



AGENDA

ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VA
Bedford County Administration – Ground Floor Training Room
122 E Main Street
Bedford, VA 24523
September 7, 2023
5:30 p.m.

(1) CALL TO ORDER

(2) APPROVAL OF AGENDA

(3) APPROVAL OF MEETING MINUTES – August 3, 2023

(4) REPORTS

- A. Economic Development Director's Report
- B. Business Programs Report
- C. Monthly Financial Report
- D. Monthly Accounts Payable Report – (see August bills that have been paid)

EDA	
EDA Mileage – August meeting	\$111.79
Bedford Center	
Town of Bedford Power – CVCC	\$2,462.69
Peakview Landscaping	\$1,494.17
BRWA – CVCC	\$135.00
New London	
Southside Electric	\$593.00
Peakview Landscaping (fallen crepe myrtle)	\$508.34
Washington Street	
Peakview Landscaping	\$121.67
TOTAL:	\$5,426.66

(5) TOWN OF BEDFORD

(6) BEDFORD CENTER FOR BUSINESS

- A. Approval of CVCC HVAC project
- B. Discussion of East Coast Fabrication expansion request

(7) MONTVALE CENTER FOR COMMERCE

(8) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

- A. Lot 4 Tier status report

(9) WASHINGTON STREET PROPERTY

(10) OTHER BUSINESS

- A. Approval of revised EDA by-laws
- B. Close Valtim performance agreements
- C. Close Blue Ridge Optics performance agreement



MINUTES

ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VA

Bedford County Administration – Board Room

122 E Main Street

Bedford, VA 24523

August 3, 2023

5:30 p.m.

Economic Development Authority:

Present: David Wells (District 1); Vicki Gardner (District 2); Wyatt Walton (District 3); Matthew Braud (District 4); Kristy Milton (District 5); Jimmy Robertson (District 6); Jim Messier (District 7)

Staff Present: Pam Bailey – Economic Development Director; Holley Scheffel – Business Programs Coordinator; Patrick Skelley–County Attorney; Robert Hiss – County Administrator; Doug Coffman – Public Works; Trish Luger –Administrative Assistant

Guests: Mickey Johnson

(1) CALL TO ORDER

Chairman Robertson called the meeting to order at 5:30 p.m.

(2) APPROVAL OF AGENDA

Chairman Robertson called for a motion to approve the agenda with changes to include July financials. Mr. Messier moved, seconded by Mr. Braud.

Adopted Unanimously

(3) APPROVAL OF MEETING MINUTES – June 1, 2023, and June 19, 2023

Chairman Robertson asked for motion to approve both June meeting minutes. Mr. Messier moved, seconded by Mr. Braud.

Adopted Unanimously

(4) REPORTS

A. Economic Development Director's Report

Ms. Bailey presented the new Bedford County brochure. This will aid as a recruitment tool for companies hiring new employees, focusing on living, working, and playing in the county. A few modifications will be made when the brochure is set to print again.

CVCC has asked Ms. Bailey to inquire with EDA regarding extra funding for the Career Coach position. Ms. Bailey has asked CVCC to explore more of their resources and available Perkins grant funds. The Lynchburg Regional Business Alliance is working on a GO Virginia grant request to aid in additional funds for Career Coaches in Bedford and Amherst Counties, but this is not a long-term solution to funding a full-time position. Bif Jonson was recently appointed to the VCCS Board and Ms. Bailey will reach out to him.

A pharmaceutical technology industry prospect for the TEVA building is in motion and a non-disclosure agreement has been signed. In addition to this property, the company has plans for an additional 400,000 square feet and New London with its dark fiber is desirable. The Commonwealth is currently waiting for the prospect to reveal their financials so incentives can be discussed.

A current business in town desires a start-up/incubator space and a lot in Bedford Center for Business was mentioned. Ms. Bailey has reached out to Central Virginia Planning District Commission regarding an EDA grant for a feasibility study. Ms. Bailey will reach out to Scott Elliott and Johnny on the Spot for building recommendations.

The Montvale plat has been recorded.

Five BRE visits have been completed: Innerspec Technologies, Blue Ridge Optics, Turman Lumber, Simplimatic Automation and Damage Prevention.

Ms. Bailey will share a spreadsheet all listing performance agreements.

Bedford YMCA opened their childcare facility on July 5. Sixty spots have been filled except for 2 infant spots.

On June 30, Ms. Bailey and Mr. Hiss met with Southside Electric about capacity and growth in the county. Discussion included the timeline should more power be needed in New London.

Ms. Bailey attended the VEDA leadership retreat in Danville and will begin serving on their Board of Directors in January 2024.

B. Business Programs Report

Bedford ONE tours for 2023/2024 have been booked.

Ms. Scheffel attended Experience Works, a career technical education conference. It was sponsored by the Dept of Education and the theme was Working Together. Conversation after the conference resulted in speaking with the Work Base Learning Coordinator of Roanoke City Schools. This initiated a meeting July 25 with Roanoke City, Roanoke County and Bedford County. A follow up meeting September 12 will include Bedford, Botetourt, Franklin, and Roanoke counties, along with Roanoke City and Salem City. The goal is to share resources and find best practices.

Ms. Scheffel has emailed the principals of the three area high schools along with the tech center to arrange a meeting about the Bedford ONE program. Her goal is to become a resource for internships or apprenticeships. An appointment at Staunton River is set August 11.

A connection has been made with Virginia Career Works regarding grant funding for an employment centered video mini-series focusing on hard to fill jobs in our region including healthcare, manufacturing, and nuclear energy.

