

**Economic Development Authority Of the
City of Winchester
Board of Directors Meeting**

AGENDA
Tuesday, July 16, 2019
8:00 a.m.
Mayor Elizabeth A. Minor Council Chambers
Rouss City Hall

- I. Call to Order and Determination of Quorum
- II. Review and Approval of Minutes from June 18, 2019 Meeting
- III. Review and Approval of Financial Report ending June 30, 2019
- IV. Executive Director Report
- V. New Business
 - a. Performance Agreement Discussion with Lynx Ventures Acquisition, LLC.
- VI. Old or Other Business
 - a. Discussion of Discretionary Budget Items for Fiscal Year 2020
- VII. Adjournment

The next regular meeting will be scheduled for Tuesday, August 20, 2019 in the Mayor Elizabeth A. Minor Council Chambers.

Economic Development Authority Meeting of the City of Winchester, Virginia

Meeting Minutes

DATE: June 18, 2019
TIME: 9 a.m.
LOCATION: George Washington Hotel, Lord Fairfax Room

MEMBERS:	<u>Present</u>	<u>Absent</u>
William Buettin	_____	<u>X</u>
Douglas R. Toan	<u>X</u>	_____
Lauri M. Bridgeforth*	<u>X</u>	_____
Jeffery B. Buettner	<u>X</u>	_____
Tim Painter	<u>X</u>	_____
Cary Craig	<u>X</u>	_____
Addie Lingle	<u>X</u>	_____

ALSO ATTENDING: Shawn Hershberger, Executive Director, Eden Freeman, City Manager, Amy Simmons, Communications Director, George Hoddinott, Business and Workforce Development Director, and Shirley Dodson, Business and Workforce Development Coordinator.

*Mrs. Bridgeforth arrived at 9:15 a.m.

SUBJECT: **Call to Order and Determination of Quorum**

HIGHLIGHTS: Vice-Chairman Buettner called the meeting to order at 9:00 a.m.

SUBJECT: **Review and Approval of Meeting Minutes from the May 21, 2019 Meeting**

HIGHLIGHTS: The minutes of the Meeting held on May 21, 2019 were unanimously approved upon motion duly made by Mr. Toan and seconded by Ms. Lingle.

SUBJECT: **Review and Approval of Financial Report for the Period Ending May 31, 2019**

HIGHLIGHTS: Ms. Dodson reported that the General Ledger Activity Sheet has checks outlined in red and those were the checks that were returned and then reissued during the first few weeks of using the BB&T Cash Manager Online System (Positive Pay). We did pay Handley Crossing their Business Development Grant for Vacant

Properties incentive check this month. That is a five year grant, they are in year 1.
The Financial report for the period ending May 31, 2019 was unanimously approved upon motion duly made by Mr. Painter and seconded by Mr. Toan.

SUBJECT: Executive Director Report

HIGHLIGHTS: There was no report.

SUBJECT: Closed Meeting

SUBJECT: New Business

HIGHLIGHTS: Legal Service Discussion: Mr. Hershberger reported that each Board member has a letter from Adams & Jones in their packet detailing their request to continue legal services for the next year (July 1, 2019-June 30, 2020). We did discuss doing an annual renewal, so this is something we will revisit every year. Last month there was a consensus to move forward. Mr. Toan asked if there was a standard monthly fee divided by twelve. Mr. Hershberger said that is was the same hourly rate, we would only pay when we use their services. Mr. Painter asked what a standard monthly rate comes to. Ms. Dodson said that we usually pay about \$1,200-\$1,400 per month, we did have two months when we did not use his services. Upon motion duly made by Mr. Craig, seconded by Mr. Painter, the Authority unanimously voted to approve the legal services contract for FY 2020 with Nate Adams PLC.

Election of Officers: Mr. Hershberger reported that this is something we will do every year at our annual meeting. We have to elect a chair, vice-chair, secretary, and treasurer. Mr. Hershberger reported that Mr. Buettin can no longer serve as Chairman due to his work.

Chairman: Mr. Painter entertained a motion to elect Mr. Buettner as Chairman, all approved, none opposed. Mr. Buettner abstained from voting.

Vice Chairman: Mr. Toan entertained a motion to elect Mrs. Bridgeforth as Vice-Chair, all approved, none opposed.

Treasurer: Mr. Painter entertained a motion to elect Mr. Toan as Treasurer, all approved, none opposed. Mr. Toan abstained from voting.

Secretary: Mr. Toan entertained a motion to elect Mr. Craig as Secretary, all approved, none opposed. Mr. Craig abstained from voting.

SUBJECT: Old and Other Business

HIGHLIGHTS: Adoption of EDA FY 2020 Operating Budget: Mr. Hershberger reported that there are minor tweaks to the formatting of how the budget is presented. The operating budget reflects the \$345,000 of expected bond administration fees and the utilization of those fees for ongoing economic development related activities. Mr. Hershberger reported that the total spent for the FY19 budget so far was \$160,715. We are extremely judicious with how we spend and try to make sure if it's not necessary we do not spend it. There are no significant changes from last year. Mr. Toan asked if we need to be aware of any money that we need to put aside for the City's STEM program, or the SU project. Mr. Hershberger reported that, that would be a part of discretionary spending, not the annual operating budget. Mr. Hershberger said that we could put together a list of discretionary projects to add to the budget for the next meeting. Upon motion duly made by Mr. Craig, seconded by Mr. Toan, the Authority unanimously voted to approve the operating budget as presented for FY2020 subject to amendments for discretionary funds.

Regional Economic Development Organization Membership: In front of each Board member was a resolution authorizing the creation of a regional EDO, the "Economic Development Coalition of the Northern Shenandoah Valley". Draft bylaws were also attached. This is a paper entity. It does have no financial obligation other than what we would like to add for certain site selection opportunities. This will have to go through Council. We could wait, or take action on it today subject to Council approval. The groups involved are Frederick County, Winchester, and Clarke. Upon motion duly made by Ms. Bridgeforth, seconded by Mr. Painter, the Authority unanimously voted to approve the agreement to enter into the regional EDO subject to final approval by the Winchester Common Council.

Nibblins Micro-Loan Application: We did have review of the Nibblins micro-loan for \$8, 826.25 the last two months. Mr. Toan reported that the finance committee asked for more financial information from the business owner and she complied and they are comfortable recommending this forward for a loan. Upon motion duly made by Mr. Toan, seconded by Mr. Painter, the Authority unanimously voted to approve the Nibblins loan request.

Greenspace PSA between City of Winchester and Cameron Street Investments LLC: Part of the Kent and Piccadilly mixed-use project

includes the acquisition of the City owned greenspace. We need a formal action to go ahead with the purchasing of this property. The site can never change, there are maintenance standards that will have to be upheld. Upon motion duly made by Mr. Painter, seconded by Ms. Lingle, the Authority unanimously voted to approve the PSA for the City-owned greenspace.

SUBJECT: Next Meeting

HIGHLIGHTS: The next regular meeting of the Authority is scheduled for July 16, 2019 will be held in the Rouss City Hall Council Chambers.

ADJOURNMENT: There being nothing further, the meeting was adjourned after the EDA Board Retreat concluded at 3:00 p.m. upon motion duly made by Mr. Craig and seconded by Ms. Bridgeforth.

Minutes respectfully submitted by:

Shirley Dodson, Business & Workforce Development Coordinator

EDA Operating Budget Fiscal Year 2020
July 1, 2019- June 30, 2020

Code	Expenses	Budgeted Amt.
31-20 Accounting & Audit	Accountant	\$5,000.00
	Auditor	\$15,000.00
31-30 Management Consulting	Consultants	\$40,000.00
31-50 Legal Services	Attorney	\$20,000.00
33-25 Computer Software	Jobs EQ	\$5,500.00
36-20 Marketing & Advertisement	Conference Sponsorship	\$7,500.00
	Marketing Program	\$5,000.00
	Target Industry Outreach	\$7,000.00
	Promotional Items	\$7,500.00
	Joint Marketing Efforts	\$10,000.00
53-04 Insurance	Property Insurance	\$6,315.00
56-01 Contributions-Grants	Commercial Rehab. Grant	\$50,000.00
	MEDPIG	\$25,000.00
	Exterior Improvement Grant	\$50,000.00
	Job Creation Grant	\$50,000.00
56-99 Contributions-Sponsorships	SBDC	\$20,000.00
	WoW!	\$4,600.00
	Expo	\$1,500.00
	MFG Week	\$5,000.00
	Widget Cup	\$500.00
	Public Relations Prospect Events	\$3,000.00
58-10 Dues & Memberships	Chamber of Commerce	\$315.00
	Site Location Partnership	\$5,300.00
58-72 Misc Charges & Fees	Bank Fees	\$100.00
	State Corp. Commission (LLC Payments)	\$150.00
60-02 Food & Food Service	Business Meetings	\$800.00
Total		\$345,080.00

EDA BB&T Cash Reconciliation

778-0000-101.01-09

As of EOM: June 2019

GL balance, Beginning of Month:		460,595.95 ✓
Plus Deposits and Other Credits		7,724.57
Less Check Registers for June		(108,172.77)
Less other Debits and Service Charges		<u>(86.36) ✓</u>
GL Balance @	June 2019	360,061.39 ✓
Plus Outstanding Checks @ 6/30/2019		82,006.65 ✓
Adjusted GL Balance @	June 2019	442,068.04
BB&T Bank Balance @	June 2019	442,068.04 ✓
Variance		-

CB
7/1/19

ASSETS		DEBITS	CREDITS
101.01-09	CHECKING ACCOUNT / EDA B&T CHECKING	360,061.39*	
101.01-10	CHECKING ACCOUNT / EDA BANK OF CLARKE COUNTY	1,038,443.72	
101.01-11	CHECKING ACCOUNT / EDA B&T ESCROW ACCT	490.00	
104.02-01	STATE POOLED FUNDS / LGIP	44,477.01	
115.10-20	MISCELLANEOUS / BILLING SYSTEM	1,582.51	
116.01-03	NOTES RECEIVABLE / NOTES RECEIVABLE	424,250.54	
116.01-04	NOTES RECEIVABLE / FACADE LOANS	16,718.63	
116.01-05	NOTES RECEIVABLE / REVOLVING LOANS	77,132.27	
161.02-01	BUILDINGS & IMPROVEMENTS / PROPERTIES HELD FOR DEVE	1,320,286.52	
165.00-00	FIXED ASSETS / MACHINERY & EQUIPMENT	9,779.00	
165.10-00	MACHINERY & EQUIPMENT / ACCUMULATED DEPRECIATION		
	TOTAL ASSETS		9,029.00

3,284,292.59

LIABILITIES			
202.06 02	DEFERRED REVENUE / LOANS		227.51
	TOTAL LIABILITIES		227.51

3,284,065.08

FUND EQUITY			
	RETAINED EARNINGS		3,284,065.08
	TOTAL FUND EQUITY		3,284,065.08

3,284,292.59

TOTAL LIABILITIES AND FUND EQUITY			
	TOTAL LIABILITIES AND FUND EQUITY		3,284,292.59



448-01-01-00 47001 0 C 001 30 50 004
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF WINCHESTER VIRGINIA
15 N CAMERON ST
WINCHESTER VA 22601-6082

Your account statement

For 06/28/2019

Contact us



BBT.com



(800) BANK-BBT or
(800) 226-5228

Keep Your Business Running Smoothly

Invest in new equipment for your business through a low fixed-rate loan from BB&T. Up to 100% financing available on loans from \$100,000 to \$2 million. Terms up to seven years. Call your relationship manager today.

