within 30 days of the Award Date, the Company shall provide an Award Date Report in the form attached hereto as **Attachment 1,** that includes a statement of (1) the value of real property and other taxable assets owned by Company at the Facility as of the Award Date (if any), which may be verified by the Locality's Commissioner of Revenue, the Authority and the Commission; and (2) the number of employees of the Company working full-time at the Facility as of the Award Date, as reflected by the Company's report to the Virginia Employment Commission for the quarter ending most recently prior to the Award Date.

(b) *Progress Reporting:* The Company shall provide, at the Company's expense, in the form attached hereto as **Attachment 2**, detailed verification reasonably satisfactory to the Locality, the Authority, and the Commission of the Company's progress on achieving the Targets. Such progress reports will be provided annually, starting on the first anniversary of the Award Date and covering the period through the most recently completed quarter. Further, the Company shall provide such progress reports at such other times as the Locality, the Authority, or the Commission may reasonably require.

If the Company wishes to count as Capital Investments the capital expenditures made on its behalf by a lessor or a developer of the Facility, the Company is responsible for assembling and distributing the documentation necessary to verify the capital expenditures made on behalf of the Company.

If the Company wishes to count as New Jobs employees of contractors, to the extent permitted in the definition of "New Jobs" in Section 1, the Company is responsible for assembling and distributing the documentation necessary to verify such New Jobs, including whether such jobs are net New Jobs in the Commonwealth.

(c) *Final Report:* The Company shall provide, at the Company's expense, in the form attached hereto as **Attachment 3**, detailed verification reasonably satisfactory to the Locality, the Authority, and the Commission of the Company's achievement of the Targets. The final report shall be filed within 90 days after the Performance Date.

Section 5. Verification of Targets.

(a) *Verification of Capital Investment*: The Company hereby authorizes the Locality, including the Locality's Commissioner of the Revenue and Treasurer, to release to the Authority and the Commission 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 by the Commission solely for verifying satisfaction of the Capital Investment Target. If the Locality, the Commissioner of the Revenue, or 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 the Commission may request.

In addition to the verification data described above, in the sole discretion of the Locality, the Authority, or the Commission, the Locality, the Authority, or the Commission, may each require the Company to provide at its sole expense such other documentation, including invoices, or audits as may be required to properly verify that the Company met or exceeded the Capital Investment Target.

(b) *Verification of New Jobs and Wages*: The Company must submit a copy of its four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission with each progress report and its final report. The forms shall be marked and considered confidential and proprietary and shall be used by the Commission solely for verifying satisfaction of the New Jobs Target. The Company expressly grants its consent for the Virginia Employment Commission to release all Company employment records of any kind in its possession to the Commission.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a facility-level, rather than at the company-level.

In addition to the verification data described above, in the sole discretion of the Locality, the Authority, or the Commission, the Locality, the Authority or the Commission, may each require the Company to provide at its sole expense such other documentation or audits as may be required to properly verify that the Company met or exceeded the New Jobs Target.

Section 6. <u>Partial and Full Performance.</u>

(a) *If Minimum Investment Target is Not Met:* The Company must satisfy the Minimum Investment Target by the Performance Date in order to be eligible for any portion of the Grant. If the Minimum Investment Target is not met by the Performance Date, the Commission will not pay any portion of the Grant and this Agreement may be terminated as provided in Section 9(f).

(b) *Allocation of Grant Proceeds:* The Grant is to be allocated as 50% for the Company's Capital Investment Target, and 50% for the Company's New Jobs Target.

(c) *If Minimum Investment Target is Met:* The provisions of this subsection (c) apply only if the Company has met the Minimum Investment Target.

If the Company has not met or exceeded both Targets at the Performance Date, the Commission shall pay to the Locality that part of the Grant that is proportional to the Company's performance toward each Target (the "Earned Grant Funds"). For example, if as of the Performance Date, the Company has attained only 75% of the Capital Investment Target and only 25% of the New Jobs Target, the Commission shall pay to the Locality 75% of the Grant proceeds allocated to the Capital Investment Target, *plus* 25% of the Grant proceeds allocated to the New Jobs Target.

(d) *Full Performance*: If the Commission determines that the Company has met or exceeded both Targets at the Performance Date, the Commission shall pay to the Locality the full amount of the Grant.

Section 7. Revenue Sharing.

Upon receipt of local tax revenue from the Company, the Locality will pay a portion of such revenue to the Commission as provided in the Revenue Sharing Agreement attached to this Agreement as **Exhibit A**.

Section 8. 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, or (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, 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. Such written notices and communications shall be addressed to:

if to the Company, to:

MerryGoRound, Inc.
370 Forest Circle
Danville, VA 24541-3246
Attention: Evans E. Richards

with a copy to:

B. Cabell Barrow, PLLC
600 W. Main Street
P.O. Box 11111 (Zip 24543)
Danville, VA 24541
Attention: B. Cabell Barrow, Esq.

if to the Locality, to:

Pittsylvania County Office of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531
Attention: Matthew D. Rowe, Director

with a copy to:

County Attorney's Office
1 Center Street
P.O. Box 426
Chatham, VA 24531

if to the Authority, to:

Industrial Development Authority of
Pittsylvania County
1 Center Street
P.O. Box 426
Chatham, VA 24531
Attention: Matthew D. Rowe
Director of Economic Development

with a copy to:

County Attorney's Office
1 Center Street
P.O. Box 426
Chatham, VA 24531

if to the Commission, to:

Tobacco Region Revitalization Commission
701 E. Franklin Street, Suite 501
Richmond, Virginia 23219
Attention: Executive Director

with a copy to:

Office of the Attorney General
202 N. 9th Street
Richmond, Virginia 23219
Attention: Counsel to the Tobacco Region Revitalization Commission

Section 9. <u>Miscellaneous</u>.

(a) *Entire Agreement; Amendments*: This Agreement constitutes the entire agreement among the parties hereto as to the Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. 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 the Commission.

(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 this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court, unless the Commission's Executive Director agrees otherwise.

(c) *Counterparts and Electronic Signatures*: 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. Facsimile signatures or signed copies sent by portable document format (PDF) shall be deemed originals.

(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) *Attorney's Fees:* Attorney's fees shall be paid by the party incurring such fees in connection with litigation arising out of this Agreement, except that the Company, the Locality, and the Authority (subject to receipt of necessary appropriations) shall be responsible for the Commission's costs of collection, including reasonable attorney's fees.

(f) *Termination and Survival*: The Commission, after consultation with the Locality and the Authority, may terminate this Agreement by written notice to all parties in the event that the Company fails (1) to meet the Minimum Investment Target by the Performance Date; (2) to meet its reporting requirements; or (3) to make good faith and reasonable efforts to achieve the Targets prior to the Performance Date. Prior to such termination, the Commission shall provide written notice to the parties of the deficiency. The Authority shall allow the Company 10 business days from the date of such notice by which the Company may cure the deficiency and thereby avoid termination of this Agreement. In the event of such termination, the Revenue Sharing Agreement between the Locality and the Commission shall remain in effect until the Commission satisfies the repayment obligations to the Locality as provided therein. In the event this Agreement is terminated by the Authority the Company shall not receive any portion of the Grant.

[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 PITTSYLVANIA, VIRGINIA

By ______________________________
Name: _________________________
Title: __________________________
Date: ___________________________

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA, VIRGINIA

By ______________________________
Name: _________________________
Title: __________________________
Date: ___________________________

MERRYGOROUND, INC.