The Bedford Chamber along with the school division are preparing for a 7th grade Career Expo to be held at Susie G. Gibson in early October.

A business roundtable is scheduled for August 24 at the Bedford Welcome Center 8:30 - 10 a.m. The focus will be how Virginia Career Works can assist employers with people that have work barriers. The Department for Aging & Rehabilitative Services (DARS) will also be present.

Interviews for the Career Coach position are in force and an update should be received soon.

C. Monthly Financial Report

Ms. Anderson will speak to the committee at a future meeting on understanding the budget reports. Ms. Bailey will research how the reports can be displayed to the group.

Brown Edwards is working on the FY23 audit.

D. Monthly Accounts Payable Report – (see June/July bills that have been paid)

July's expenses were omitted and reflect below.

EDA	
EDA Mileage – January meeting	\$180.04
Bedford Center	
Town of Bedford Power – CVCC	\$5,322.59
Peaksview Landscaping	\$966.68
BRWA – CVCC	\$274.66
New London	
Southside Electric	\$1,241.92
Peaksview Landscaping	\$2,988.34
Washington Street	
Peaksview Landscaping	\$243.34
TOTAL:	\$11,217.57

(5) TOWN OF BEDFORD

Ms. Zirkle and Ms. Bailey are collaborating on a ½-page ad for the November issue of Site Selection Magazine in the Virginia State Spotlight feature. The focus is on the assets of the Town and County of Bedford.

The Town EDA is hoping to close on the Winoa USA building soon.

The Town was showcased in the latest issue of Virginia Business magazine.

(6) BEDFORD CENTER FOR BUSINESS

A. CVCC HVAC pricing review

Mr. Coffman is currently waiting additional pricing for the 40 x 24 duct heater. A \$22,000 quote from Trane has been received. An update will be shared at the next meeting.

(7) MONTVALE CENTER FOR COMMERCE

A. Consideration of updating the master plan for Montvale Center for Commerce.

A proposal to create a new site plan for Montvale was discussed to potentially grade the two remaining lots on the north side. Ms. Bailey reached out to Master Engineers for pricing on a creating a pad-ready site for a 50,000 - 100,000 square ft. building. It was expressed to get a pricing to build a building in addition to the creating a pad-ready site.

(8) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

A. Consideration to proceed with lots 10A & 12A pad-ready sites.

The County's CIP budget has \$137,000 to use for these two lots. It was suggested to let Dovetail know that if there is no response by the 4th quarter, the EDA will move forward with development of the sites. Ms. Bailey will price current grading costs and notify the Tobacco Commission about extending the grant deadline.

B. Consideration for Lot 4 Tier 4/5 status

The site grade is still currently a Tier 3. Pricing to rate it a 4/5 came from Hurt & Proffitt, \$1,200, and Wiley Wilson, \$6,000.

Mr. Walton moved, seconded by Mr. Braud, to award the contract to Hurt & Proffitt.

Adopted Unanimously

C. Phase 2 Master Plan status report

The project is currently underway with Wiley Wilson and should be complete the end of September. A new master plan to review the lay of out the lots should be available for view at the next meeting.

(9) WASHINGTON STREET PROPERTY

A. Request from AIT to use the Elba parking lot to test equipment.

AIT would cut a ¼- to ½-inch groove, tape over, and seal the pavement to test their machinery. It was stated to Ms. Bailey to not move forward at this time.

B. Request for action regarding parking lot paving project.

Three bids were received. The scope of work was reviewed with Mr. Ralph Patterson and Mr. Coffman feels comfortable moving forward. There is a drain on the far side of Elba's that Mr. Coffman will take care of. Every indication is that this project will be completed in the current paving season, which is sometime before December. A grant to cover landscaping the islands is being researched. Mr. Messier moved, seconded by Mrs. Gardner, to award the contract to Patterson Brothers Paving Company in the amount of \$226,192.

Adopted Unanimously

(10) Other Business

A. Amend EDA By-Laws to allow for electronic meetings.

A special meeting was called June 19th but there were no rules in the by-laws to meet electronically. Mr. Messier moved, seconded by Ms. Milton, to take what is presented in the By-Laws, less section II, and table/post it for thirty days, to be discussed at the next meeting.

Voting no: Mr. Walton

A motion was made by Mr. Braud, seconded by Mr. Walton, to enter a closed session.

(11) CLOSED SESSION

Closed Session pursuant to Section 2.2-3711 (A) (3). Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

A motion was made by Mr. Braud, seconded by Mr. Wells, to come out of the closed session.

Adjourned 7:13 p.m.