Loans are subject to credit approval. Branch Banking and Trust Company, Member FDIC. Only deposit products are FDIC insured.

■ PUBLIC FUND INT CHECKING #3557

Account summary

Your previous balance as of 05/31/2019	\$472,734.13
Checks	- 38,304.30
Other withdrawals, debits and service charges	- 86.36
Deposits, credits and interest	+ 7,724.57
Your new balance as of 06/28/2019	= \$442,068.04

Interest summary

Interest paid this statement period	\$3.38
2019 interest paid year-to-date	\$8.78
Interest rate	0.01%

Checks

DATE	CHECK #	AMOUNT(\$)	DATE	CHECK #	AMOUNT(\$)	DATE	CHECK #	AMOUNT(\$)
06/04	3234	Hog Rally material 4,500.00	06/14	3242	EDA credit card 260.96	06/17	3246	Land Survey 3,600.00
06/04	3235	check fee reimbursement 10.00	06/24	3243	Auditor 9,500.00	06/27	3247	Accountant 65.85
06/11	*3239	taylor man fee 2 months 7,083.34	06/17	3244	RE taxes 7,137.31	06/24	3248	scc 50.00
06/04	3240	expo tables 544.84	06/21	3245	EDA Checks 153.85	06/19	3249	Insurance 3,820.00
06/17	3241	nate adams attorney 1,578.15						

* indicates a skip in sequential check numbers above this item

Total checks = \$38,304.30

Other withdrawals, debits and service charges

DATE	DESCRIPTION	AMOUNT(\$)
06/21	SERVICE CHARGES - PRIOR PERIOD	86.36
	Total other withdrawals, debits and service charges	= \$86.36

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT(\$)
06/05	COUNTER DEPOSIT Taylor Landford Bonnie Blue	2,071.50
06/12	COUNTER DEPOSIT Iron Rose Healens Book Gallery	1,124.94
06/21	COUNTER DEPOSIT Healens, TJS Properties	4,524.75
06/28	EFFECTIVE DATE 6-30-19 INTEREST PAYMENT	3.38
	Total deposits, credits and interest	= \$7,724.57

Questions, comments or errors?

For general questions/comments or to report errors about your statement or account, please call us at 1-800-BANKBBT (1-800-226-5228) 24 hours a day 7 days a week. BB&T Care Center Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers (For Consumer Accounts Only. Commercial Accounts refer to the Commercial Bank Services Agreement.)

Services such as Bill Payments and Zelle® are subject to the terms and conditions governing those services, which may not provide an error resolution process in all cases. Please refer to the terms and conditions for those services.

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, we must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

Tell us your name and deposit account number (if any). Describe the error or transfer you are unsure of, and explain as clearly as you can why you believe it is an error or why you need more information. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you also send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and we will correct any error promptly. If we need more time however, we may take up to forty-five (45) days to investigate your complaint or questions for ATM transactions made within the United States and up to ninety (90) days for accounts, foreign initiated transactions and point-of-sale transactions. If we decide to do this, we will re-credit your account within ten (10) business days for the amount you think is in error minus a maximum of \$50. If we ask you to put your complaint in writing, and we do not receive it within ten (10) business days, we may not re-credit your account and you will not have use of the money during the time it takes us to complete our investigation.

Tell us AT ONCE if you believe your access device has been lost or stolen, or someone may have electronically transferred money from your account without your permission, or someone has used information from a check to conduct an unauthorized electronic fund transfer. If you tell us within two (2) business days after you learn of the loss or theft of your access device or the unauthorized transaction you can lose no more than \$50 if someone makes electronic transfers without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your access device or the unauthorized transaction, and we can prove we could

Change of address
If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANKBBT (1-800-226-5228).

Mail-in deposits
If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

How to Reconcile Your Account
List the new balance of your account from your latest statement here:
Outstanding Checks and Other Debits (Section A)
Date/Check # Amount
Date/Check # Amount

2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here.
3. Subtract the amount in Line 2 above from the amount in Line 1 above and enter the total here.
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here.
5. Add the amount in Line 4 to the amount in Line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.

For more information on please contact your local BB&T branch, visit BBT.com or contact us at 1-800-BANKBBT (1-800-226-5228). MEMBER FDIC

have stopped someone from making electronic transfers without your permission if you had told us, you could lose as much as \$500. Also, if your periodic statement shows transfers you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days if we can prove we could have stopped someone from taking the money if you had told us in time.

Important information about your Constant Credit Account
Once advances are made from your Constant Credit Account, an INTEREST CHARGE will automatically be imposed on the account's outstanding "Average daily balance." The INTEREST CHARGE is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid INTEREST CHARGE. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing Rights Summary
In case of errors or questions about your Constant Credit statement:
If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-BANKBBT or visit BBT.com.
If you need more information about a separate sheet of paper at the following address:
Bankcard Services Division
P.O. Box 200
Wilson NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:
* Your name and account number
* Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
* The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question you are however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Change of address
If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANKBBT (1-800-226-5228).

Mail-in deposits
If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

How to Reconcile Your Account
List the new balance of your account from your latest statement here:
Outstanding Checks and Other Debits (Section A)
Date/Check # Amount
Date/Check # Amount

2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here.
3. Subtract the amount in Line 2 above from the amount in Line 1 above and enter the total here.
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here.
5. Add the amount in Line 4 to the amount in Line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.

For more information on please contact your local BB&T branch, visit BBT.com or contact us at 1-800-BANKBBT (1-800-226-5228). MEMBER FDIC

APP NUMBER	PER.	CD	DATE	GROUP ACCTG	DEVELOPMENT AUTH	TRANSACTION	NUMBER	DESCRIPTION	DEBITS	CREDITS	BEGINNING / ENDING BALANCE
778-0000-101.01-09				CHECKING ACCOUNT / EDA	BB&T CHECKING						460,595.95
MR 07218	12/19	AJ	06/05/19	MR	MISC RECEIVABLES			1,247.92			
MR 07454	12/19	AJ	06/05/19	MR	MISC RECEIVABLES			823.58			
GM 07381	12/19	AJ	06/12/19	**OFFSET**	AP DISBURSEMENT	236		1,124.94	26,166.12		
MR 07385	12/19	AJ	06/12/19	MR	MISC RECEIVABLES			4,524.75			
MR 07642	12/19	AJ	06/21/19	MR	MISC RECEIVABLES						
GM 07902	12/19	AJ	06/21/19	AJ07902	Record Bank Srv Chgs			3.38	86.36		
GM 07902	12/19	AJ	06/21/19	AJ07902	Record Interest Income				82,006.65		
GM 07763	12/19	AJ	05/27/19	**OFFSET**	AP DISBURSEMENT	248		7,724.57	108,259.13		360,061.39
ACCOUNT TOTAL											
									7,724.57	108,259.13	360,061.39
FUND TOTAL									.00		

PREPARED 07/11/2019, 9:38:20
PROGRAM GM3621A

GENERAL LEDGER ACTIVITY

FISCAL YEAR: 2019

ACCOUNT NUMBER SELECTION
ACCOUNT: 778-0000-101.01_09
TYPE: O (O-ONLY, R-RANGE, S-SELECTIVE)

PERIOD...FROM: 12 TO: 12

PRINT SUMMARY TOTALS ONLY
SUPPRESS PRINTING OF ACCOUNTS WITHOUT ACTIVITY : (Y/N) : N
EXCLUDE REVENUE AND EXPENSE SUMMARY ACCOUNTS : (Y/N) : N
PRINT PERIOD BALANCE : (Y/N) : N
PAGE BREAK ON ACCOUNT : (Y/N) : N
PAGE BREAK BY FUND : (Y/N) : Y

PREPARED 07/11/2019, 9:05:22
 PROGRAM: GM172L
 CITY OF WINCHESTER
 BANK: 20 EDA BB&T Checking

OUTSTANDING CHECKS REGISTER
 SELECTED BY CHECK DATE
 FROM: 01/01/2017 TO: 06/30/2019

PAGE 1
 ACCOUNTING PERIOD 12/2019
 REPORT NUMBER 136

CHECK NO	VENDOR NAME	CHECK DATE	CHECK AMOUNT	BANK CODE
3250	13342 ALAMO DRAFTHOUSE CINEMA	06/27/2019	685.00	20
3251	10822 CITY OF WINCHESTER	06/27/2019	62,000.00	20
3252	17664 SUSAN DOLINAR	06/27/2019	8,826.25	20
3253	17663 ALEX MCCOY	06/27/2019	1,589.06	20
3254	13337 SHENANDOAH VALLEY ELECTRIC COO	06/27/2019	14.67	20
3255	17198 SITE LOCATION PARTNERSHIP LLC	06/27/2019	5,300.00	20
3256	5894 STATE CORPORATION COMMISSION	06/27/2019	50.00	20
3257	16656 TAYLOR MASTER TENANT LLC	06/27/2019	3,541.67	20