By ______________________________
Evans E. Richards
President
Date: ___________________________

TOBACCO REGION REVITALIZATION COMMISSION

By ______________________________
Name: Hon. James E. Campos
Title: Executive Director
Date: ___________________________

Attachment 1: Award Date Report Form
Attachment 2: Annual Progress Report Form
Attachment 3: Final Report Form
Exhibit A: Revenue Sharing Agreement

AWARD DATE REPORT
TOBACCO REGION OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Award Date	
Performance Date	

Jobs as of Award Date	**Number**
Employees of Company working full time at the Facility as of the Award Date ***(attach latest VEC Form FC-20)***	

Taxable Assets Owned by Company as of Award Date	**Value**
Land associated with the Facility	$
Land Improvements	$
Production Machinery and Tools	$
Furniture, Fixtures and Equipment	$
Other	
Total	**$**

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:
I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company Name:____

Submitted By:____
Signature: ____
Print Name: ____
Title: __________________________ Date:____________

ANNUAL PROGRESS REPORT
TOBACCO REGION OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Reporting Period	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _______	% Complete
New Jobs (over ___ baseline)[1]			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Capital Investment (provide breakdown below)[2]			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Average Annual Wage			N/A
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Standard Fringe Benefits (check one)	Yes ☐	No ☐	N/A

[1]Data will be verified using Virginia Employment Commission records.
[2]Data will be verified with locality records.

Capital Investment Breakdown	**Amount**
Land	$
Land Improvements	$
New Construction or Expansion	$
Renovation or Building Upfit	$
Production Machinery and Tools	$
Furniture, Fixtures and Equipment	$
Other	
Total	**$**

COMMENTS:

Discuss project status, including the current level of new jobs and capital investment, progress on targets, changes or likely changes in project's nature that may impact achievement of targets, and other information relevant to project performance. If the project is not on track to meet targets, please provide an explanation.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ____

Submitted By: ____
Signature of Official

Name: ____
Print Name

Title: ____

Date: ____________________________

Attachment 3

FINAL REPORT
TOBACCO REGION OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _______	% Complete
New Jobs (over __ baseline)[1]			
Capital Investment (provide breakdown below)[2]			
Average Annual Wage			N/A
Standard Fringe Benefits			

Capital Investment Breakdown	Amount
Land	$
Land Improvements	$
New Construction or Expansion	$
Renovation or Building Upfit	$
Production Machinery and Tools	$
Furniture, Fixtures and Equipment	$
Other	
Total	**$**

[1]Data will be verified using Virginia Employment Commission records.
[2]Data will be verified with locality records.

COMMENTS:

[Discuss Project status or the importance of the Project to the locality and region.]

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ______________________________________

Submitted By: ______________________________________
Signature of Official

Name: ______________________________________
Print Name

Title: ______________________________________

Date: ________________________

Exhibit A

Revenue Sharing Agreement

This **REVENUE SHARING AGREEMENT** ("Agreement") made and entered into this the 1st day of July, 2025 ("Effective Date") by and between the **COUNTY OF PITTSYLVANIA, VIRGINIA** (the "Locality"), a political subdivision of the Commonwealth and the **TOBACCO REGION REVITALIZATION COMMISSION**, a body corporate and political subdivision of the Commonwealth of Virginia (the "Commission").

WITNESSETH:

WHEREAS, the parties entered into the Performance Agreement dated as of July 1st, 2025 ("Performance Agreement") to which this Agreement is attached pursuant to which the Commission will make a Grant to the Locality that the Locality will use to induce the Company to undertake the Project, thereby making a Capital Investment and creating New Jobs in the Locality; and

WHEREAS, if the Project is completed, the Locality will realize additional Local Tax Revenue and desires to share a portion of that Local Tax Revenue with the Commission:

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.

1. **Definitions:** Capitalized terms used but not defined in this Agreement have the same definitions as set forth in the Performance Agreement.

"Local Taxes" means the tax payments the Locality receives from the Company as a result of local assessments (including any entities owned by, affiliated with, or under common control with the Company) pursuant to Title 58.1, Subtitle III of the Code of Virginia, including, but limited to, real property taxes, business, professional and occupational license taxes, machinery and tools taxes, and tangible personal property taxes.

"New Tax Revenue" means the sum of Local Taxes generated in connection with or attributable to the Project that the Company pays to the Locality, directly or indirectly. If the Project involves the expansion of the Facility or the Company's operations in the Locality, the New Tax Revenue for a given tax year is the amount of Local Taxes the Company paid in excess of the amount of Local Taxes the Company paid for the tax year immediately preceding the date of the Performance Agreement. (For example, if the Performance Agreement is dated 2020, the Company paid $50,000 of Local Taxes in 2019, and the Company paid $75,000 of Local Taxes in 2021, the New Tax Revenue for 2021 would be $25,000.)

2. **Revenue Sharing**: Starting with the first tax year that begins after the Award Date of the Performance Agreement, the Locality will pay to the Commission an amount equal to 5% of the

New Tax Revenue (“Revenue Sharing Payments”). The Locality will make Revenue Sharing Payments within 45 days after the Locality receives Company’s payment of its Local Taxes.

3. **Payment Period:** The Locality will continue to pay Revenue Sharing Payments to the Commission until the total amount of Revenue Sharing Payments the Locality has paid to the Commission equals 105% of the Earned Grant Funds.

The Locality’s obligation to pay Revenue Sharing Payments is contingent upon its receipt of tax payments from the Company and is subject to the Locality’s receipt of appropriations sufficient to make such payments. The Locality’s chief executive officer agrees to use his or her best efforts to secure the necessary appropriations.

4. **Commission Reimbursement to Locality**: In the event Company does not meet its Targets in full, the Commission shall reimburse to the Locality within 120 days of the Performance Date, as defined in the Performance Agreement and as applicable, the amount of Revenue Sharing Payments received by the Commission from the Locality that exceed 105% of Earned Grant Funds.

5. **Incorporation by Reference**: Sections 8 (Notices) and 9 (Miscellaneous) of the Performance Agreement are hereby incorporated by reference into this Agreement.

TOBACCO REGION REVITALIZATION COMMISSION

By:______________________________

Hon. James E. Campos, Executive Director

Date:______________________________

COUNTY OF PITTSYLVANIA, VIRGINIA

By:______________________________

Title:______________________________

Date:______________________________

Agenda Section:	New Business (Section VII(B))
Agenda Title:	Approval of LPA, TROF, and COF Agreements for Project Green Recycle
Staff Contact:	Matthew Rowe
Agenda Date:	September 17, 2025
Attachments:	LPA, TROF, and COF Agreements for Project Green Recycle

SUMMARY:
A copy of the LPA, TROF, and COF Agreements for Project Green Recycle 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 LPA, TROF, and COF Agreements for Project Green Recycle as presented.

MOTION:
"I make a Motion to approve the LPA, TROF, and COF Agreements for Project Green Recycle as presented."