Chairman

Secretary

YEAR-TO-DATE BUDGET REPORT

FOR 2024 02

ACCOUNTS FOR:	ORIGINAL	REVISED				AVAILABLE	PCT
556 ECONOMIC DEVELOPMENT AUTHORITY	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USE/COL
561500 EDA INTEREST EARNINGS							
561500 415210 BRWA CELL	0	0	-2,653.02	-1,326.51	.00	2,653.02	100.0%
TOTAL EDA INTEREST EARNINGS	0	0	-2,653.02	-1,326.51	.00	2,653.02	100.0%
561800 EDA MISC REVENUE							
561800 418901 MISC REV	0	0	-17,968.97	.00	.00	17,968.97	100.0%
TOTAL EDA MISC REVENUE	0	0	-17,968.97	.00	.00	17,968.97	100.0%
561900 EDA RECOVERED COSTS							
561900 419010 BLVAC RC-OTHER	-1,448	-1,448	.00	.00	.00	-1,447.59	.0%
561900 419010 DMPRE RC-OTHER	-390	-390	.00	.00	.00	-390.41	.0%
561900 419010 LU RC LU	-2,597	-2,597	.00	.00	.00	-2,597.00	.0%
561900 419010 NANO RC NANO	-393	-393	.00	.00	.00	-393.00	.0%
561900 419010 SMPLM RC-OTHER	-1,061	-1,061	.00	.00	.00	-1,061.00	.0%
TOTAL EDA RECOVERED COSTS	-5,889	-5,889	.00	.00	.00	-5,889.00	.0%
564100 EDA OTHER FINANCING SOURCES							
564100 441110 GF XFER	-163,055	-163,055	.00	.00	.00	-163,055.00	.0%
TOTAL EDA OTHER FINANCING SOURCES	-163,055	-163,055	.00	.00	.00	-163,055.00	.0%
565600 EDA ADMINISTRATION							
565600 531110 ACCTING	10,000	10,000	.00	.00	.00	10,000.00	.0%
565600 531120 ADVERTISE	6,500	6,500	2,946.50	2,000.00	.00	3,553.50	45.3%
565600 531130 LEGAL	2,500	2,500	.00	.00	.00	2,500.00	.0%
565600 531220 SAL SKILLED	23,000	23,000	.00	.00	.00	23,000.00	.0%

YEAR-TO-DATE BUDGET REPORT

FOR 2024 02

ACCOUNTS FOR: 556 ECONOMIC DEVELOPMENT AUTHORITY	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
565600 531410 BLDG SVCS	150,000	150,000	.00	.00	.00	150,000.00	.0%
565600 531410 CVCC BLDG SVCS	0	0	476.25	476.25	.00	-476.25	100.0%
565600 531510 POSTAGE	120	120	.00	.00	.00	120.00	.0%
565600 531730 CONF	1,500	1,500	.00	.00	.00	1,500.00	.0%
565600 531750 EE RECOGNT	100	100	.00	.00	.00	100.00	.0%
565600 531820 MILEAGE	1,500	1,500	111.79	111.79	.00	1,388.21	7.5%
565600 551210 GEN LIAB	654	654	.00	.00	.00	654.00	.0%
565600 551220 AUTO LIAB	150	150	.00	.00	.00	150.00	.0%
565600 551230 PROP INS	10,018	10,018	.00	.00	.00	10,018.00	.0%
565600 551240 BOILER IN	1,264	1,264	.00	.00	.00	1,264.00	.0%
565600 551250 OTH FIN IN	675	675	.00	.00	.00	675.00	.0%
565600 551260 PO INS	182	182	.00	.00	.00	182.00	.0%
565600 551290 CYBER INS	100	100	.00	.00	.00	100.00	.0%
565600 561120 OFFICE SUP	500	500	.00	.00	.00	500.00	.0%
565600 561140 MEALS	2,300	2,300	157.32	.00	.00	2,142.68	6.8%
565600 561140 BDONE BDONEMEALS	3,000	3,000	.00	.00	.00	3,000.00	.0%
565600 561140 BSAPP BSAPMEALS	2,500	2,500	.00	.00	.00	2,500.00	.0%
TOTAL EDA ADMINISTRATION	216,563	216,563	3,691.86	2,588.04	.00	212,871.14	1.7%

565615 EDA BEDFORD CTR FOR BUSINESS

565615 531410 BLDG SVCS	9,500	9,500	.00	.00	.00	9,500.00	.0%
565615 531410 CVCC CVCC SVCS	0	0	80.00	.00	.00	-80.00	100.0%
565615 531420 GROUND SVC	8,900	8,900	483.34	.00	.00	8,416.66	5.4%
565615 531430 CVCC EQ SVCS	31,200	31,200	5,435.82	5,435.82	.00	25,764.18	17.4%
565615 531430 ECOST EQ SVCS	2,000	2,000	.00	.00	.00	2,000.00	.0%
565615 551110 CVCC CVCC ELECT	40,000	40,000	5,216.49	2,462.69	.00	34,783.51	13.0%
565615 551130 CVCC CVCC WATER	2,000	2,000	135.00	135.00	.00	1,865.00	6.8%
565615 561510 CVCC CVCC BUILD	0	0	82.70	.00	.00	-82.70	100.0%
TOTAL EDA BEDFORD CTR FOR BUSINES	93,600	93,600	11,433.35	8,033.51	.00	82,166.65	12.2%

56561515 RENT

56561515 415201 CVCC CVCC RENT	-142,296	-142,296	.00	.00	.00	-142,296.00	.0%
56561515 415201 ECOST ECOASTRENT	-121,280	-121,280	-10,106.67	.00	.00	-111,173.33	8.3%
56561515 415201 MBC MBC RENT	-3,600	-3,600	-300.00	.00	.00	-3,300.00	8.3%
TOTAL RENT	-267,176	-267,176	-10,406.67	.00	.00	-256,769.33	3.9%