NO. OF CHECKS: 8 TOTAL CHECKS OUTSTANDING 82,006.65 ***

PREPARED 07/11/2019, 8:15:16
 PROGRAM: GM172L
 CITY OF WINCHESTER
 BANK: 20 EDA BB&T Checking

RECONCILED CHECKS REGISTER
 SELECTED BY PAID DATE
 FROM: 06/01/2019 TO: 06/30/2019

PAGE 1
 ACCOUNTING PERIOD 12/2019
 REPORT NUMBER 45

CHECK NO	VENDOR NO	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DATE CLEARED	BANK CODE
3234	17574	BUTLER MAPS INC	05/28/2019	4,500.00	06/30/2019	20
3235	17497	HANDLEY CROSSING LLC	05/28/2019	10.00	06/30/2019	20
3239	16656	TAYLOR MASTER TENANT LLC	05/28/2019	7,083.34	06/30/2019	20
3240	17623	TRI-COUNTY RENTAL	05/28/2019	544.84	06/30/2019	20
3241	10497	NATE L ADAMS III PC	06/12/2019	1,578.15	06/30/2019	20
3242	6851	BB&T FINANCIAL, FSB	06/12/2019	1,260.96	06/30/2019	20
3243	13318	BROWN EDWARDS & COMPANY LLP	06/12/2019	9,500.00	06/30/2019	20
3244	10822	CITY OF WINCHESTER	06/12/2019	7,137.31	06/30/2019	20
3245	9497	ENHANCED PRINTING & PROMOTIONS	06/12/2019	153.85	06/30/2019	20
3246	3232	GREENWAY ENGINEERING	06/12/2019	3,600.00	06/30/2019	20
3247	17598	MICHAEL CALLAHAN AND ASSOCIATE	06/12/2019	65.85	06/30/2019	20
3248	5894	STATE CORPORATION COMMISSION	06/12/2019	50.00	06/30/2019	20
3249	17620	VRSA	06/12/2019	3,820.00	06/30/2019	20

NO. OF CHECKS: 13 TOTAL CHECKS RECONCILED 38,304.30 ***

EDA Bank of Clarke Cash Reconciliation
778-0000-101.01-10
As of EOM: June 2019

GL balance, Beginning of Month:		1,037,896.22
Plus Deposits and Other Credits		547.50
Less Checks Cleared/Other Debits		<u>-</u>
GL Balance @	June 2019	1,038,443.72 ✓
Bank Of Clarke Acct # 9037 Bal @	June 2019	888,722.72 ✓
Bank Of Clarke Acct # 6264 Bal @	June 2019	149,721.00 ✓
BOC Total Bank Balance @	June 2019	1,038,443.72 ✓
Variance		-

CB
7/16/19

778 ECONOMIC DEVELOPMENT AUTH

ASSETS

	DEBITS	CREDITS
101.01-09 CHECKING ACCOUNT / EDA BB&T CHECKING	360,061.39	
101.01-10 CHECKING ACCOUNT / EDA BANK OF CLARKE COUNTY	1,038,443.72	
101.01-11 CHECKING ACCOUNT / EDA BB&T ESCROW ACCT	490.00	
104.02-01 STATE POOLED FUNDS / LGIP	44,477.01	
115.10-20 MISCELLANEOUS / BILLING SYSTEM	1,682.51	
116.01-03 NOTES RECEIVABLE / NOTES RECEIVABLE	424,250.54	
116.01-04 NOTES RECEIVABLE / FACADE LOANS	16,718.63	
116.01-05 NOTES RECEIVABLE / REVOLVING LOANS	77,132.27	
161.02-01 BUILDINGS & IMPROVEMENTS / PROPERTIES HELD FOR DEVE	1,320,286.52	
165.00-00 FIXED ASSETS / MACHINERY & EQUIPMENT	9,779.00	
165.10-00 MACHINERY & EQUIPMENT / ACCUMULATED DEPRECIATION		9,029.00

TOTAL ASSETS

3,284,292.59

LIABILITIES

202.06-02 DEFERRED REVENUE / LOANS

227.51

TOTAL LIABILITIES

227.51

FUND EQUITY

RETAINED EARNINGS

3,284,065.08

TOTAL FUND EQUITY

TOTAL LIABILITIES AND FUND EQUITY

3,284,292.59



2 East Main Street
Berryville, VA 22611

Statement Ending 06/30/2019

ADDRESS SERVICE REQUESTED

>003603 6519746 0001 092332 10Z

ECONOMIC DEVELOPMENT AUTHORITY OF THE
CITY OF WINCHESTER VIRGINIA
15 N CAMERON ST
WINCHESTER VA 22601-6082



Managing Your Accounts

- Phone (540) 955-2510
- Toll-Free 1-800-650-8723
- EAGLE-24 Banking 1-888-378-1881
- Online Access www.bankofclarke.com
- Mailing Address P.O. Box 391
Berryville VA 22611

Summary of Accounts

Account Type	Account Number	Ending Balance
Public Fund Chk	XXX6264	\$149,721.00

Public Fund Chk-XXX6264

Account Summary

Date	Description	Amount
08/01/2019	Beginning Balance	\$149,721.00
	0 Credit(s) This Period	\$0.00
	0 Debit(s) This Period	\$0.00
08/30/2019	Ending Balance	\$149,721.00

Daily Balances

Date	Amount
06/01/2019	\$149,721.00

Overdraft and Returned Item Fees

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





2 East Main Street
Berryville, VA 22611

ADDRESS SERVICE REQUESTED
>003890 6519746 0001 092332 10Z
ECONOMIC DEVELOPMENT AUTHORITY OF THE
CITY OF WINCHESTER VIRGINIA
15 N CAMERON ST
WINCHESTER VA 22601-6082



Managing Your Accounts

- Phone (540) 955-2510
- Toll-Free 1-800-650-8723
- BANKING EAGLE-24 1-888-378-1881
- Online Access www.bankofclarke.com
- Mailing Address P O Box 391
Berryville VA 22611

Summary of Accounts

Account Type MDA Public Fnd
Account Number XXXX9037
Ending Balance \$888,722.72

MMDA Public Fnd-XXX9037

Account Summary		Interest Summary	
Date	Description	Amount	Description
06/01/2019	Beginning Balance	\$888,175.22	Annual Percentage Yield Earned
	1 Credit(s) This Period	\$547.50	Interest Days
	0 Debit(s) This Period	\$0.00	Interest Earned
08/30/2019	Ending Balance	\$888,722.72	Interest Paid This Period
			Interest Paid Year-to-Date
			\$3,294.52
			Minimum Balance
			\$888,175.22

Deposits		Daily Balances	
Date	Description	Amount	Date
06/30/2019	Acct Earning Pymt		06/30/2019
	Added to Account		Amount
			\$888,722.72

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



03890 6519746 000101 007761 0003/0001

GENERAL LEDGER ACTIVITY LISTING

PREPARED 07/11/2019, 9:38:38
PROGRAM GM362LA
CITY OF WINCHESTER

APP NUMBER PER.	CD	DATE	TRANSACTION	NUMBER	D E S C R I P T I O N	DEBITS	CREDITS	BEGINNING / ENDING BALANCE
778-0000-101.01-10			CHECKING ACCOUNT /		EDA BANK OF CLARKE COUNTY			1,037,896.22
GM 07902	12/19	AJ 06/30/19	AJ07902		Record Interest Income	547.50		1,038,443.72
ACCOUNT TOTAL								
FUND TOTAL								

.00

547.50

1,038,443.72

PREPARED 07/11/2019, 9:38:38
PROGRAM GM362LA

GENERAL LEDGER ACTIVITY

FISCAL YEAR: 2019

ACCOUNT NUMBER SELECTION

ACCOUNT: 778-0000-101.01 10
TYPE: O (O-ONLY, R-RANGE, S-SELECTIVE)

PERIOD..FROM: 12 TO: 12

PRINT SUMMARY TOTALS ONLY
SUPPRESS PRINTING OF ACCOUNTS WITHOUT ACTIVITY . . . (Y/N) : N
EXCLUDE REVENUE AND EXPENSE SUMMARY ACCOUNTS . . . (Y/N) : N
PRINT PERIOD BALANCE (Y/N) : N
PAGE BREAK ON ACCOUNT (Y/N) : N
PAGE BREAK BY FUND (Y/N) : Y

EDA Escrow Reconciliation

778-0000-101.01-11

As of EOM: June 2019

GL balance, Beginning of Month:

490.00 ✓

Plus Deposits and Other Credits

-

Less Checks Cleared

(485.00)

Less Debits and other charges

(5.00)

- ✓

GL Balance @ June 2019

BB&T Bank Balance @ June 2019

-

Difference

- ✓

CB
7/16/19

ASSETS		DEBITS	CREDITS
101.01-01	CHECKING ACCOUNT / REGULAR CHECKING ACCOUNT	.00	
101.01-09	CHECKING ACCOUNT / EDA B&T CHECKING	360,061.39	
101.01-10	CHECKING ACCOUNT / EDA BANK OF CLARKE COUNTY	1,038,443.72	
101.01-11	CHECKING ACCOUNT / EDA B&T ESCROW ACCT	.00	
104.02-01	STATE POOLED FUNDS / LGIP		
115.10-10	MISCELLANEOUS / OTHER	44,477.01	
115.10-20	MISCELLANEOUS / BILLING SYSTEM	.00	
116.01-03	NOTES RECEIVABLE / NOTES RECEIVABLE	1,682.51	
116.01-04	NOTES RECEIVABLE / FACADE LOANS	424,250.54	
116.01-05	NOTES RECEIVABLE / REVOLVING LOANS	16,718.63	
130.01-00	DUPLICATE RECEIVABLE / REVOLVING LOANS	77,132.27	
161.02-01	DUPLICATE RECEIVABLE / DUE FROM OTHER SOURCES	.00	
165.00-00	BUILDINGS & IMPROVEMENTS / PROPERTIES HELD FOR DEVE	1,320,286.52	
165.10-00	FIXED ASSETS / MACHINERY & EQUIPMENT	9,775.00	
	MACHINERY & EQUIPMENT / ACCUMULATED DEPRECIATION		
	TOTAL ASSETS	9,029.00	3,283,802.59