LOCAL PERFORMANCE AGREEMENT

THIS LOCAL PERFORMANCE AGREEMENT (this "**Agreement**"), made and entered into as of the ___ day of ___________ 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 **GREEN RECYCLE USA LLC**, a Virginia limited liability company (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 an industrial waste recycling facility (the "**New Facility**"). The New Facility would be established on that certain real property containing approximately **8.13 acres**, commonly known as **200 Learner Lane, Blairs, Virginia 24527** in Pittsylvania County, Virginia (the "**Project Site**").

c. The Company intends to purchase the Project Site from the Project Site's current owner, and subsequently complete certain renovations to the Project Site for the expanded operations of the New Facility.

d. During the Performance Period described below, the Company plans to make capital investments in the Project Site of at least Five Million Seven Hundred Thousand and 00/100 Dollars ($5,700,000.00) and to create twenty eight (28) full-time jobs with an average yearly base wage of at least Fifty Six Thousand Eight Hundred Fifty Seven and 00/100 Dollars ($56,857.00), 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. ***"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. The purchase or lease of furniture, fixtures, machinery and equipment, will qualify as Capital Investment hereunder.

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

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

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

f. ***"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.

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

h. ***"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.

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

j. ***"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 Six Thousand Eight Hundred Fifty Seven and 00/100 Dollars ($56,857.00), 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.

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

l. ***"Performance Date"*** shall mean the date that is five (5) years after the later to occur after (i) the date of this Agreement, or (ii) the date of the closing on the Project Site. 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 having been issued. The Company shall give written notice to PCIDA of any extension of the Performance Date.

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

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

o. ***"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.

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

q. ***"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) and 5(b) below.

Section 3. - Purchase of Project Site.

a. Generally. On or before the beginning of the Performance Period, the Company shall purchase or shall cause its wholly owned subsidiary, if any, to purchase of the Project Site. During the Performance Period, the Company shall locate and continue its industrial waste recycling operations in the New Facility.

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

a. $5,700,000.00 Capital Investment. On or before the Performance Date, the Company shall make Capital Investment in the minimum aggregate amount of Five Million Seven Hundred Thousand and 00/100 Dollars ($5,700,000.00) 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 Five Million One Hundred Thirty Thousand and 00/100 Dollars ($5,130,000.00) on or before the Performance Date.

b. 28 New Jobs. The Company shall create and employee twenty (28) New Jobs on or before the Performance Date and shall Maintain these New Jobs until at least the Performance Date. Beginning April 1, 2026, 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(j) 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 twenty five (25) 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 50% Real Estate Tax Rebate for Year 1 through Year 5. Subject to appropriations, the County shall rebate to the Company fifty percent (50%) 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 five (5) 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 50% Machinery and Tools Tax Rebate for Year 1 through Year 5. Subject to appropriations, the County shall rebate to the Company fifty percent (50%) 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 five (5) 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. 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(c) shall be subject to all the enterprise zone terms and conditions.

d. Up to $26,500.00 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.

e. Pittsylvania County Enterprise Zone Jobs Grant. The County acknowledges that under the County's Enterprise Zone program, the Company's Capital Investment for the New Facility and creation of New Jobs as contemplated in this Agreement could qualify for up to Twenty One Thousand and 00/100 Dollars ($21,000.00) in value in the form of one-time cash payments of Seven Hundred Fifty and 00/100 Dollars ($750.00) per direct full-time job a (the "**Pittsylvania County Enterprise Zone Jobs Grant**"). The County shall disburse such grant according to the terms and conditions of its Enterprise Zone program. After this grant is disbursed, this grant is not subject to recapture by the County or any other Government Party 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 $150,000.00 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. <u>Virginia Enterprise Zone Job Creation Grant (estimated value $80,800.00)</u>. The New Facility is located in a Virginia Enterprise Zone. PCIDA or the County shall apply for a Virginia State Enterprise Zone Grant from the Virginia Department of Housing and Community Development, estimated at up to Eighty Thousand and 00/100 Dollars ($80,000.00) for job creation. If such application for such grant is approved, PCIDA or the County shall disburse the grant according to the terms and conditions of the Virginia Enterprise Zone program.

iii. <u>Enterprise Zone Real Property Investment Grant (estimated value $100,000.00)</u>. As a condition to and as a part of the application for a Virginia Enterprise Zone Real Property Investment Grant, PCIDA (or other Government Party, as the case may be) and the Company shall enter into a performance grant agreement with the Virginia Department of Housing and Community Development.

iv. <u>Manufacturing Sales and Use Tax Exemption (estimated value $220,500.00)</u>. The Company may realize a savings from sales and use tax exemptions of up to Two Hundred Twenty Thousand Five Hundred and 00/100 Dollars ($220,500.00), subject to the Company's compliance with all applicable rules, regulations, and requirements for claiming such exemptions.

v. <u>Up to $23,800.00 Virginia Jobs Investment Program – Small Business New Jobs Program</u>. PCIDA shall reasonably assist the Company in applying for grants under the VEDP's Virginia Jobs Investment Program, estimated at up to Twenty Three Thousand Eight Hundred and 00/100 Dollars ($23,800.00). If such application for such grant is approved, the VEDP (or if allowed by the program, RIFA) shall disburse the grant according to the terms and conditions of the Virginia Jobs Investment Program.

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, 2026, 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. The Company is a limited liability company 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 Organization, Operating Agreement, 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. 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 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; or

f. An officer or member of the Company (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.

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 and any 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 Five Million One Hundred Thirty Thousand and 00/100 Dollars ($5,130,000.00);

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 twenty five (25) 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 Five Million One Hundred Thirty Thousand and 00/100 Dollars ($5,130,000.00);

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 twenty five (25) 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. 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:

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

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

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

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

If to the Company:
Green Recycle USA LLC
Attn.: ______________
200 Learner Lane
Blairs, VA 24527

With a copy to:
____
____
____
____

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 Section 20 are provided as a courtesy and shall not be required to effectuate notice as provided herein.

Section 21. - Governing Law. 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.

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

(SEAL)

ATTEST:

____
Matthew D. Rowe
Secretary
Industrial Development Authority of Pittsylvania County

COMMONWEALTH OF VIRGINIA, AT LARGE
CITY/COUNTY OF ________________________, to-wit:

The foregoing instrument was acknowledged before me this _____ day of ________________ 2025, by **JOEY FAUCETTE**, in his capacity as Chairman of **PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY,** a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: _________________________________.

____
Notary Public
Registration No. _____________________

<u>List of Schedules</u>
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

(SEAL)

ATTEST:

____
Kaylyn McCluster
Clerk
Board of Supervisors of Pittsylvania County

COMMONWEALTH OF VIRGINIA, AT LARGE
COUNTY OF PITTSYLVANIA, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _______________ 2025, by **ROBERT M. TUCKER, JR.**, in his capacity as Chairman of the Board of Supervisors of **COUNTY OF PITTSYLVANIA, VIRGINIA,** a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: ________________________________.

____
Notary Public
Registration No. ____________________

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:

GREEN RECYCLE USA LLC, a Virginia limited liability company

By: ___________________________________

Name: ___________________________________

Title: ___________________________________

(SEAL)

STATE OF ____
CITY/COUNTY OF ________________________, to-wit:

The foregoing instrument was acknowledged before me this _____ day of ________________ 2025, by ____________________, in his capacity as ___________________ of **GREEN RECYCLE USA LLC**, a Virginia limited liability company, on behalf of such entity.

My commission expires: _________________________________.