565621 EDA BEDFORD BREWERY

YEAR-TO-DATE BUDGET REPORT

FOR 2024 02

ACCOUNTS FOR:	ORIGINAL	REVISED					AVAILABLE	PCT
556 ECONOMIC DEVELOPMENT AUTHORITY	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USE/COL	
565621 591130 VCC VCC DEBTPR	13,035	13,035	996.29	.00	.00	12,039.00	7.6%	
565621 591140 VCC VCC DEBTIN	30,783	30,783	2,655.24	.00	.00	28,127.83	8.6%	
TOTAL EDA BEDFORD BREWERY	43,818	43,818	3,651.53	.00	.00	40,166.83	8.3%	
56562115 RENT								
56562115 415201 BREW BREW RENT	-43,818	-43,818	-3,651.53	.00	.00	-40,166.83	8.3%	
TOTAL RENT	-43,818	-43,818	-3,651.53	.00	.00	-40,166.83	8.3%	
565655 EDA MONTVALE CTR FOR COMMERCE								
565655 531420 GROUND SVC	1,600	1,600	.00	.00	.00	1,600.00	.0%	
TOTAL EDA MONTVALE CTR FOR COMMER	1,600	1,600	.00	.00	.00	1,600.00	.0%	
565680 EDA WASHINGTON STREET								
565680 531410 BLDG SVCS	7,500	7,500	.00	.00	.00	7,500.00	.0%	
565680 531420 GROUND SVC	1,500	1,500	121.67	.00	.00	1,378.33	8.1%	
565680 582141 SITE IMR-P	200,000	200,000	.00	.00	.00	200,000.00	.0%	
TOTAL EDA WASHINGTON STREET	209,000	209,000	121.67	.00	.00	208,878.33	.1%	
56568015 WASHINGTON STREET RENT								
56568015 415201 PROP RENT	-30,600	-30,600	-2,550.00	.00	.00	-28,050.00	8.3%	
TOTAL WASHINGTON STREET RENT	-30,600	-30,600	-2,550.00	.00	.00	-28,050.00	8.3%	
565685 EDA NEW LONDON								
565685 531210 NLPH2 A & E	127,500	127,500	31,875.00	31,875.00	95,625.00	.00	100.0%	

YEAR-TO-DATE BUDGET REPORT

FOR 2024 02

ACCOUNTS FOR:	ORIGINAL	REVISED	YTD	MTD	ENCUMBRANCES	AVAILABLE	PCT
556 ECONOMIC DEVELOPMENT AUTHORITY	APPROP	BUDGET	ACTUAL	ACTUAL		BUDGET	USE/COL
565685 531410 BLDG SVCS	3,102	3,102	.00	.00	.00	3,102.00	.0%
565685 531420 GROUND SVC	20,000	20,000	3,618.35	2,124.18	.00	16,381.65	18.1%
565685 551110 ELECTRIC	7,100	7,100	1,198.62	589.00	.00	5,901.38	16.9%
565685 551170 OTH SVC CH	0	0	17.34	4.00	.00	-17.34	100.0%
565685 591130 LOT7 DS PRIN	105,420	105,420	17,366.89	8,626.23	.00	88,053.34	16.5%
565685 591140 LOT7 DS INT	48,114	48,114	8,222.09	4,168.26	.00	39,891.56	17.1%
TOTAL EDA NEW LONDON	311,236	311,236	62,298.29	47,386.67	95,625.00	153,312.59	50.7%
56568515 RENT							
56568515 415201 BLVAC PROP RENT	-260,000	-260,000	-21,666.67	.00	.00	-238,333.33	8.3%
TOTAL RENT	-260,000	-260,000	-21,666.67	.00	.00	-238,333.33	8.3%
56568524 EDA STATE CATEGORICAL AID							
56568524 425210 NLPH2 ST GR REV	-63,750	-63,750	.00	.00	.00	-63,750.00	.0%
TOTAL EDA STATE CATEGORICAL AID	-63,750	-63,750	.00	.00	.00	-63,750.00	.0%
TOTAL ECONOMIC DEVELOPMENT AUTHOR	41,529	41,529	22,299.84	56,681.71	95,625.00	-76,395.96	284.0%
TOTAL REVENUES	-834,288	-834,288	-58,896.86	-1,326.51	.00	-775,391.50	
TOTAL EXPENSES	875,817	875,817	81,196.70	58,008.22	95,625.00	698,995.54	

YEAR-TO-DATE BUDGET REPORT

FOR 2024 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
GRAND TOTAL	41,529	41,529	22,299.84	56,681.71	95,625.00	-76,395.96	284.0%