LIABILITIES			
201.00-00	CURRENT LIABILITIES / PAYABLES		
202.06-02	DEFERRED REVENUE / LOANS		227.51
205.06-00	DEPOSITS PAYABLE / LEASE DEPOSITS		.00
208.08-00	MISC LIABILITIES / CONTRIBUTION REVENUE		.00
209.03-06	DUPLICATE RECEIVABLE / RELATED PARTIES		.00
210.02-01	ACCRUED INTEREST PAYABLE / ACCRUED INTEREST PAYABLE		.00
224.10-00	LOANS PAYABLE / LOANS PAYABLE		.00
	TOTAL LIABILITIES		227.51

FUND EQUITY			
244.00-00	CONTROL ACCOUNTS / RESERVE FOR ENCUMBRANCES		.00
245.00-00	CONTROL ACCOUNTS / PR YR RESERVE ENCUMBRANCE		3,283,575.08
	RETAINED EARNINGS		.00
	TOTAL FUND EQUITY		3,283,575.08
	TOTAL LIABILITIES AND FUND EQUITY		3,283,802.59

GENERAL LEDGER ACTIVITY LISTING

PREPARED 07/11/2019, 13:57:48
PROGRAM GM362LA
CITY OF WINCHESTER

APP NUMBER	PER.	CD	DATE	TRANSACTION	NUMBER	DESCRIPTION	DEBITS	CREDITS	BEGINNING / ENDING BALANCE
778-0000-101.01-11				CHECKING ACCOUNT /		EDA BBET ESCROW ACCT			490.00
GM 07906	12/19	AJ	06/13/19	IUS Properties	AJ07906	Final Withdrawal Ck # 94		485.00	
GM 07906	12/19	AJ	06/13/19	Bank Srv Chg	AJ07906			5.00	
ACCOUNT TOTAL								490.00	
FUND TOTAL									.00

PREPARED 07/11/2019, 13:57:48
PROGRAM GM3621A

GENERAL LEDGER ACTIVITY

FISCAL YEAR: 2019

ACCOUNT NUMBER SELECTION
ACCOUNT: 778-0000-101.01-11
TYPE: O (O-ONLY, R-RANGE, S-SELECTIVE)

PERIOD...FROM: 12 TO: 12

PRINT SUMMARY TOTALS ONLY (Y/N) : N
SUPPRESS PRINTING OF ACCOUNTS WITHOUT ACTIVITY : (Y/N) : N
EXCLUDE REVENUE AND EXPENSE SUMMARY ACCOUNTS : (Y/N) : N
PRINT PERIOD BALANCE : (Y/N) : N
PAGE BREAK ON ACCOUNT : (Y/N) : N
PAGE BREAK BY FUND : (Y/N) : Y

ACCOUNT NUMBER

1470001143476



TODAY'S DATE

July 03, 2019

Account Closeout Receipt

ECONOMIC DEVELOPMENT AUTHORITY

ESCROW ACCT

15 N CAMERON ST

WINCHESTER, VA 22601-6082

Transaction Description

Client Request - account closeout

Expected Processing Date

07/03/2019

Account Balance

\$0.00

+ Accrued Interest

\$0.00

- Early Closing Fee

\$0.00

- Pending Service Charges *(business accounts only)*

\$0.00

Debit Amount

\$0.00

BB&T Representative JESSICA M ELEUTERIO 73665

Branch

47001

Phone (540) 665-4211

*If you have drafts debited from this account, you must notify the company to stop the drafts, or provide them with another account number to debit.

*If you have direct deposits, you must notify the sender to discontinue the deposits to this account.

*If you have BB&T OnLine Banking, and have no other eligible accounts, your BB&T OnLine Banking account will be deleted. If you have online bill payments set up, they will be deleted and cannot be retrieved.

*Please destroy all blank checks and deposit slips you have for this account.

*Final account statement will be mailed to the mailing address on file for the account.

Beth Hindle

From: Shirley Dodson
Sent: Wednesday, July 03, 2019 3:34 PM
To: Beth Hindle; Celeste Broadstreet
Subject: FW: #secure#
Attachments: image2019-07-03-150311.pdf

Good Afternoon,

We have closed out the escrow account (#3476) with BB&T that served as the construction loan for the 212 E. Cork Street building.

Have a good 4th!

Shirley Dodson
Business & Community Development Manager
33 E. Boscawen Street
O: (540) 667-1815 x.1663
C: (540) 247-1826

From: Eleuterio, Jessica [mailto:JEleuterio@BBandT.com]
Sent: Wednesday, July 03, 2019 3:18 PM

To: Shirley Dodson <Shirley.Dodson@winchesterva.gov>
Cc: Shawn Hershberger <Shawn.Hershberger@winchesterva.gov>
Subject: #secure#

I've attached close out receipt.

BB&T

Branch Banking & Trust Co.

Jessica M Eleuterio

Branch Banker IV
NMLS# 1481936

115 N Cameron St. Winchester VA 22601

Phone: 540.665.4211

Fax: 540.665.4210

BB&T, BEST BANK IN TOWN SINCE 1872

From: Lexmark
Sent: Wednesday, July 03, 2019 3:03 PM
To: Eleuterio, Jessica
Subject:

The information in this transmission may contain proprietary and non-public information of BB&T or its affiliates and may be subject to protection under the law. The message is intended for the sole use of the individual or entity to which it is addressed. If you are not the intended recipient, you are notified that any use, distribution or copying of the message is strictly prohibited. If you received this message in error, please delete the material from your system without reading the content and notify the sender immediately of the inadvertent transmission.

**** To protect your confidential information, this message has been securely delivered to you by BB&T using either Cisco Registered Envelope Service (CRES) or Transport Layer Security (TLS) secure email protocol. ****

PAY TO THE ORDER OF

T.J.S. Properties

DATE 6/13/19

0094
08-12/014

Four hundred and eighty-five

\$ 485.00

DOLLARS



BANK OF AMERICA AND TRUST COMPANY
1-800-BANK-OF-AMERICA

FOR 212E COPY REHAB FIRMAL WITH 22AMWBL

⑆000094⑆ ⑆051404260⑆ ⑆470001143476⑆

FORM OF ECONOMIC DEVELOPMENT AGREEMENT

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement ("Agreement") is entered into effective as of the [] day of _____, 2019 ("Agreement Date"), by and among [], a Virginia limited liability company ("Company"), the Winchester Economic Development Authority, a political subdivision of the Commonwealth of Virginia ("Authority"), and the City of Winchester, a municipal corporation and political subdivision of the Commonwealth of Virginia ("City"), to describe the agreement between the parties regarding the Authority's economic development incentives to assist the Company with the redevelopment of the property known as Cameron Square (as further described below, "Site") in the City.

WHEREAS, the City is authorized pursuant to Section 15.2-953 of the Code of Virginia of 1950, as amended (the "Virginia Code"), to make donations and appropriations of money to the Authority for the purposes of promoting economic development, and the Authority is authorized pursuant to Section 15.2-4905(12) and (13) of the Virginia Code, to accept such contributions, grants and other financial assistance from the City, and to make grants to any person, partnership, association, corporation, business or governmental entity for the purposes of promoting economic development; and

WHEREAS, the Authority is vitally interested in the economic welfare of City citizens and the creation and maintenance of sustainable jobs, and it wishes to stimulate investment in the City to provide economic growth and development opportunities; and

WHEREAS, the redevelopment of the Site will benefit the City, and the Authority has offered economic development incentives to induce the Company to redevelop the Site as provided in this Agreement; and

WHEREAS, in connection with redeveloping the Site, the Company is willing to construct a parking garage adjacent on the Site, with at least 130 parking spaces ("Parking Project"), as a result of the Authority's economic development incentives; and

WHEREAS, to make the redevelopment of the Site feasible, the Parking Project will need to be built; and

WHEREAS, to make the redevelopment of the Site economically feasible for the Company, the parties agree that the City would need to appropriate grant funding for the development and cost of the Parking Project; and

WHEREAS, the City is contributing to the Authority, and the Authority is granting to the Company, for the period of 15 consecutive years (selected by the Company), an amount equal to the difference between: (i) the Real Estate Tax Revenue collected from the Redevelopment Site after completion of the Master Project **less**, (ii) the sum of (x) the Real Estate Tax Revenue currently collected from the Redevelopment Site prior to the completion of the Master Project (\$11,609) **plus** (y) the \$5,000 paid to the EDA annually.

WHEREAS, the Company plans to develop the Project (defined herein) on the Site.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

I. **DEFINITIONS.** The following terms shall be defined as follows:

"Director" means the Director of Finance for the City.

"First Semiannual Taxable Period" means, at the election of the Company, either the first six months of the tax year (January 1 to June 30) or the second six months of the tax year (July 1 to December 31), following completion of the full Master Project.

"Grant" or "Grants" means the economic development incentive grants provided by the Authority from time to time hereunder and consisting solely of the amount of the Incremental Tax Revenue to be paid to the Company pursuant to the terms of this Agreement.

"Incremental Tax Revenue" means an amount equal to the difference between (i) the Tax Revenue collected from the Site after completion of redevelopment and (ii) the Tax Revenue collected from the Site in [2020].

"Payment Period" means the First Semiannual Taxable Period and the twenty-nine (29) succeeding Tax Periods.

"Project" means a mixed-use real estate development consisting of at least 140 apartment units, 7,500 square feet of commercial space and the Parking Project.

"Parking Project" mean a parking deck with at least 130 parking Spaces.

"Site" means the Cameron Street Master Project, located at 200, 214, 220, 224, 302, 306, 324 and 326 North Cameron Street and 101 and 110 East Fairfax Lane in Winchester, Virginia, and as depicted on **Exhibit A** (to include tax parcels).

"Tax Period" means each six-month period for which Tax Revenues will be computed for Grant payments. See **Exhibit B**.

"Tax Revenue" means the sum of ad valorem real property taxes generated during a Tax Period from the Site and paid to the City.

II. **CONSTRUCTION OF THE PROJECT.** In return for the Grants to be paid by the Authority to the Company, the Company agrees to construct the Project.