____
Notary Public
Registration No. _____________________

<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 50% Real Estate Tax Rebate, for Year 1 through Year 5 (§5(a))	$28,000.00
Long-Term/High Impact 50% Machinery and Tools Tax Rebate, for Year 1 through Year 5 (§5(b))	$37,125.00
Waiver of Building Zoning and Land Disturbance Permit Fees, and Water and Sewer Fees (§5(c))	$50,000.00
Tobacco Region Opportunity Fund Grant (§5(d))	$26,500.00
Pittsylvania County Enterprise Zone Jobs Grant (§5(e))	$21,000.00
TOTAL LOCAL INCENTIVES	**$162,625.00**

**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))	$150,000.00
Virginia Enterprise Zone Job Creation Grant (§5(f)(ii))	$80,800.00
Virginia Enterprise Zone Real Property Investment Grant (§5(f)(iii))	$100,000.00
Manufacturing Sales & Use Tax Exemption (§5(f)(iv))	$220,500.00
Virginia Job Investment Program (Reimbursement Grant) (§5(f)(v))	$23,800.00
TOTAL STATE INCENTIVES	**$575,100.00**

TOTAL INCENTIVES	**$737,725.00**

TOBACCO REGION OPPORTUNITY FUND

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (this "Agreement"), made and entered as of the 1st day of July, 2025 (the "Award Date") by and among the **COUNTY OF PITTSYLVANIA VIRGINIA** (the "Locality"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), the **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth, **GREEN RECYCLE USA LLC** (the "Company"), a Virginia limited liability company whose Federal Employer Identification Number is 33-2635448, and the **TOBACCO REGION REVITALIZATION COMMISSION** (the "Commission"), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Virginia General Assembly created the Commission to, among other things, stimulate the economic growth and development of tobacco-dependent communities in the Southern and Southwest regions (the "Region") of the Commonwealth; and

WHEREAS, the Commission awarded a grant in the amount of $26,500.00 to the Locality for the benefit of the Company from the Tobacco Region Opportunity Fund (the "Grant") for the purpose of inducing the Company to undertake the Project (as defined herein); and

WHEREAS, the Commission has determined that the Project will benefit the Region and is consistent with and in furtherance of the Commission's public purposes; and

WHEREAS, the Company will equip, improve and operate a manufacturing facility 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; and

WHEREAS, the Locality will provide the Grant to or for the use of the Company, provided that the Company promises to meet certain criteria relating to Capital Investment and New Jobs; and

WHEREAS, the parties desire to set forth their understanding and agreement as to the payout of the Grant and the obligations of the Company regarding Capital Investment and New Jobs; and

WHEREAS, the equipping, improvement and operation of the Facility will entail a capital expenditure by or on behalf of the Company of approximately $5,700,000.00 and will further entail the creation and maintenance of 28 New Jobs at the Facility; and

WHEREAS, the Commission has determined that the expenditure of the Grant to stimulate the generation of additional tax revenue and economic activity in the Region constitutes a valid public purpose for the expenditure of public funds as outlined in Section 3.2-3100, *et seq.* of the *Code of Virginia* of 1950, as amended, and is the animating purpose for the Grant:

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. <u>Definitions</u>.

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. The Capital Investment must be in addition to any new investments the Company promised to make under any other agreement with the Commission. The Capital Investment must be in addition to the capital improvements at the Facility as of the Award Date.

"Earned Grant Funds" means the portion of the Grant that is due to the Company pursuant to Section 6 of this Agreement.

"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.

"Minimum Investment Target" means the Company's obligation to make a Capital Investment of at least $1 million.

"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 $56,857.00. Average annual wage means the average annual salary of full-time positions at the Facility determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Facility by the number of full-time positions at the Facility. 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. Net new jobs in the Commonwealth for contractors or employees of contractors who provide dedicated

full-time service to the Company may count as New Jobs, even though the Company is not directly paying the wages or providing the fringe benefits, if the other conditions set forth in this paragraph have been satisfied. The New Jobs must be in addition to any new positions the Company promised to make under any other agreement with the Commission. The New Jobs must also be in addition to the full-time jobs at the Facility as of the Award Date, as evidenced by a recent filing with the Virginia Employment Commission.

"Performance Date" means the date that is the third anniversary of the Award Date. If the Locality, in consultation with the Authority and the Commission, deems that the Company is making good faith and reasonable efforts to achieve the Targets, the Locality may request an extension of the Performance Date by up to 12 months. Any extension of the Performance Date shall require the prior written approval of the Commission's Executive Director or his designee. Any further extensions will require the approval of the Commission's governing body. If the Performance Date is extended, the Commission shall send written notice of the extension to the Authority and the Company, and the date to which the Performance Date has been extended shall be the "Performance Date" for the purposes of this Agreement.

"Project" means the Company's completion and operation of the Facility and satisfaction of the Targets.

"Targets" means the Company's obligations to make Capital Investments at the Facility of at least $5,700,000.00 and to create and Maintain at least 28 New Jobs at the Facility, all as of the Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

Section 2. <u>Targets</u>.

(a) *Targets*: The Company will complete the Project, including making a Capital Investment of at least $5,700,000.00, and creating and Maintaining at least 28 New Jobs at the Facility, all as of the Performance Date.

Section 3. <u>Disbursement of the Grant</u>.

(a) *Disbursement of the Grant in arrears:* After the Performance Date, the Commission will determine the extent to which the Company met or exceeded the Targets as of the Performance Date and the amount of Earned Grant Funds that are due to the Company. Within 30 days thereafter, the Commission will pay to the Locality the Earned Grant Funds. Within 30 days thereafter, the Locality will pay to the Authority, and the Authority will pay to the Company, the Earned Grant Funds.

Section 4. <u>Company Reporting</u>.

(a) *Award Date Report:* Within 30 days of the Award Date, the Company shall provide an Award Date Report in the form attached hereto as **<u>Attachment 1,</u>** that includes a statement of (1) the value of real property and other taxable assets owned by Company at the Facility as of the Award Date (if any), which may be verified by the Locality's Commissioner of Revenue, the Authority and the Commission; and (2) the number of employees of the Company working full-time at the Facility as of the Award Date, as reflected by the Company's report to the Virginia Employment Commission for the quarter ending most recently prior to the Award Date.

(b) *Progress Reporting:* The Company shall provide, at the Company's expense, in the form attached hereto as **<u>Attachment 2</u>**, detailed verification reasonably satisfactory to the Locality, the Authority, and the Commission of the Company's progress on achieving the Targets. Such progress reports will be provided annually, starting on the first anniversary of the Award Date and covering the period through the most recently completed quarter. Further, the Company shall provide such progress reports at such other times as the Locality, the Authority, or the Commission may reasonably require.

If the Company wishes to count as Capital Investments the capital expenditures made on its behalf by a lessor or a developer of the Facility, the Company is responsible for assembling and distributing the documentation necessary to verify the capital expenditures made on behalf of the Company.

If the Company wishes to count as New Jobs employees of contractors, to the extent permitted in the definition of "New Jobs" in Section 1, the Company is responsible for assembling and distributing the documentation necessary to verify such New Jobs, including whether such jobs are net New Jobs in the Commonwealth.

(c) *Final Report:* The Company shall provide, at the Company's expense, in the form attached hereto as **<u>Attachment 3</u>**, detailed verification reasonably satisfactory to the Locality, the Authority, and the Commission of the Company's achievement of the Targets. The final report shall be filed within 90 days after the Performance Date.

Section 5. <u>Verification of Targets</u>.

(a) *Verification of Capital Investment*: The Company hereby authorizes the Locality, including the Locality's Commissioner of the Revenue and Treasurer, to release to the Authority and the Commission 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 by the Commission solely for verifying satisfaction of the Capital Investment Target. If the Locality, the Commissioner of the Revenue, or 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 the Commission may request.