** END OF REPORT - Generated by Pam Bailey **

BALANCE SHEET FOR 2023 3

FUND: 556 ECONOMIC DEVELOPMENT AUTHORITY				NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS					
556	110010	EQUITY IN GENERAL CHECKING		-2,008.40	1,847,912.64
556	120100	BRWA CELL TOWER FUND		1,326.51	20,362.15
556	142100	OTHER RECEIVABLES		.00	2,550.00
556	145700	BEALE NOTES RECEIVABLE		.00	646,607.86
556	145700	DMPRE DAMAGE PREVENTION - NOTES REC		.00	90,225.00
556	145800	LEASE RECEIVABLE		.00	4,600,434.52
556	181000	LAND		.00	612,789.56
556	181100	BLDG & LAND HELD FOR RESALE		.00	8,370,768.53
556	181200	LAND HELD FOR LEASE		.00	42,628.07
556	183000	BUILDINGS & IMPROVEMENTS		.00	8,857,517.45
556	184000	MACHINERY & EQUIPMENT		.00	18,253.99
556	189300	ACC DEPR-BUILDINGS & IMPROV		.00	-3,882,418.76
556	189400	ACC DEPR-MACHINERY & EQUIP		.00	-11,926.89
TOTAL ASSETS				-681.89	21,215,704.12
LIABILITIES					
556	220300	ACCOUNTS PAYABLE		-1,990.55	-11,711.06
556	220600	PERFORMANCE GRANTS PAYABLE		.00	-520,225.00
556	281000	LOT7 SHELL BUILDING - NOTES PAYABLE		.00	-1,871,598.06
556	281000	VCC NOTES PAYABLE		.00	-645,001.23
556	293000	DEFERRED REVENUE UNEARNED		.00	-147,396.00
556	298140	DIR-LEASES		.00	-4,543,208.21
TOTAL LIABILITIES				-1,990.55	-7,739,139.56
FUND BALANCE					
556	330000	FUND BALANCE-UNASSIGNED		.00	-13,453,189.92
556	340000	REVENUE CONTROL		-39,938.10	-121,574.92
556	350000	EXPENDITURE CONTROL		42,610.54	98,200.28
556	393000	BUDGETARY FD BAL-UNASSIGNED		.00	-16,711.71
556	393530	BUDGETARY FBAL RESRVD 4 ENC		6,451.42	-20,014.41
556	394000	ESTIMATED REVENUE CONTROL		.00	770,538.36
556	395000	APPROPRIATION CONTROL		.00	-753,826.65
556	395500	ENCUMBRANCES CONTROL		-6,451.42	20,014.41
TOTAL FUND BALANCE				2,672.44	-13,476,564.56
TOTAL LIABILITIES + FUND BALANCE				681.89	-21,215,704.12

** END OF REPORT - Generated by Pam Bailey **



BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Agenda Item Summary

AGENDA ITEM # 6B

MEETING DATE: September 7, 2023

MEETING TYPE: Regular Meeting

ITEM TITLE: East Coast Fabricators Expansion

SUMMARY

East Coast Fabricators has been in business since 1999 and held a lease in Bedford Center for Business since 2004. The company currently employs 12 people.

The company currently leases about 30,000 SF of space, and needs to expand its operations by about 15,000 – 20,000 sf. We have met with Coleman-Adams and discussed the site with Master Engineers. The existing building interior can be renovated to expand manufacturing/office space by about 2,000 SF. A 15,000 SF addition could be added to the front of the building. However, this extension would result in the loss of 27 parking spaces bringing the total to 112 spaces. CVCC needs 110 for their current student population.

There is not room behind nor on the side of the building for this expansion.

After speaking with Master's it is cost-prohibitive to add a few more parking spaces with the little amount of room and it would still not gain back the 27 lost with the expansion.

The company would like to stay in its current space so they don't have to move, but at this point, it may not be a not option to stay.

ATTACHMENTS

To be provided during the meeting.

DEED OF LEASE

BETWEEN

Bedford County Economic Development Authority,
as Landlord

AND

East Coast Fabricators, Inc. ,
as Tenant

Dated: September 4, 2020

For Premises Located At

1635 Venture Boulevard
Bedford, Virginia

DEED OF LEASE

THIS DEED OF LEASE ("Lease") is made as of the 4th day of September 2020 (for reference purposes only, "Date of Lease"), by and between Bedford County Economic Development Authority ("Landlord"), and East Coast Fabricators, Inc., a Virginia corporation ("Tenant").

Landlord and Tenant, intending legally to be bound, hereby covenant and agree as set forth below.

ARTICLE 1: BASIC LEASE PROVISIONS

The following are the basic terms of this Lease, which shall have the meanings indicated:

1.1 Premises. The Premises are deemed to be approximately 30,000 square feet of interior space, known as 1635 Venture Boulevard, Bedford, Virginia 24523 consisting of the south (front) and east side of the Building as described on Exhibit A attached hereto and made a part hereof, together with the exclusive use of the loading dock in the north (rear) of the building. A plat of the lot showing the building and parking area is attached as "Exhibit C." A site plan showing parking areas is attached as "Exhibit D."

1.2 Building. The Building contains 50,000 square feet of interior space to be leased to tenants (of which approximately 30,000 square feet is the subject of this lease), a loading dock of (which is included in this lease), and approximately 4,600 square feet of interior space which will be used a common space by other tenants, together with all alterations, additions, improvements, restorations or replacements now or hereafter made thereto. Tenant shall have exclusive use of the portions of the building designated for its manufacturing processes and administrative offices. The common areas in the CVCC area of the building (including restrooms) are to be used exclusively by other tenants. A floor plan of the building is attached as "Exhibit B."

1.3 Term. Three (3) years with option to renew annually by the express agreement of both parties for up to two (2) additional years, at the rental terms in this lease.

1.4 Commencement Date. November 1, 2020.

1.5 Expiration Date. October 31, 2023.

1.6 Rent. Rent shall be \$121, 280.04 per annum payable in monthly payments of \$10,106.67. At the end of the three (3) year term, the Landlord a may agree to extend the lease for one (1) additional year, at the rental terms in this lease, up to two (2) times.

1.7 Permitted Use. Metal fabrication and powder coating operations as are currently being conducted by Tenant.

1.8 Landlord's Address for Payment of Rent

Bedford County Economic Development Authority
122 East Main Street, Suite 202
Bedford, VA 24523

Attn: Economic Development Director

1.9 Landlord's Address for Notice Purposes

Bedford County Economic Development Authority
122 East Main Street, Suite 202
Bedford, VA 24523

Attn: Economic Development Director

1.10 Tenant's Address.

East Coast Fabricators, Inc.
1635 Venture Boulevard
Bedford, VA 24523

ARTICLE 2: DEFINITIONS

In addition to the terms defined in Article 1 above, the following defined terms are used in this Lease and shall have the meanings indicated.