III. **PAYMENT OF GRANTS.** The Authority will pay the Grants to the Company as follows:

A. The Company will submit a written request for a Grant immediately after the end of each Tax Period, as shown on Exhibit B.

B. The Director shall determine the Tax Revenue for each tax year and the amount to the Grants.

C. Following receipt of the Incremental Tax Revenue from the City, the Authority shall pay the Company a Grant in the amount of Incremental Tax Revenue (less \$5,000) for the relevant Tax Period. The Grant amounts will vary based on the amount of Incremental Tax Revenue generated during the Tax Period.

D. The Authority will pay a Grant for each Tax Period during the Grant Period. However, the Authority will not pay Grants after the end of the Payment Period or for any Tax Period in which there is no Incremental Tax Revenue; provided, however, that if the City fails to appropriate funds to the Authority for the purpose of making Grant payments hereunder, the Payment Period shall be extended for as long as the City's failure to make such appropriation continues.

IV. INDEMNIFICATION. The Company will defend, indemnify, and hold harmless the Authority and the City, and their officers and employees (the "Indemnified Parties"), from any claims of third parties arising out of any act or omission of the Company or the Company's contractors, subcontractors, and agents in their performance under this Agreement. However, this obligation shall not apply to (1) third party claims solely arising out of a grossly negligent act or omission of the Authority or the City, (2) third party claims against the City or Authority regarding the legality of this Agreement, the Grants, or appropriations of Tax Revenue, or (3) third party claims for acts or omissions occurring after the City has verified completion of the Parking Project. The Company's indemnification obligation shall survive termination of this Agreement.

V. TERMINATION OF AGREEMENT. This Agreement shall terminate (1) upon the written agreement of the parties, or (2) the end of the Payment Period, as the same may be extended as provided herein, whichever comes first. After termination of the Agreement, the parties will have no further obligations to each other except for the Company's indemnification obligation under Section IV.

VI. ASSIGNMENTS.

A. The Company may assign this Agreement or any portion thereof, or any funds due to it under this Agreement, including the receipt of Grants or its rights thereto, only as follows: the Company may assign this Agreement or any portion thereof or any funds due to it under this Agreement, including the receipt of Grants to (i) any wholly-owned subsidiary or to any successor in interest with respect to the Parking Project, or (ii) the Project's lender or lenders and their affiliates ("Bank"), the Authority acknowledging that the Company will require a loan from Bank to finance the development and construction of the Project. The Authority and Company agree that upon receipt of notice from Bank that an event of default by

the Company has occurred and is occurring under the Company's loan instruments with Bank for the financing of the Project, the Authority shall pay Grants due and owing hereunder directly to or at the direction of Bank rather than the Company. In the event of such assignment, the Company will remain ultimately responsible for the performance of its obligations under this Agreement, subject to the following Section VI(B).

B. Upon any permitted assignment of this Agreement, the Bank or any other assignee of this Agreement has the right of third party enforcement of the Company's rights under this Agreement, and the Bank or other assignee of this Agreement may enforce the Company's rights pursuant to such permitted assignment with the same force and effect as if enforced by Company. Upon such assignment, the Bank or other assignee of this Agreement may, but shall not be required to, perform the obligations of the Company hereunder. If the Bank or other assignee of this Agreement undertakes in writing to perform the obligations of the Company after assignment of this Agreement, the Authority will accept its performance in lieu of performance by the Company in satisfaction of the Company's obligations under this Agreement.

VII. GRANTS SUBJECT TO APPROPRIATIONS: DISCLAIMER.

A. The Authority's obligation to make Grant payments to the Company is subject to the Authority's receipt of appropriations from the City sufficient to make such payments. The Authority agrees to use its best efforts to secure the necessary appropriations from the City.

B. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Authority or the City within the meaning of any constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as delegating governmental powers nor as a donation or a lending of the credit of the Authority or City within the meaning of the Virginia Constitution. This Agreement shall not directly or indirectly obligate the Authority or the City for any fiscal year in which this Agreement shall be in effect nor to make any payments beyond those appropriated in the sole discretion of the City and the Authority. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the Authority or the City's moneys, nor shall any provision of the Agreement restrict to any extent prohibited by law, any action or right of action on the part of any future Authority Board. To the extent of any conflict between this section and any other provision of this Agreement, this section takes priority.

C. In the event that the City does not appropriate sufficient amounts for the Authority to fulfill its obligations hereunder, the Payment Period shall be extended until the City makes such appropriation to the Authority for the purpose of making Grant payments hereunder.

VIII. MISCELLANEOUS.

A. Governing Law. The law of the Commonwealth of Virginia shall govern this

Agreement, and the exclusive venue for actions regarding this Agreement shall be the Winchester Circuit Court.

B. Communications. Any communication under this Agreement shall be sufficiently given when delivered by hand or by first-class certified mail, postage prepaid, as follows:

If to the Company: Richard W. Gregory
Lynx Ventures, Inc.
7 E. 2nd Street
Richmond, Virginia 23224

With a copy to: Alex McGlothlin, Esq.
McGlothlin Legal, PLLC
1108 E. Main Street, Suite 501
Richmond, Virginia 23219

If to Authority: Winchester Economic Development Authority
Attn: Executive Director
15 N. Cameron Street
Winchester, VA 22601

With a copy to: Authority Counsel
City of Winchester Attorney's Office
[Address]
[Address]

If to City: City of Winchester, Virginia
Attn: City Administrator
15 N. Cameron Street
Winchester, VA 22601

With a copy to: City Attorney
City of Winchester Attorney's Office
[Address]
[Address]

C. Entire Agreement: Amendments. This Agreement constitutes the entire contract between the parties and may not be changed except in writing signed by both parties. The Authority acknowledges that the Company's loan instruments with the Bank for the financing of the Project will place restrictions on the Company's ability to enter into amendments to this Agreement and accordingly the Authority shall not enter into any such amendments without evidence that the Bank has consented to same or that such consent is not required.

D. Binding Effect. This Agreement is binding upon the parties and their respective

successors and assigns.

E. Force Majeure. Any delay in performance shall not be a breach of this Agreement if such delay has been caused by or is the result of acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; or other unforeseeable causes beyond the control and without the fault or negligence of the party whose performance is delayed. Such party shall give prompt notice to the other party of the cause for delay and shall take reasonable steps to resume performance as soon as possible. The time for performance shall be extended for a period equal to the period of delay due to the reasons set forth in this paragraph.

F. Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid, then (a) such holding shall not invalidate any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms shall constitute the parties' entire agreement.

G. Attorney's Fees. Attorney's fees shall not be recoverable by the prevailing party in the event this Agreement is subject to litigation.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers.

COMPANY

_____, **LLC**
a Virginia limited liability company

By: _____
Name: Richard W. Gregory
Its: Principal

CITY

CITY OF WINCHESTER,
a political subdivision of the Commonwealth of Virginia

By: _____
Name:
Its:

AUTHORITY

**WINCHESTER ECONOMIC DEVELOPMENT
AUTHORITY**,
a political subdivision of the Commonwealth of Virginia

By: _____
Name:
Its:

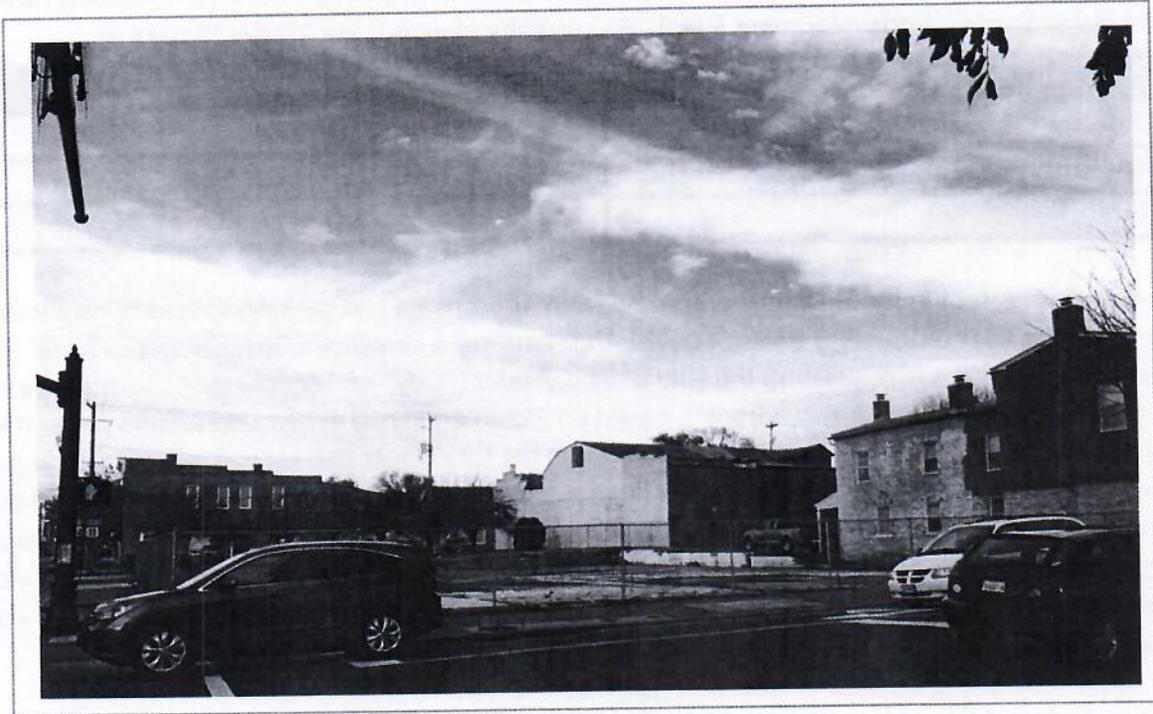
[Signature Page to Economic Development Agreement]

Exhibit A

Description of the Site

[See Attached]

CAMERON SQUARE MASTER PROJECT
WINCHESTER, VIRGINIA



PROJECT SPECIFIC
TAX INCREMENT FINANCING
PROPOSAL

July 12, 2019



I. EXECUTIVE SUMMARY

Lynx Ventures, Inc. ("Developer") is considering the development of a mixed-use project ("Cameron Square" or "Master Project") on the approximately 2.1-acre site located in Winchester's "Old Town District" on the southside of Cameron Street, between Piccadilly Street and Baker Street ("Redevelopment Site"). As currently planned, the Master Project is:

SUMMARY OF PROJECT PROGRAM	
USE	
Apartments	150-160 Units
Retail/Restaurant	8,000 sq. ft.