In addition to the verification data described above, in the sole discretion of the Locality, the Authority, or the Commission, the Locality, the Authority, or the Commission, may each require the Company to provide at its sole expense such other documentation, including invoices, or audits as may be required to properly verify that the Company met or exceeded the Capital Investment Target.

(b) *Verification of New Jobs and Wages*: The Company must submit a copy of its four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission with each progress report and its final report. The forms shall be marked and considered confidential and proprietary and shall be used by the Commission solely for verifying satisfaction of the New Jobs Target. The Company expressly grants its consent for the Virginia Employment Commission to release all Company employment records of any kind in its possession to the Commission.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a facility-level, rather than at the company-level.

In addition to the verification data described above, in the sole discretion of the Locality, the Authority, or the Commission, the Locality, the Authority or the Commission, may each require the Company to provide at its sole expense such other documentation or audits as may be required to properly verify that the Company met or exceeded the New Jobs Target.

Section 6. <u>Partial and Full Performance.</u>

(a) *If Minimum Investment Target is Not Met:* The Company must satisfy the Minimum Investment Target by the Performance Date in order to be eligible for any portion of the Grant. If the Minimum Investment Target is not met by the Performance Date, the Commission will not pay any portion of the Grant and this Agreement may be terminated as provided in Section 9(f).

(b) *Allocation of Grant Proceeds:* The Grant is to be allocated as 50% for the Company's Capital Investment Target, and 50% for the Company's New Jobs Target.

(c) *If Minimum Investment Target is Met:* The provisions of this subsection (c) apply only if the Company has met the Minimum Investment Target.

If the Company has not met or exceeded both Targets at the Performance Date, the Commission shall pay to the Locality that part of the Grant that is proportional to the Company's performance toward each Target (the "Earned Grant Funds"). For example, if as of the Performance Date, the Company has attained only 75% of the Capital Investment Target and only 25% of the New Jobs Target, the Commission shall pay to the Locality 75% of the Grant proceeds allocated to the Capital Investment Target, *plus* 25% of the Grant proceeds allocated to the New Jobs Target.

(d) *Full Performance*: If the Commission determines that the Company has met or exceeded both Targets at the Performance Date, the Commission shall pay to the Locality the full amount of the Grant.

Section 7. Revenue Sharing.

Upon receipt of local tax revenue from the Company, the Locality will pay a portion of such revenue to the Commission as provided in the Revenue Sharing Agreement attached to this Agreement as **Exhibit A**.

Section 8. 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, or (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, 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. Such written notices and communications shall be addressed to:

if to the Company, to:	with a copy to:
Green Recycle USA LLC 200 Leaner Lane Blairs, VA 24527 Attention: Pramod Raghav, CEO	__________________________ __________________________ __________________________ __________________________ Attention: ________________
if to the Locality, to:	with a copy to:
Office of Economic Development 1 Center Street P.O. Box 426 Chatham, VA 24531 Attention: Matthew D. Rowe, Director	County Attorney's Office 1 Center Street P.O. Box 426 Chatham, VA 24531
if to the Authority, to:	with a copy to:
Office of Economic Development 1 Center Street P.O. Box 426 Chatham, VA 24531 Attention: Matthew D. Rowe, Director	County Attorney's Office 1 Center Street P.O. Box 426 Chatham, VA 24531

if to the Commission, to:	with a copy to:
Tobacco Region Revitalization Commission 701 E. Franklin Street, Suite 501 Richmond, Virginia 23219 Attention: Executive Director	Office of the Attorney General 202 N. 9th Street Richmond, Virginia 23219 Attention: Counsel to the Tobacco Region Revitalization Commission

Section 9. <u>Miscellaneous</u>.

(a) *Entire Agreement; Amendments*: This Agreement constitutes the entire agreement among the parties hereto as to the Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. 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 the Commission.

(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 this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court, unless the Commission's Executive Director agrees otherwise.

(c) *Counterparts and Electronic Signatures*: 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. Facsimile signatures or signed copies sent by portable document format (PDF) shall be deemed originals.

(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) *Attorney's Fees:* Attorney's fees shall be paid by the party incurring such fees in connection with litigation arising out of this Agreement, except that the Company, the Locality, and the Authority (subject to receipt of necessary appropriations) shall be responsible for the Commission's costs of collection, including reasonable attorney's fees.

(f) *Termination and Survival*: The Commission, after consultation with the Locality and the Authority, may terminate this Agreement by written notice to all parties in the event that the Company fails (1) to meet the Minimum Investment Target by the Performance Date; (2) to meet its reporting requirements; or (3) to make good faith and reasonable efforts to achieve the Targets prior to the Performance Date. Prior to such termination, the Commission shall provide written notice to the parties of the deficiency. The Authority shall allow the Company 10 business days from the date of such notice by which the Company may cure the deficiency and thereby avoid termination of this Agreement. In the event of such termination, the Revenue Sharing Agreement between the Locality and the Commission shall remain in effect until the Commission satisfies the repayment obligations to the Locality as provided therein. In the event this Agreement is terminated by the Authority the Company shall not receive any portion of the Grant.

[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 PITTSYLVANIA, VIRGINIA

By ______________________________
Name: __________________________
Title: __________________________
Date: ___________________________

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

By ______________________________
Name: __________________________
Title: __________________________
Date: ___________________________

GREEN RECYCLE USA, LLC.

By ______________________________
Name: __________________________
Title: __________________________
Date: ___________________________

TOBACCO REGION REVITALIZATION COMMISSION

By ______________________________
Name: Hon. James E. Campos
Title: Executive Director
Date: ___________________________

Attachment 1: Award Date Report Form
Attachment 2: Annual Progress Report Form
Attachment 3: Final Report Form
Exhibit A: Revenue Sharing Agreement

AWARD DATE REPORT
TOBACCO REGION OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Award Date	
Performance Date	

Jobs as of Award Date	**Number**
Employees of Company working full time at the Facility as of the Award Date ***(attach latest VEC Form FC-20)***	

Taxable Assets Owned by Company as of Award Date	**Value**
Land associated with the Facility	$
Land Improvements	$
Production Machinery and Tools	$
Furniture, Fixtures and Equipment	$
Other	
Total	**$**

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:
I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company Name:____

Submitted By:____
Signature: ____
Print Name: ____
Title: ______________________________ Date:______________

Attachment 2

ANNUAL PROGRESS REPORT
TOBACCO REGION OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Reporting Period	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _______	% Complete
New Jobs (over ___ baseline)[1]			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Capital Investment (provide breakdown below)[2]			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Average Annual Wage			N/A
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Standard Fringe Benefits (check one)	Yes ☐	No ☐	N/A

[1]Data will be verified using Virginia Employment Commission records.
[2]Data will be verified with locality records.

Capital Investment Breakdown	**Amount**
Land	$
Land Improvements	$
New Construction or Expansion	$
Renovation or Building Upfit	$
Production Machinery and Tools	$
Furniture, Fixtures and Equipment	$
Other	
Total	**$**

COMMENTS:

Discuss project status, including the current level of new jobs and capital investment, progress on targets, changes or likely changes in project's nature that may impact achievement of targets, and other information relevant to project performance. If the project is not on track to meet targets, please provide an explanation.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ______________________________

Submitted By: ______________________________
Signature of Official

Name: ______________________________
Print Name

Title: ______________________________

Date: ____________________

Attachment 3

FINAL REPORT
TOBACCO REGION OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _______	% Complete
New Jobs (over __ baseline)[1]			
Capital Investment (provide breakdown below)[2]			
Average Annual Wage			N/A
Standard Fringe Benefits			

Capital Investment Breakdown	Amount
Land	$
Land Improvements	$
New Construction or Expansion	$
Renovation or Building Upfit	$
Production Machinery and Tools	$
Furniture, Fixtures and Equipment	$
Other	
Total	**$**

[1]Data will be verified using Virginia Employment Commission records.
[2]Data will be verified with locality records.