2.1 Agents. Officers, partners, directors, trustees, mortgagees, collateral agents, employees, agents, licensees, customers, contractors, invitees, affiliates, sub-lessees and assignees.

2.2 Alterations. Alterations, decorations, additions or improvements of any kind or nature to the Premises or the Building, whether structural or non-structural, interior, exterior or otherwise.

2.3 Common Area. All areas, improvements, facilities and equipment from time to time designated by Landlord for the common use or benefit of Tenant, other tenants of the Building or Project, and their Agents, including, without limitation, entrances and exits, landscaped areas, exterior lighting, pedestrian walkways, roadways, sidewalks, exterior utility lines, hallways, lobbies, common window areas, common walls, common ceilings, common trash areas and driveway and Parking Facilities. Landlord may in its reasonable discretion designate other land and improvements outside the boundaries of the Land and Building, but within the boundaries of the Project, to be part of the Common Area, provided that such other land and improvements have a reasonable and functional relationship to the Land and Building and as such additional portion is for the common use or benefit of Tenant, other tenants of the Building or Project and their Agents (e.g., common parking and landscape areas of the Project).

2.4 Event of Bankruptcy. As defined in Article 21.

- 2.5 Event of Default. As defined in Article 17.
- 2.6 Hazardous Materials . As defined in Article 22.
- 2.7 Herein, hereafter, hereunder and hereof. Under this Lease, including, without limitation, all Exhibits and any Riders.
- 2.8 Force Majeure . As defined in Section 23.15.
- 2.9 Land. The piece or parcel of land described herein and all rights, easements and appurtenances thereunto belonging or pertaining, or such portion thereof as shall be allocated by Landlord to the Building.
- 2.10 Lease Year. Each consecutive twelve (12) month period elapsing after (i) the Commencement Date if the Commencement Date occurs on the first day of a month, or (ii) the first day of the month following the Commencement Date if the Commencement Date does not occur on the first day of a month.
- 2.11 Legal Requirements. All laws, statutes, ordinances, orders, rules, ordinances, regulations and requirements (including but not limited to any and all energy conservation requirements applicable to the Building and customary industry indoor air quality standards and practices) of all federal, state and municipal governments, and the appropriate agencies, officers, departments, boards and commissions thereof whether now or hereafter in force which relate or are applicable to the Land, Premises, Building or Project, or any part thereof.
- 2.12 Mortgage . Any mortgage, deed of trust, security interest or title retention interest affecting the Building or the Land, including a leasehold or sub-leasehold mortgage, and any and all renewals, modifications, consolidations of any such interest.
- 2.13 Mortgagee. The holder of any note or obligation secured by a mortgage, deed of trust, security interest or title retention interest affecting the Building or the Land, including, without limitation, lessors underground leases, sale-leasebacks and lease-leasebacks.
- 2.14 Parking Facilities. All parking areas now or hereafter made available by Landlord for use by tenants in the Building or Project, including, without limitation, surface parking, parking decks and parking areas under or within the Building, whether reserved, exclusive, non-exclusive or otherwise.
- 2.15 Project. The Building, related parking facilities and common areas, and other appurtenances available to all Tenants of the Project as shown on Exhibit A-2 attached hereto and made a part hereof.
- 2.16 Real Estate Taxes. As defined in Section 4.
- 2.17 Substantial Part. More than fifty percent (50%) of the rentable square feet of the Premises or the Building, as the case may be.

2.18 Tenant's Property . Any and all personal property, furniture, business trade fixtures, inventory and equipment located in the Premises and owned by Tenant together with all leasehold and tenant improvements and Alterations installed in or performed by Tenant or its Agents or on behalf of Tenant or by Landlord on behalf of Tenant pursuant to the Work Agreement (as hereinafter defined) or the terms of this Lease, but expressly excluding those items of standard base building work insured by Landlord and provided at Landlord's sole cost and expense, as more fully described in the Work Agreement.

ARTICLE 3: THE PREMISES

3.1 Lease of Premises. In consideration of the agreements contained herein, Landlord hereby conveys, bargains, grants and leases a leasehold interest in the Premises to Tenant, and Tenant hereby leases a leasehold interest in the Premises from Landlord, for the Term and upon the terms and conditions hereinafter provided. As an appurtenance to the Premises, Tenant shall have the non-exclusive right, together with other tenants of the Building and their Agents, to use such Common Areas as are designated herein. Landlord shall retain absolute dominion and control over the Common Area and shall operate and maintain the Common Area in such manner as Landlord, in its sole discretion, shall determine; provided, however, such exclusive right shall not operate to prohibit Tenant from its use of the Premises for the Permitted Use. The Premises are leased subject to, and Tenant agrees not to violate, all present and future covenants, conditions and restrictions of record, which affect the Building.

3.2 Landlord's Reservations. In addition to the other rights of Landlord under this Lease, Landlord reserves the right (i) to change the street address and/or name of the Building, (ii) to install, erect, use, maintain and repair mains, pipes, conduits and other such facilities to serve the Building's tenants in and through the Premises, (iii) to grant to anyone the exclusive right to conduct any particular business or undertaking in the Building, (iv) to control the use of the roof and exterior walls of the Building for any purpose, and (v) to perform such other acts and make such other changes with respect to the Common Area and Building as Landlord may, in the exercise of sound business judgment, deem to be appropriate. Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance or interruption of the business of Tenant or Tenant's use or occupancy of the Premises.