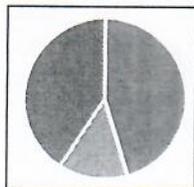
Unfortunately, rent in the Winchester area for both apartments and parking spaces is insufficient to cover the cost of building parking decks, thus causing a significant financial gap. To fill this financing gap, Lynx is requesting the City of Winchester ("City" or "Winchester") to approve an economic development grant ("Grant"), based on incremental real estate tax revenue generated by the Master Project. To determine whether it is in the City's best interest to fund, Lynx engaged MuniCap, Inc., a nationally known public finance consulting firm) to conduct an analysis of the economic and fiscal impact to the City ("Fiscal Impact Report"). As shown on Table A, the Fiscal Impact Report identifies a *significant net positive fiscal impact* on the City's general fund, approximately **\$148,255** in fiscal year 2025, the first year of the Grant ("Start Year"), and approximately **\$12,118,324** over the 30-Year Study Period.

Table A: Fiscal Impact on the City's General Fund

FISCAL IMPACT ON THE CITY'S GENERAL FUND		
	Annual Increase in Revenue (Year 2025)	Cumulative Revenue During 30-Year Study Period
Increase In City's Gross Revenue ¹	\$693,476	\$29,674,578
less Grant	(\$236,650)	(\$4,115,851)
less Increase In City's Expenditures	(\$308,571)	(\$13,440,403)
City's Net Revenues	\$148,255	\$12,118,324

Chart A: 30-Year Net Fiscal Impact

30-YEAR NET FISCAL IMPACT



- Increased Revenue: \$29,674,578
- Increased Expenditures: \$13,440,403
- Grant Amount: \$4,115,851
- Increased Net Revenue: \$12,118,324

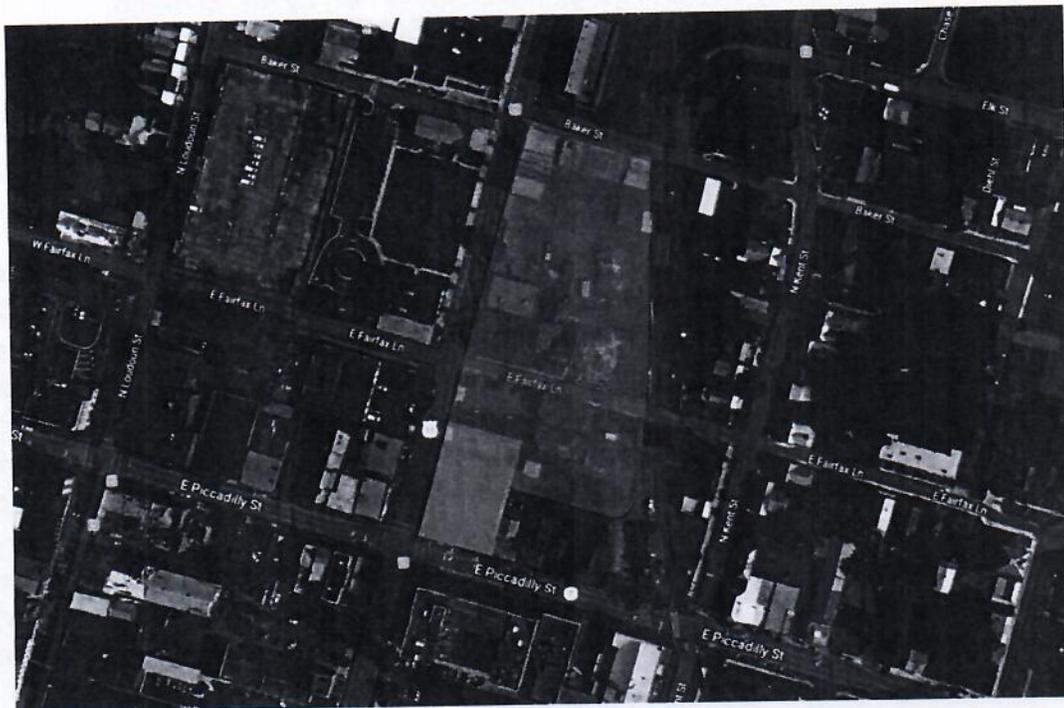
¹ Sum of apartment Real Property Tax Revenue (Schedule III-B), commercial Real Property Tax Revenue (Schedule III-E) and Other Revenues (Schedule IX). Note Schedule IX excludes base Real Property Tax Revenue of \$11,609 for each of fifteen years of Grant.

II. THE REDEVELOPMENT SITE

The Redevelopment Site is formed by the combination of:

- **EDA Parcels.** The 2 parcels (totaling 0.38 acres) owned by the EDA located at the north east corner of Piccadilly and Cameron Streets at 200 and 214 North Cameron Street ("EDA Parcels").
- **Glaize Parcels.** The parcels (totaling 1.7 acres) owned by Glaize Properties, Inc. located adjacent to the EDA Parcels, between to Piccadilly Street and Baker Street located at 220, 224, 302, 306, 324 and 326 North Cameron Street and 101 and 110 East Fairfax Lane in Winchester, Virginia ("Glaize Parcels").

Property Map



EDA Property

Glaize Property

III. THE CITY'S VISION FOR OLD TOWN:

a. **Comprehensive Plan.** According to the City of Winchester's 2011 Comprehensive Plan and subsequent 2014 update ("**Comprehensive Plan**") the City envisions Old Town redeveloped as a walkable urban, mixed-use, mixed income community. Like other cities, Winchester has adopted the guiding principles of New Urbanism, which include:

- Increased Density
- Mixed-Use
- Walkability
- Good Design
- Historic Preservation

The City's vision is succinctly stated in the Comprehensive Plan by the following:

"Promote **architecturally appealing** and **walkable** urban form while also **respecting significant historic identity**, image, and integrity to **constantly improve the quality of life** for those visiting, working, and living in the City."
- 2014 Master Plan Update

To implement its goals, the City has adopted a revitalization plan which identifies several "underutilized areas with great potential for contributing to Winchester's economy" ("**Catalyst Sites**"). *SEE: THE CITY OF WINCHESTER'S 2016-2018 STRATEGIC PLAN.* The revitalization plan is founded on economic development principles designed to promote and accelerate revitalization of Catalyst Site. The 2018 Strategic Plan identified the Old Town District as a Catalyst Site; this special designation highlights Old Town's potential for mixed use growth. An over-arching theme of the 2018 Strategic Plan is the need to create partnerships between the City and private property owners, which incentivize private property owners to develop Catalyst Sites in ways that are consistent with the City's principles and guidelines. More specifically, the 2018 Strategic Plan cites the City's policy of promoting public-private partnerships to redevelop underutilized surface parking lot sites in Old Town to a mix of business and dense housing for targeted populations.

b. **The City's Vision For The Revitalization of Old Town.** As described above, Winchester has fully embraced the principles of "New Urbanism," the Developer has intentionally designed and planned Cameron Square to follow those principals.

- Increased Density. By adding 150-160 new apartments, more than 200 new residents will call downtown Winchester home. With increased density, Winchester's residents will have greater housing choices and economic diversity, while increasing Winchester's tax base.
- Mixed-Use. The Master Project will offer both residential and commercial tenants a unique combination of a diverse commercial environments, in-town living, dining, and

recreational activities, and deliver an upscale lifestyle.

- Walkability. Cameron Street has always been an important part of downtown Winchester. Present-day redevelopment of the Old Town began with the Pedestrian Mall and rehabilitation of existing buildings into, shops, offices, restaurants and 2nd and 3rd floor apartments. In addition to serving as the center for the Winchester area's government offices, courts and banks, Old Town is anchored by a quaint pedestrian walking mall lined with restaurants, shopping and historic attractions. Given its strategic location, less than two blocks from the pedestrian mall, new tenants can easily walk to the shops, offices, restaurants and other apartments located in Old Town.

- High Quality Design. The Developer believes that Cameron Square **will set the standard for future development in the area.** Market studies indicate that empty nesters and younger populations are attracted to new construction projects with up-scale design. In addition to the benefits of new construction, Cameron Square will have "best in class" amenities, courtyards and public spaces, designed to integrate with the neighborhood while also drawing pedestrians into the retail and restaurants.

- Historic Identity. A City steeped in history, one of the City's highest priorities is to recognize and preserve its history. Cameron Street has seen considerable redevelopment in recent years, and the historic character of Old Town is being preserved through the adaptive reuse of historic buildings. For example, Winchester Brew Works opened in 2016 in a historic building near the intersection of Cameron and Piccadilly. In this regard, the Developer intends to develop Cameron Square in a manner, which embraces Winchester's history by:

1. Incorporating the recently rehabilitated historic buildings along Cameron Street into the Master Project.
2. Rehabilitating the historic buildings located at the southeastern corner of the intersection of Cameron Street and Baker Street into residential apartments.
3. Constructing new buildings which recognize the character of existing buildings while establishing a new identity through the use of complementary building materials.

[Proposal Continues on Following Page]

V. THE PERFORMANCE GRANT

1. Parking Challenge. Providing convenient parking for its tenants will be one of Cameron Square's biggest challenges. Although some predict that the car's role may be on the decline, cars remain a vital part of everyday life. The market generally requires at least 1 parking space per apartment (if not 1 per bedroom). Most of the competing apartments projects in the Winchester area are garden style apartments with abundant surface parking adjacent to the apartments. This difference highlights the fact that mixed-use projects in urban areas, with a lack of vacant land and higher land costs, have difficulty competing with standalone suburban multifamily projects. Generally, large scale urban mixed-use projects must rely on parking decks to provide parking for their tenants and residents.

To be competitive, the developers have determined that Cameron Square must be a parking deck with ~150 parking spaces ("Parking Facility".)

2. Financial Gap. Parking decks are expensive, depending on the type of construction, and generally cost between \$25,000 and \$40,000 per parking space. Unfortunately, current market rent in the Winchester area for both apartments and parking spaces will not cover the cost of building a parking deck, thereby, causing a significant financial gap. If this financing gap cannot be filled, Cameron Square will not be built.