COMMENTS:

[Discuss Project status or the importance of the Project to the locality and region.]

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ______________________________________

Submitted By: ______________________________________
Signature of Official

Name: ______________________________________
Print Name

Title: ______________________________________

Date: ________________________

Exhibit A

Revenue Sharing Agreement

This **REVENUE SHARING AGREEMENT** ("Agreement") made and entered into as of the 1st day of July, 2025 ("Effective Date") by and between the **COUNTY OF PITTSYLVANIA, VIRGINIA** (the "Locality"), a political subdivision of the Commonwealth and the **TOBACCO REGION REVITALIZATION COMMISSION**, a body corporate and political subdivision of the Commonwealth of Virginia (the "Commission").

WITNESSETH:

WHEREAS, the parties entered into the Performance Agreement dated as of July 1st, 2025 ("Performance Agreement") to which this Agreement is attached pursuant to which the Commission will make a Grant to the Locality that the Locality will use to induce the Company to undertake the Project, thereby making a Capital Investment and creating New Jobs in the Locality; and

WHEREAS, if the Project is completed, the Locality will realize additional Local Tax Revenue and desires to share a portion of that Local Tax Revenue with the Commission:

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.

1. **Definitions:** Capitalized terms used but not defined in this Agreement have the same definitions as set forth in the Performance Agreement.

"Local Taxes" means the tax payments the Locality receives from the Company as a result of local assessments (including any entities owned by, affiliated with, or under common control with the Company) pursuant to Title 58.1, Subtitle III of the Code of Virginia, including, but limited to, real property taxes, business, professional and occupational license taxes, machinery and tools taxes, and tangible personal property taxes.

"New Tax Revenue" means the sum of Local Taxes generated in connection with or attributable to the Project that the Company pays to the Locality, directly or indirectly. If the Project involves the expansion of the Facility or the Company's operations in the Locality, the New Tax Revenue for a given tax year is the amount of Local Taxes the Company paid in excess of the amount of Local Taxes the Company paid for the tax year immediately preceding the date of the Performance Agreement. (For example, if the Performance Agreement is dated 2020, the Company paid $50,000.00 of Local Taxes in 2019, and the Company paid $75,000.00 of Local Taxes in 2021, the New Tax Revenue for 2021 would be $25,000.00.)

2. **Revenue Sharing**: Starting with the first tax year that begins after the Award Date of the Performance Agreement, the Locality will pay to the Commission an amount equal to 5% of the

New Tax Revenue ("Revenue Sharing Payments"). The Locality will make Revenue Sharing Payments within 45 days after the Locality receives Company's payment of its Local Taxes.

3. Payment Period: The Locality will continue to pay Revenue Sharing Payments to the Commission until the total amount of Revenue Sharing Payments the Locality has paid to the Commission equals 105% of the Earned Grant Funds.

The Locality's obligation to pay Revenue Sharing Payments is contingent upon its receipt of tax payments from the Company and is subject to the Locality's receipt of appropriations sufficient to make such payments. The Locality's chief executive officer agrees to use his or her best efforts to secure the necessary appropriations.

4. Commission Reimbursement to Locality: In the event Company does not meet its Targets in full, the Commission shall reimburse to the Locality within 120 days of the Performance Date, as defined in the Performance Agreement and as applicable, the amount of Revenue Sharing Payments received by the Commission from the Locality that exceed 105% of Earned Grant Funds.

5. Incorporation by Reference: Sections 8 (Notices) and 9 (Miscellaneous) of the Performance Agreement are hereby incorporated by reference into this Agreement.

TOBACCO REGION REVITALIZATION COMMISSION

By:________________________________

Hon. James E. Campos, Executive Director

Date:______________________________

COUNTY OF PITTSYLVANIA, VIRGINIA

By:________________________________

Title:______________________________

Date:______________________________

COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the "Agreement") made and entered this 23rd day of June, 2025, by and among the **COUNTY OF PITTSYLVANIA, VIRGINIA** (the "Locality"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), **GREEN RECYCLE USA, LLC**, a Virginia limited liability company, the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY** ("VEDP"), a political subdivision of the Commonwealth, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Locality has been awarded a grant of and expects to receive $150,000 (the "COF Grant") from the Commonwealth's Development Opportunity Fund (the "Fund") through VEDP for the purpose of inducing the Company to construct, equip and operate a manufacturing facility 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 meets certain criteria relating to Capital Investment and New Jobs;

WHEREAS, the Locality, the Authority, the Company, and VEDP desire to set forth their understanding and agreement as to the payout of the COF Grant, the use of the COF Grant proceeds, and the obligations of the Company regarding Capital Investment and New Jobs;

WHEREAS, the construction, equipping and operation of the Facility will entail a capital expenditure by or on behalf of the Company of approximately $4,300,000, of which approximately $3,500,000 will be invested in machinery and tools, approximately $200,000 will be invested in furniture, fixtures and business personal property, and approximately $600,000 will be invested in the construction, expansion and up-fit of the buildings for the Facility;

WHEREAS, the construction, equipping and operation of the Facility will further entail the creation and Maintenance of 28 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 New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the COF Grant:

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. The purchase or lease of machinery and tools or furniture, fixtures, and business personal property, including under an operating lease, and expected building construction and up-fit by or on behalf of the Company will qualify as Capital Investment.

"Capital Investment Target" means that the Company has made or caused to be made and retained Capital Investments of at least $4,300,000.

"Fund" means the Commonwealth's Development Opportunity Fund.

"Maintain" means that the New Jobs will continue without interruption from the date of creation through the date that the level of achievement of the New Jobs Target is being tested, including 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 $56,857. Average annual wage means the average annual salary of full-time positions at the Facility determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Facility by the number of full-time positions at the Facility. 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.

"New Jobs Target" means that the Company has created and Maintained at least 28 New Jobs.

"Performance Date" means June 30, 2029.

"Performance Report" means a report to be filed by the Company in accordance with Section 5. The "Final Performance Report" is to be filed within 90 days after the Performance

Date. As noted in Section 5, the Locality, the Authority and VEDP may each request a Performance Report at other dates prior to the Performance Date.

"Targets" means the Capital Investment Target and the New Jobs Target, all to be achieved as of the Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

Section 2. <u>Targets; Statutory Criteria</u>.

(a) *Targets*: The Company will construct, equip and operate the Facility, and achieve the Targets.

(b) *Encouragement to Offer New Jobs to Residents of the Commonwealth*: The Locality, the Authority, and VEDP 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 $56,857 is more than the prevailing average annual wage in the Locality of $48,067. The Locality is a high-unemployment locality, with an unemployment rate of 3.1% as compared to the 2023 statewide unemployment rate of 2.9%. The Locality is a high-poverty locality, with a poverty rate of 13.7% as compared to the 2023 statewide poverty rate of 10.2%.

(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 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.