ARTICLE 4: TAXES

4.1 Real estate taxes. Landlord by reason of its being a political subdivision of the Commonwealth of Virginia, is exempt from real estate taxation except when a part of a building or land is a source of revenue from an organization that is not exempt from taxation. Tenant shall pay as additional rent any real estate taxation assessed upon the Bedford County Economic Development Authority as a result of this lease.

4.2 Tenant's Machinery and Other Personal Property. Tenant shall pay all taxes assessed by taxing authorities upon its machinery, equipment and other properties.

ARTICLE 5: PARKING

5.1 Parking, Loading Dock and Driveway Privileges. Landlord guarantees to Tenant for the term of this lease and any extension of this lease, for the benefit of Tenant and Tenant's employees, agents, customers, and invitees, their exclusive right to no fewer than thirty-six (36) parking spaces on the south (front) of the building, together with the right in common with other tenants and their employees, agents, customers, and invitees to use the entrances, exits, driveways and walkways serving the entire building. Tenant shall have exclusive use of the docking area at the north end (rear) of the building, which is a part of the premises of this lease. Access to the loading dock shall be over a designated truck route to be designated by Landlord from Venture Boulevard over the asphalt parking area on the west side of the building leading to the loading dock. Landlord reserves the right to assign no fewer than ten (10) parking places on the south end of the building for use by a future tenant of the area designated T3. Landlord also reserves the right to designate all or parts of the parking area on the west side of the building for the exclusive use of the area to be leased to Central Virginia Community College.

5.2 Tenant's maintenance of parking areas. During the term of this lease and any extension of this lease, Tenant shall cause the parking area on the south side of the building, the loading facilities on the north side of the building, and any walks on the east side of the building to be operated and maintained properly and to be kept in good repair, such operation and maintenance to include, without limitation, removal of snow, ice, rubbish, debris. Landlord shall be responsible for all other entrances, exits, driveways, and walkways, including the main entrance from Venture Boulevard and all parking areas, sidewalks, and entrances on the west side of the building.

ARTICLE 6: USE

6.1 General . Tenant shall occupy the Premises solely for the permitted use under its name and the name of its subtenant, Rhino Coat Powder Coating Services, Inc. The Premises shall not be used for any other purpose without the prior written consent of Landlord.

6.2 Compliance With Laws, etc. Tenant shall comply, at Tenant's expense, with (i) all Legal Requirements applicable to the Premises, and (ii) any reasonable requests of Mortgagee or any insurance company providing coverage with respect to the Premises. Tenant shall not use or occupy the Premises or allow the Premises to be used in violation of any recorded covenants, conditions and restrictions affecting the Premises or the Building or of any Legal Requirements, or of any certificate of occupancy issued for the Premises or Building or in any manner that is dangerous or that shall constitute waste, unreasonable annoyance or a nuisance to Landlord or the other tenants of the Building or Project.

6.3 Tenant to Comply With Insurance Requirements. Tenant shall, at Tenant's sole cost and expense, comply with any and all requirements pertaining to the demised premises of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering the building and appurtenances.

6.4 Rights of Other Tenants Tenant shall not commit, or suffer to be committed, any waste upon the demised premises or any nuisance (public or private) or other act or thing of any kind whatsoever that may disturb the quiet enjoyment or cause unreasonable annoyance of any other tenant in the building. Tenant acknowledges that other portions of the building will be rented to the Central Virginia Community College for educational and training space and for related offices. Tenant shall not do or permit anything to be done in or about the demised premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the building or injure or annoy them, or use or allow the demised premises to be used for any immoral, unlawful or objectionable purposes. No loudspeakers or other similar device, system, or apparatus, which can be heard outside the demised premises shall, without the prior, express, and written approval of Landlord, be used on or at the demised premises.

ARTICLE 7: ASSIGNMENT AND SUBLETTING.

Tenant shall not have the right to assign, transfer, mortgage or otherwise encumber this Lease or its interests herein without first obtaining Landlord's written consent.

ARTICLE 8: MAINTENANCE AND REPAIR

8.1 Tenant's Obligations. Tenant shall keep, maintain, and preserve the portion of the interior of the building and the loading dock area, being rented exclusively to it hereunder, and the parking lot on the south of the building in good condition and repair, and, when and if needed, at Tenant's sole cost and expense shall make all minor repairs and replacements to such areas (not exceeding \$500 in cost of any such repair), unless the damage is caused by the negligent acts or omissions of Landlord, its agents or employees. Tenants shall be responsible for routine interior maintenance of the Premise (including, but not limited to, refuse removal, janitorial services, and non-structural alterations) and shall keep and maintain the Premise in a clean, sanitary and safe condition. Tenant shall be responsible for the routine maintenance of the heating and air conditioning systems serving the Demised Premises only (e.g. replacement of filters and routine servicing), but shall not be required to replace any components of the heating and air conditioning systems (e.g. replacement of compressors, etc.), which shall remain the responsibility of Landlord.

8.2 Damage Caused by Tenant. Tenant shall repair at its expense any and all damage caused by Tenant or Tenant's agents to the building, common area, the Premises and Tenant's property, including equipment within and serving the building, ordinary wear and tear accepted.

8.3 Landlord's Obligations. All other repairs, including all structural repairs to the Premises, the exterior of the Premises, and the common areas, if such repairs have not been necessitated by the act, fault, or negligence of Tenant, or Tenant's agents, shall be the sole responsibility of Landlord. In addition, all repairs performed by the Landlord shall be at a time and in a manner so as not to unreasonably interfere with Tenant's normal business operations.