3. Request For Performance Grant.

a. Use of Performance Grants To Stimulate Economic Development. Municipalities across the country have found that many private projects are needed by the municipalities to encourage desirable economic development projects. In particular, mixed-use projects in urban areas (similar to Cameron Square) face bigger financial and design obstacles than standalone multifamily projects built in the surrounding counties, requiring developers to look to municipal governments for assistance with the high cost of competing with standalone multifamily projects. As discussed in the Comprehensive Plan and the 2018 Strategic Plan, Winchester understands that it:

must use a number of tools to incentivize private developers to take the steps needed to realize its vision for the revitalization of Old Town.

The main tool available to the cities is capturing incremental tax revenue generated by new development and using it to fund certain projects. Winchester has formally adopted this approach in the Comprehensive Plan and the 2018 Strategic Plan, with recognized that the City will:

need to create partnerships between the City and private property owner, which incentivize private property owners to develop Catalyst Sites in ways that are consistent with the City's principles and guidelines.

b. General. To fill Cameron Square's financing gap, Lynx is requesting the City to approve an economic development grant ("**Grant**"), based on incremental real estate tax revenue generated by the Master Project at the Redevelopment Site. As discussed below the Master Project will be an economic engine for Winchester, providing tangible social and economic benefits to the City. With the additional revenue generated, Cameron Square presents an excellent opportunity to utilize a public/private partnership to fund the Parking Facility by leveraging incremental tax revenue with private capital.

c. How The Performance Grant Works. *The Performance Grant works much like the City's Real Estate Tax Abatement Program*. Instead of abating (or not collecting) the incremental real estate tax revenue created by the Master Project, the City will collect the full amount of the Real Estate Tax generated by the Master Project and, through the EDA, make semi-annual grant payments ("**Grant Payments**") to the Developer. In other words,

First, the Parking Facility will be funded by the Developer, which will be responsible for making loan payments associated with construction and financing cost for the Parking Facility ("Parking Facility Costs").

Second, to fill the financing gap needed to build the Parking Facility, for 15 years the City, through the EDA, will make semi-annual payments ("Grant Proceeds") to the Developer in an amount equal to the difference between:

(i) the Real Estate Tax Revenue collected from the Redevelopment Site after completion of the Master Project less,

(ii) the sum of (x) the Real Estate Tax Revenue currently collected from the Redevelopment Site prior to the completion of the Master Project (\$11,609) plus (y) the \$5,000 paid to the EDA annually.

- *The Grant Payments will stop 15 years after the initial Grant Payment, and the City will continue to receive the increased revenue thereafter.*
- *Like the tax abatement program, the Performance Grant will not reduce the City's current revenue and will not impact the City's debt capacity, but will achieve the City's economic goals, while substantially increasing the City's net revenue.*

V. COST-BENEFIT ANALYSES:

1. **General:** When faced with similar questions, most cities utilize a Cost/Benefit analyses to determine whether it is in the municipalities' best interest to fund a particular economic development initiative. In other words, the revenue and costs associated with the proposed Grant is compared to the revenue and expenses associated with the *status quo* (revenue and costs without the Master Project). To assist the City with this process, Lynx engaged MuniCap, Inc., a nationally known public finance consulting firm, to conduct an analysis of the economic and fiscal impact ("**Fiscal Impact Report**") the development of Cameron Square. The Fiscal Impacts Report includes projections in both revenue and expenditures:

(i) *one-time increase in revenue*, such as construction jobs and construction fees,

(ii) *recurring increases in revenue*, such as increased real property tax revenue ("**Real Property Tax Revenue**"), as well as increases in other revenue such as increased revenue from the business, professional and occupational license tax, business personal property tax, personal property tax (vehicles), meals tax, sales tax and utilities tax (collectively, "**Other Revenue**"), and

(iii) *recurring increased expenditures*, such as additional law enforcement and fire department expenses, education expenses and municipal overhead ("**City Expenditures**").

2. **Increased Revenue.** As shown below in Table B, the Master Project will generate a significant increase the Real Property Tax Revenue from the Redevelopment Site, as well as, a significant amount of Other Revenue.

a. Increased Real Estate Property Tax Revenue. As surface parking, improved by only derelict buildings, the Redevelopment Site generates only \$11,609 in Real Property Tax Revenue. The Developer plans to invest approximately \$34,560,000 in Cameron Square, and when completed it is anticipated to generate approximately \$269,868 in total real estate tax revenue, resulting in \$258,259 additional Real Property Tax Revenue. This is equal to the Grant less \$5,000 which will be retained by the City. Table B illustrates the increase in Real Property Taxes Revenue.²

Table B: Increase in Real Property Tax Revenue

INCREASE IN REAL PROPERTY TAX REVENUE		
	Increase in Real Property Tax Revenue (Year 2025)	Increase in Real Property Tax Revenue (During 30-Year Study Period)
Real property tax revenues	\$258,259	\$10,395,459

² Assumptions include 2.0% inflation per year and a constant real property tax rate of \$0.91 per \$100 of assessed value.

b. Increased Other Revenue. As shown below in Table C, the Fiscal Impact Report projects that, in addition to increased Real Property Tax Revenue (starting at \$258,259), Cameron Square will increase Other Revenue by **\$440,216**, which raises the total increase in City Revenue to **\$693,476** in the Start Year, and **\$29,674,578** over the 30-Year Study Period.

The Fiscal Impact Report also projects an additional annual meals tax revenue of \$120,675 in the Start Year, producing \$4,383,502 over the 30-year study period. These values consider only the increased meals tax revenue generated by the single restaurant planned for Cameron Square and does not include off-site expenditures by the additional 387 residents and businesses at Cameron Square. Based on a recent study of millennial-retirement spending habits, at least an additional \$995,000 in meals tax could be generated by the 300+ residents.

Table C: Increase in Other City Revenue

INCREASE IN OTHER REVENUE		
	Increase in Other Revenue (Year 2025)	Cumulative Revenue During 30-Year Study Period
Personal property tax revenues (vehicles)	\$213,333	\$7,863,704
Commercial personal property tax revenues	\$17,003	\$617,623
Utility tax revenues	\$15,694	\$576,919
Sales tax revenues	\$33,231	\$1,207,112
Meals tax revenues	\$120,675	\$4,383,502
Additional tax revenues	\$40,280	\$1,484,246
City of Winchester Other Gross Revenues	\$440,216	\$16,133,106

3. Increased City Expenditures. As shown below in Table D, in addition to increased Revenue the Fiscal Impact Report predicts that Cameron Square will increase City Expenditures by **\$308,571** in the Start Year, resulting in a cumulative increase in expenditures of **\$13,440,403** over the 30-Yr Study Period.

Table D: Increase in City Expenditures

INCREASE IN CITY EXPENDITURES		
	Increase in Expenditures (Year 2025)	Cumulative Expenditures During 30-Year Study Period
Resident Costs	\$92,456	\$4,027,099
Service Population Costs	\$146,008	\$6,359,659
Student Costs	\$60,878	\$2,651,658
Other Costs	\$9,229	\$401,987
City of Winchester Gross Expenditures	\$308,571	\$13,440,403

4. **Net Benefit.** With cost-benefit analyses, an action is justified if the action generates more Benefits than Costs. In this case, the Fiscal Impact Report predicts that by approving the Grant, benefits will exceed costs by approximately **\$148,255** in the Start Year, and approximately **\$12,118,324** over the 30-Year Study Period.

Table E: Fiscal Impact on the City's General Fund

FISCAL IMPACT ON THE CITY'S GENERAL FUND		
	Annual Increase in Revenue (Year 2025)	Cumulative Revenue During 30-Year Study Period
Increase In City's Gross Revenue ³	\$693,476	\$29,674,578
less Grant	(\$236,650)	(\$4,115,851)
less Increase In City's Expenditures	(\$308,571)	(\$13,440,403)
City's Net Revenues	\$148,255	\$12,118,324

Moreover, the formula does not quantify other City benefits. If this opportunity is seized, Cameron Square will attract a new population of Winchester residents, employees, and visitors, that will catalyze Old Town's growth and execute the City's vision, including the following:

- Rehabilitation of dilapidated buildings and elimination of a blighted area;
- Build on existing open space;
- Improve and increase parking resources which allow citizens to access Old Town Winchester;
- Catalyze new private investment;
- Incorporation of environmentally-friendly features;
- Increased sales tax revenue;
- Increased property tax revenue from adjacent sites;
- Creation of affordable housing;
- Creation of new retail centers in an underserved neighborhood, and
- Creation of new permanent jobs.

³ Sum of apartment Real Property Tax Revenue (Schedule III-B), commercial Real Property Tax Revenue (Schedule III-E) and Other Revenues (Schedule IX). Note Schedule IX excludes base Real Property Tax Revenue of \$11,609 for each of fifteen years of Grant.

VI. **CONCLUSION.** Cameron Square will provide substantial benefits to the City and its citizens. Cameron Square will further the City's vision for revitalization of Old Town by increasing residential density and increasing the City's overall tax base. The Parking Facility is a vital component of Cameron Square; however, without additional funding, rent from the Master Project will not support the cost of building the Parking Facility and other improvements. The Grant's "pay as you go" mechanics will advance the City's goals, *without (i) requiring any upfront or direct funding from the City; (ii) negatively impacting the City's bond rating or debt capacity, or (iii) decreasing or using any of City's current revenue.*

[Project Specific Tax Increment Financing Proposal—Cameron Street Master Project]

APPENDIX-A
FORM OF ECONOMIC DEVELOPMENT AGREEMENT

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement ("Agreement") is entered into effective as of the [___] day of _____, 2019 ("Agreement Date"), by and among [____], a Virginia limited liability company ("Company"), the Winchester Economic Development Authority, a political subdivision of the Commonwealth of Virginia ("Authority"), and the City of Winchester, a municipal corporation and political subdivision of the Commonwealth of Virginia ("City"), to describe the agreement between the parties regarding the Authority's economic development incentives to assist the Company with the redevelopment of the property known as Cameron Square (as further described below, "Site") in the City.