(e) *Support for Virginia's and Locality's Economic Development Efforts*: Recognizing that it is in the best interest of all parties for the Commonwealth and the Locality to achieve sustained economic growth, the parties will periodically engage with one another to advise on economic development strategies and initiatives for the Commonwealth and the Locality, such as promoting the attributes of the Commonwealth and the Locality as places to do business, or highlighting important industry trends and/or business development opportunities that the Commonwealth or the Locality may wish to pursue. Such engagement would include the Company's participation in occasional business retention and expansion visits from VEDP personnel, as deemed appropriate based on the project parameters and nature of the incentives provided to the Company.

(f) *Compliance with Environmental Laws*: The Company covenants to (i) comply in all material respects with any and all applicable federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws") with respect to its operations at the Facility, (ii) receive all material permits, licenses or other approvals required of the Company under applicable Environmental Laws to conduct its business at the Facility, and (iii) remain in compliance with all material terms and conditions of any such permit, license or approval. If the Company fails to comply with this covenant and fails to rectify the noncompliance within 30 days of notice from VEDP, VEDP shall have the option to terminate this Agreement in accordance with Section 7.

Section 3. Disbursement of COF Grant.

(a) *General Provisions:* The disbursement of the COF Grant proceeds to the Company will serve as an inducement to the Company to achieve the Targets.

The COF Grant is to be allocated as 10% ($15,000) for the Company's Capital Investment Target, and 90% ($135,000) for the Company's New Jobs Target.

The statutory minimum requirements for a COF Grant in the Locality require that the Company (1) make or cause to be made and retained a Capital Investment of at least $1,500,000 and (2) create and Maintain at least 15 New Jobs (the "Statutory Minimum Requirements").

The COF Grant proceeds shall be retained in the Fund until needed for disbursement or the COF Grant is withdrawn in accordance with the terms of this Agreement.

(b) *Disbursement of the COF Grant:* Within 90 days after the Performance Date, the Company will deliver the Final Performance Report. Through this report, the Company will provide notice and evidence satisfactory to the Locality, the Authority and VEDP of the amount of Capital Investments made or caused to be made and retained, and the number of New Jobs created and Maintained, by the Company as of the Performance Date. The Final Performance Report will be subject to verification by the Locality and VEDP.

Upon such verification, the amount of the COF Grant proceeds to be disbursed to the Company, if any, shall be determined as follows:

> (i) *If Statutory Minimum Requirements Not Met:* If, as of the Performance Date, the Company has not achieved both of the Statutory Minimum Requirements, the Company will not receive any of the proceeds of the COF Grant.

(ii) *If Targets Met:* If, as of the Performance Date, the Company has achieved the Capital Investment Target and the New Jobs Target, the Company will receive all $150,000 of the proceeds of the COF Grant.

(iii) *If Statutory Minimum Requirements Met, but Targets Not Met:* If, as of the Performance Date, the Company has achieved both of the Statutory Minimum Requirements, but has not achieved the full Capital Investment Target and the full New Jobs Target, the Company will qualify for a reduced disbursement of the COF Grant, reflecting a proportional amount of the Target or Targets for which there is a shortfall. For example, if as of the Performance Date, only $3,870,000 of the Capital Investment has been retained (reflecting achievement of 90% of the Capital Investment Target), only 21 New Jobs have been created and Maintained (reflecting achievement of 75% of the New Jobs Target), the Company will receive $13,500 (reflecting 90% of the $15,000 of the COF Grant allocated to the Capital Investment Target), *plus* $101,250 (reflecting 75% of the $135,000 of the COF Grant allocated to the New Jobs Target), for a total of $114,750. These amounts reflect the percentages of the shortfall from the Capital Investment Target and the New Jobs Target, each such shortfall multiplied by the portion of the COF Grant proceeds available to the Company allocated to that Target.

Within 30 days after verification of the Final Performance Report, if any amount of COF Grant proceeds is available for disbursement to the Company, as determined in accordance with the foregoing calculations, VEDP will disburse that amount to the Locality. Within 30 days after receipt of such amount, the Locality will disburse such COF Grant proceeds to the Authority. Within 30 days after receipt of such amount, the Authority will disburse such COF Grant proceeds to the Company.

If any amount of COF Grant proceeds has not been earned by the Company, the amount not disbursed will be retained in the Fund and will be available for other economic development projects.

(c) *Use of the COF Grant Proceeds:* The Company will use the COF Grant proceeds to pay or reimburse the cost of construction or build-out of publicly or privately owned buildings for the Facility, as permitted by Section 2.2-115(D) of the Virginia Code.

Section 4. <u>Break-Even Point; State and Local Incentives</u>.

(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 discretionary incentives, including but not limited to the COF Grant. With regard to the Facility, the Commonwealth expects to provide discretionary incentives in the following amounts:

Category of Incentive:	Total Amount
COF Grant	$150,000
Virginia Jobs Investment Program (“VJIP”) (Estimated)	$23,800
Enterprise Zone Job Creation Grant (“EZJCG”) (Estimated)	$80,800
Enterprise Zone Real Property Investment Grant (“EZRPIG”) (Estimated)	$100,000

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

(b) *Local-Level Incentives:* The Locality and the Authority expect to provide the following incentives, as matching grants or otherwise, for the Facility by the Performance Date:

Category of Incentive:	Total Amount
Fee Waivers	$50,000
Real Estate Tax Rebates	$17,024
Machinery and Tools Rebates	$37,125
New Jobs Grant	$21,000
Tobacco Region Opportunity Fund Grant (Estimated)	$26,500

If, by the Performance Date, the total value of all Local-Level Incentives disbursed or provided, or committed to be disbursed or provided, by the Locality to the Company is less than the $150,000 COF Grant local match requirement, the Locality, subject to appropriation, will make an additional grant to the Company of the difference promptly after Performance Date, so long as the Company has met its Targets.

(c) *Other Incentives*: This Agreement relates solely to the COF Grant. The qualification for, and payment of all State-Level Incentives and Local-Level Incentives, except for the COF Grant, will be governed by separate arrangements between the Company and the entities offering the other incentives.

Section 5. Company Reporting.

(a) *Performance Reporting:* The Company shall provide, at the Company’s expense, in the form attached hereto as Exhibit A, detailed Performance Reports satisfactory to the Locality, the Authority and VEDP of the Company’s progress on the Targets. The Performance Reports are due by each October 1, commencing October 1, 2026, reflecting the Company’s progress toward the Targets as of the prior June 30. Further, the Company shall provide such Performance Reports at such other times as the Locality, the Authority or VEDP may require.

(b) *Final Performance Report:* The Company shall provide, at the Company's expense, in the form attached hereto as Exhibit B, a detailed Final Performance Report satisfactory to the Locality, the Authority and VEDP of the Company's achievement of the Targets as of the Performance Date. This Final Performance Report shall be filed within 90 days after the Performance Date.

Should the Company be unable to file the Final Performance Report within the 90-day timeframe, the Company may request a 60-day delay in filing the Final Performance Report. VEDP will require a $3,000 fee, payable to VEDP, to process the request for the filing delay. Should the Company not file the Final Performance Report within the 90-day window nor request a filing delay (including payment of the required fee), or if the Company requests a filing delay but does not file the Final Performance Report prior to the new filing deadline, VEDP will withhold any COF Grant payment that might otherwise be due, and all rights of the Company under this Agreement will automatically terminate.

Section 6. Verification of Targets.

(a) *Verification of Capital Investment*: The Company hereby authorizes the Locality, including the Locality's Commissioner of the Revenue and Treasurer, to release to VEDP 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 by VEDP 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 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.

(b) *Verification of New Jobs and Wages*: The Company must submit a copy of its four most recent Employer's Quarterly Tax Reports (Form FC-20) with the Virginia Employment Commission with the Final Performance Report. The forms shall be marked and considered confidential and proprietary and shall be used by VEDP 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.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a facility-level, rather than at the company-level.

(c) *Additional Documentation:* In addition to the verification data described above, in the sole discretion of the Locality, the Authority or VEDP, the Locality, the Authority or VEDP, may each require such other documentation or audits as may be required to properly verify the Capital Investment or New Jobs.

Section 7. **<u>Possible Termination of this Agreement and Redeployment of COF Grant Proceeds</u>.** If the Locality, the Authority or VEDP shall determine at any time prior to the Performance 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, this Agreement will be terminated, no further disbursements of the COF Grant proceeds will be made to the Company, and the amount not disbursed will be retained in the Fund and made available for other economic development projects. Such a determination will be based on such circumstances as a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company, a failure to comply with the covenant provided in Section 2(f), or other similar significant event that demonstrates that the Company will be unable or is unwilling to satisfy the Targets for the COF Grant.

Section 8. **<u>Notices</u>.** 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 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 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:	with a copy to:
Green Recycle USA, LLC 200 Learner Ln Blairs VA 24527 Email: poonam@greenrecycleusa.com Attention: Poonam Sharma	Pramod Raghav 200 Learner Ln Blairs VA 24527 Email: y.reddy@greenrecycleusa.com

if to the Locality, to:

County of Pittsylvania, Virginia
1 Center Street
P.O. Box 426
Chatham, Virginia 24531
Email: matthew.rowe@pittgov.org
Attention: Matthew D. Rowe, Director of Economic Development

with a copy to:

Gravitt Law Group, PLC
75 Maple Avenue
P.O. Box 999
Halifax, VA 24558
Email: matt@gravittlaw.com
Attention: Matthew W. Evans, Esq.

if to the Authority, to:

Industrial Development Authority of Pittsylvania County, Virginia
c/o County of Pittsylvania, Virginia
1 Center Street
P.O. Box 426
Chatham, Virginia 24531
Attention: Chairman

with a copy to:

County of Pittsylvania, Virginia
1 Center Street
P.O. Box 426
Chatham, Virginia 24531
Email: matthew.rowe@pittgov.org
Attention: Matthew D. Rowe, Director of Economic Development

if to VEDP, to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: ceo@vedp.org
Attention: President and CEO

with a copy to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: generalcounsel@vedp.org
Attention: General Counsel

Each party may change the address for service of notice upon it by a notice in writing to the other parties hereto.

Section 9. <u>Miscellaneous</u>.

(a) *Entire Agreement; Amendments*: This Agreement constitutes the entire agreement among the parties hereto as to the COF Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. 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 this Agreement shall lie in the Circuit Court of the City of Richmond, 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) *Attorney's Fees:* Attorney's fees shall be paid by the party incurring such fees.

(f) *Force Majeure:* Notwithstanding the foregoing provisions of this Agreement, if the Company does not achieve a Target or take any action required under this Agreement because of an "Event of Force Majeure" (as defined below), the time for achieving the applicable Target or taking such action will be extended day-for-day by the delay in meeting the applicable Target or taking such action caused by the Event of Force Majeure. "Event of Force Majeure" means 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; pandemics; 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.

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

COUNTY OF PITTSYLVANIA, VIRGINIA

By ____________________________
Name: ______________________
Title: ______________________
Date: _________________________

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PITTSYLVANIA, VIRGINIA

By ____________________________
Name: ______________________
Title: ______________________
Date: _________________________

GREEN RECYCLE USA, LLC

By Pramod Raghav
Pramod Raghav (Jun 23, 2025 09:00 EDT)
Name: Pramod Raghav
Title: Chief Executive Officer
Date: _________________________

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY

By ____________________________
Name: Jason El Koubi
Title: President and CEO
Date: _________________________

Exhibit A: Performance Report Form
Exhibit B: Final Performance Report Form

Exhibit A

PERFORMANCE REPORT
COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Reporting Period	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _______	% Complete
New Jobs (over ___ baseline)[1]			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Capital Investment (provide breakdown below)			
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Average Annual Wage			N/A
Confidence level target will be reached by Performance Date shown above (check one)	High ☐	Moderate ☐	Low ☐
Standard Fringe Benefits (check one)	Yes ☐	No ☐	N/A

[1]Data will be verified using Virginia Employment Commission records. Attach the company's four most recent Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission.

Capital Investment Breakdown	Amount
Land	$
Land Improvements	
New Construction or Expansion	
Renovation or Building Up-fit	
Production Machinery and Tools	
Furniture, Fixtures and Equipment	
Other	
Total	**$**

COMMENTS:

Discuss project status, including the current level of new jobs and capital investment, progress on targets, changes or likely changes in project's nature that may impact achievement of targets, and other information relevant to project performance. If the project is not on track to meet targets, please provide an explanation.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ____

Submitted By: ____
Signature of Official

Name: ____
Print Name

Title: ____

Date: __________________________

Please return to:

Kim Ellett, Director of Compliance, Virginia Economic Development Partnership, 804.545.5618, kellett@vedp.org

Exhibit B

FINAL PERFORMANCE REPORT
COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Date	

PROJECT PERFORMANCE:[1]

Performance Measurement	Target	As of ________, 20__	% Complete
New Jobs (over __ baseline)[2]			
Capital Investment (provide breakdown below)[3]			
Average Annual Wage			N/A
Standard Fringe Benefits			

[1]Final, actual performance will be reported on VEDP's public reporting website.
[2] Attach the company's four most recent Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission.
[3] Data will be verified using records from the Commissioner of the Revenue and invoices.

Capital Investment Breakdown	**Amount**
Land	$
Land Improvements	
New Construction or Expansion	
Renovation or Building Up-fit	
Production Machinery and Tools	
Furniture, Fixtures and Equipment	
Other	
Total	**$**

LOCAL MATCH:

Goal	
Actual	

COMMENTS:

Discuss Project status or the importance of the Project to the locality and region.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: ______________________________

Submitted By: ______________________________
Signature of Official

Name: ______________________________
Print Name

Title: ______________________________

Date: ____________________

Please return to:

Kim Ellett, Director of Compliance, Virginia Economic Development Partnership, 804.545.5618, kellett@vedp.org

Green Recycle USA COF Performance Agreement (FINAL)

Final Audit Report 2025-06-23

Created:	2025-06-20 (Eastern Daylight Time)
By:	Vickie Tilkey (vtilkey@vedp.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQaGXskLwcQbw765xxjeu4o8ij9J51Ttf

"Green Recycle USA COF Performance Agreement (FINAL)" History

Document created by Vickie Tilkey (vtilkey@vedp.org)
2025-06-20 - 8:48:05 AM EDT

Document emailed to pramod@expertserv.com for signature
2025-06-20 - 8:49:26 AM EDT

Email viewed by pramod@expertserv.com
2025-06-23 - 8:52:17 AM EDT

Signer pramod@expertserv.com entered name at signing as Pramod Raghav
2025-06-23 - 9:00:07 AM EDT

Document e-signed by Pramod Raghav (pramod@expertserv.com)
Signature Date: 2025-06-23 - 9:00:09 AM EDT - Time Source: server

Agreement completed.
2025-06-23 - 9:00:09 AM EDT