WHEREAS, the City is authorized pursuant to Section 15.2-953 of the Code of Virginia of 1950, as amended (the "Virginia Code"), to make donations and appropriations of money to the Authority for the purposes of promoting economic development, and the Authority is authorized pursuant to Section 15.2-4905(12) and (13) of the Virginia Code, to accept such contributions, grants and other financial assistance from the City, and to make grants to any person, partnership, association, corporation, business or governmental entity for the purposes of promoting economic development; and

WHEREAS, the Authority is vitally interested in the economic welfare of City citizens and the creation and maintenance of sustainable jobs, and it wishes to stimulate investment in the City to provide economic growth and development opportunities; and

WHEREAS, the redevelopment of the Site will benefit the City, and the Authority has offered economic development incentives to induce the Company to redevelop the Site as provided in this Agreement; and

WHEREAS, in connection with redeveloping the Site, the Company is willing to construct a parking garage adjacent on the Site, with at least 130 parking spaces ("Parking Project"), as a result of the Authority's economic development incentives; and

WHEREAS, to make the redevelopment of the Site feasible, the Parking Project will need to be built; and

WHEREAS, to make the redevelopment of the Site economically feasible for the Company, the parties agree that the City would need to appropriate grant funding for the development and cost of the Parking Project; and

WHEREAS, the City is contributing to the Authority, and the Authority is granting to the Company, for the period of 15 consecutive years (selected by the Company), an amount equal to the difference between: (i) the Real Estate Tax Revenue collected from the Redevelopment Site after completion of the Master Project less, (ii) the sum of (x) the Real Estate Tax Revenue currently collected from the Redevelopment Site prior to the completion of the Master Project (\$11,609) plus (y) the \$5,000 paid to the EDA annually.

WHEREAS, the Company plans to develop the Project (defined herein) on the Site.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

I. DEFINITIONS. The following terms shall be defined as follows:

"Director" means the Director of Finance for the City.

"Grant" or "Grants" means the economic development incentive grants provided by the Authority from time to time hereunder and consisting solely of the amount of the Incremental Tax Revenue to be paid to the Company pursuant to the terms of this Agreement.

"Incremental Tax Revenue" means an amount equal to the difference between (i) the Tax Revenue collected from the Site after completion of redevelopment and (ii) the Tax Revenue collected from the Site in [2020].

"Payment Period" means the First Semiannual Taxable Period and the twenty-nine (29) succeeding Tax Periods.

"Project" means a mixed-use real estate development consisting of at least 140 apartment units, 7,500 square feet of commercial space and the Parking Project.

"Parking Project" mean a parking deck with at least 130 parking Spaces.

"Site" means the Cameron Street Master Project, located at 200, 214, 220, 224, 302, 306, 324 and 326 North Cameron Street and 101 and 110 East Fairfax Lane in Winchester, Virginia, and as depicted on Exhibit A (to include tax parcels).

"Tax Period" means each six-month period for which Tax Revenues will be computed for Grant payments.

"Tax Revenue" means the sum of ad valorem real property taxes generated during a Tax Period from the Site and paid to the City.

II. CONSTRUCTION OF THE PROJECT. In return for the Grants to be paid by the Authority to the Company, the Company agrees to construct the Project.

III. PAYMENT OF GRANTS. The Authority will pay the Grants to the Company as follows:

A. The Company will submit a written request for a Grant immediately after the end of each Tax Period.

B. The Director shall determine the Tax Revenue for each tax year and the amount to the Grants.

C. Following receipt of the Incremental Tax Revenue from the City, the Authority shall pay the Company a Grant in the amount of Incremental Tax Revenue (less \$5,000) for the relevant Tax Period. The Grant amounts will vary based on the amount of Incremental Tax Revenue generated during the Tax Period.

D. The Authority will pay a Grant for each Tax Period during the Grant Period. However, the Authority will not pay Grants after the end of the Payment Period or for any Tax Period in which there is no Incremental Tax Revenue; provided, however, that if the City fails to appropriate funds to the Authority for the purpose of making Grant payments hereunder, the Payment Period shall be extended for as long as the City's failure to make such appropriation continues.

IV. INDEMNIFICATION. The Company will defend, indemnify, and hold harmless the Authority and the City, and their officers and employees (the "Indemnified Parties"), from any claims of third parties arising out of any act or omission of the Company or the Company's contractors, subcontractors, and agents in their performance under this Agreement. However, this obligation shall not apply to (1) third party claims solely arising out of a grossly negligent act or omission of the Authority or the City, (2) third party claims against the City or Authority regarding the legality of this Agreement, the Grants, or appropriations of Tax Revenue, or (3) third party claims for acts or omissions occurring after the City has verified completion of the Parking Project. The Company's indemnification obligation shall survive termination of this Agreement.

V. TERMINATION OF AGREEMENT. This Agreement shall terminate (1) upon the written agreement of the parties, or (2) the end of the Payment Period, as the same may be extended as provided herein, whichever comes first. After termination of the Agreement, the parties will have no further obligations to each other except for the Company's indemnification obligation under Section IV.

VI. ASSIGNMENTS.

A. The Company may assign this Agreement or any portion thereof, or any funds due to it under this Agreement, including the receipt of Grants or its rights thereto, only as follows: the Company may assign this Agreement or any portion thereof or any funds due to it under this Agreement, including the receipt of Grants to (i) any wholly-owned subsidiary or to any successor in interest with respect to the Parking Project, or (ii) the Project's lender or lenders and their affiliates ("Bank"), the Authority acknowledging that the Company will require a loan from Bank to finance the development and construction of the Project. The Authority and Company agree that upon receipt of notice from Bank that an event of default by the Company has occurred and is occurring under the Company's loan instruments with Bank for the financing of the Project, the Authority shall pay Grants due and owing hereunder directly to or at the direction of Bank rather than the Company. In the event of such assignment, the Company will remain ultimately responsible for the performance of its obligations under this Agreement, subject to the following Section VI(B).

B. Upon any permitted assignment of this Agreement, the Bank or any other assignee of this Agreement has the right of third party enforcement of the Company's rights under this Agreement, and the Bank or other assignee of this

Agreement may enforce the Company's rights pursuant to such permitted assignment with the same force and effect as if enforced by Company. Upon such assignment, the Bank or other assignee of this Agreement may, but shall not be required to, perform the obligations of the Company hereunder. If the Bank or other assignee of this Agreement undertakes in writing to perform the obligations of the Company after assignment of this Agreement, the Authority will accept its performance in lieu of performance by the Company in satisfaction of the Company's obligations under this Agreement.

VII. GRANTS SUBJECT TO APPROPRIATIONS; DISCLAIMER.

A. The Authority's obligation to make Grant payments to the Company is subject to the Authority's receipt of appropriations from the City sufficient to make such payments. The Authority agrees to use its best efforts to secure the necessary appropriations from the City.

B. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Authority or the City within the meaning of any constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as delegating governmental powers nor as a donation or a lending of the credit of the Authority or City within the meaning of the Virginia Constitution. This Agreement shall not directly or indirectly obligate the Authority or the City for any fiscal year in which this Agreement shall be in effect nor to make any payments beyond those appropriated in the sole discretion of the City and the Authority. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the Authority or the City's moneys, nor shall any provision of the Agreement restrict to any extent prohibited by law, any action or right of action on the part of any future Authority Board. To the extent of any conflict between this section and any other provision of this Agreement, this section takes priority.

C. In the event that the City does not appropriate sufficient amounts for the Authority to fulfill its obligations hereunder, the Payment Period shall be extended until the City makes such appropriation to the Authority for the purpose of making Grant payments hereunder.

VIII. MISCELLANEOUS.

A. Governing Law. The law of the Commonwealth of Virginia shall

govern this Agreement, and the exclusive venue for actions regarding this Agreement shall be the Winchester Circuit Court.

B. Communications. Any communication under this Agreement shall be sufficiently given when delivered by hand or by first-class certified mail, postage prepaid, as follows:

If to the Company: Richard W. Gregory
Lynx Ventures, Inc.
7 E. 2nd Street
Richmond, Virginia 23224

With a copy to: Alex McGlothlin, Esq.
McGlothlin Legal, PLLC
1108 E. Main Street, Suite 501
Richmond, Virginia 23219

If to Authority: Winchester Economic Development Authority
Attn: Executive Director
15 N. Cameron Street
Winchester, VA 22601

With a copy to: Authority Counsel
City of Winchester Attorney's Office
[Address]
[Address]

If to City: City of Winchester, Virginia
Attn: City Administrator
15 N. Cameron Street
Winchester, VA 22601

With a copy to: City Attorney
City of Winchester Attorney's Office
[Address]
[Address]

C. Entire Agreement; Amendments. This Agreement constitutes the entire

contract between the parties and may not be changed except in writing signed by both parties. The Authority acknowledges that the Company's loan instruments with the Bank for the financing of the Project will place restrictions on the Company's ability to enter into amendments to this Agreement and accordingly the Authority shall not enter into any such amendments without evidence that the Bank has consented to same or that such consent is not required.

D. Binding Effect. This Agreement is binding upon the parties and their respective successors and assigns.

E. Force Majeure. Any delay in performance shall not be a breach of this Agreement if such delay has been caused by or is the result of acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; or other unforeseeable causes beyond the control and without the fault or negligence of the party whose performance is delayed. Such party shall give prompt notice to the other party of the cause for delay and shall take reasonable steps to resume performance as soon as possible. The time for performance shall be extended for a period equal to the period of delay due to the reasons set forth in this paragraph.

F. Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid, then (a) such holding shall not invalidate any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms shall constitute the parties' entire agreement.

G. Attorney's Fees. Attorney's fees shall not be recoverable by the prevailing party in the event this Agreement is subject to litigation.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers.

COMPANY

_____, LLC
a Virginia limited liability company

By: _____
Name: Richard W. Gregory
Its: Principal

CITY

CITY OF WINCHESTER,
a political subdivision of the Commonwealth of
Virginia

By: _____
Name:
Its:

AUTHORITY

WINCHESTER ECONOMIC DEVELOPMENT
AUTHORITY,
a political subdivision of the Commonwealth of
Virginia

By: _____
Name:
Its:

[Signature Page to Economic Development Agreement]

Exhibit A

Description of the Site

[See Attached]