8.4 Landlord's Right to Maintain or Repair. If, within ten (10) days following notice to Tenant, Tenant fails to commence to repair or replace any damage to the Building, Common Area, Premises or Tenant's Property which is Tenant's obligation to perform, and diligently

pursue timely completion of such repair and replacement, Landlord may, at its option, perform Tenant's obligations and Tenant shall promptly pay Landlord all costs incurred in connection therewith plus interest thereon at the Interest Rate from the due date until paid.

ARTICLE 9: ALTERATIONS

9.1 Tenant's Alterations. Tenant shall not make or perform, or permit the making or performance of, any alterations, installations, improvements, additions or other physical changes in or about the Premises (referred to collectively as "Alterations") without Landlord's prior written consent. Within thirty (30) days after Landlord receives Tenant's request for approval of an Alteration, together with the plans and the identity of the contractors to perform the Alterations, Landlord shall give Tenant a notice of its approval or disapproval of Tenant's request. Notwithstanding the foregoing provisions of this Section or Landlord's consent to any Alterations, all Alterations shall be made and performed in conformity with and subject to the following provisions: (i) except as otherwise provided in Section 10.1, all Alterations shall be made and performed at Tenant's sole cost and expense and at such time and in such manner as Landlord may reasonably designate; (ii) Alterations shall be made only by contractors or mechanics approved by Landlord, (iii) no Alterations shall materially and adversely affect any part of the Building or adversely affect any service required to be furnished by Landlord to Tenant or to any other tenant or occupant of the Building; (iv) all business machines and mechanical equipment shall be placed and maintained by Tenant in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance to other tenants or occupants of the Building; (v) Tenant shall (a) submit to Landlord reasonably detailed plans and specifications for each proposed Alteration and (b) not commence any such Alteration without first obtaining Landlord's approval of such plans and specifications, which approval will not be unreasonably withheld, conditioned or delayed; (vi) notwithstanding Landlord's approval of plans and specifications for any Alterations, all Alterations shall be made and performed in full compliance with all Legal Requirements and in accordance with the Rules and Regulations; (viii) all materials and equipment to be incorporated in the Premises as a result of all Alterations shall be of reasonably good quality and the Alterations shall be performed in a good and workmanlike manner; and (ix) Tenant shall require any contractor performing Alterations to carry and maintain at all times during the performance of the work, at no expense to Landlord, (A) a policy of comprehensive public liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, contractor's protective liability coverage and a broad form property damage endorsement, naming Landlord and (at Landlord's request) any Mortgagee of the Building and any management agent as additional insured(s), with such policy to afford protection to the limit of not less than Two Million and 00/100 Dollars (\$2,000,000.00) with respect to bodily injury or death to any number of persons in any one accident and to the limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) to damage to the property of any one owner from one occurrence, and (B) workmen's compensation or similar insurance in the form and amounts required by the laws of the Commonwealth of Virginia.

ARTICLE 10 : SIGNS

10.1 Signs. Restrictive covenants upon the property of Landlord allow each parcel to have one wall-mounted sign on its principal building and one monument sign. Signs may contain only the name, address and logo of the occupants of the building. Landlord will cooperate with Tenant in approving the signage identifying Tenant's location in accordance with the restrictive covenants, the cost of any such sign (or the proportionate cost of any sign identifying more than one tenant) to be paid by Tenant. No sign, advertisement or notice shall be inscribed, painted, affixed, placed or otherwise displayed by Tenant on any part of the Land or the outside or the inside (including, without limitation, the windows) of the Building or the Premises without Landlord's express permission. Landlord shall have the right to prohibited any sign, advertisement, notice or statement to the public by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a first class office building.

ARTICLE 11: TENANT'S PROPERTY

11.1 Loss or Damage to Tenant's Property or Persons . All personal property belonging to the Tenant, located on or about the Premises shall be there at the sole risk of the Tenant; and neither the Landlord nor Landlord's agent shall be liable for the theft or misappropriation thereof nor for any damage or injury thereto, nor for damage or injury to the Tenant or any of its officers, agents or employees or to other persons or to any property caused by fire, explosion, water, gas, electriTown, leaks from the roof or other portion of the building, the bursting or leaking of pipes, plumbing, electrical wiring and equipment or fixtures of any kind, or by any act or neglect of other tenants or occupants f the Premises, or due to any other cause whatsoever, unless resulting from the willfull acts of the Landlord, its employees, agents or representatives. Tenant shall give immediate notice to Landlord in case of fire or accident in the Premises or of any defects, damage or injury therein or in any fixtures or equipment.

11.2 Removal of Tenant's Property Upon Surrender or Termination of Lease. Upon the expiration or other termination of this Lease, or any renewals or extensions thereof, Tenant shall quit and surrender the Premises to Landlord in good order and condition, ordinary wear and tear, acts of God, fire, and other casualty (not resulting from Tenant's acts or omissions) excepted. Tenant shall on the day of termination of this Lease, or prior to such date, remove all property of Tenant, and Tenant shall within two weeks after termination repair all damage to the demised premises caused by such removal and make reasonable restoration of the Premises to the condition in which they were in prior to the installation of the property so removed.

ARTICLE 12: UTILITY SERVICES

12.1 Landlord has installed or will install all necessary connections for gas, electriTown, water, sewer, and telephone and communication services to the portions of the building which are being leased to Tenant under this lease, and Landlord shall be responsible for all installation and maintenance of the equipment to the point of supply for Tenant's use. A separate propane tank has been supplied for Tenant's exclusive use. Water and electrical services are metered separately. Sewage services provided by the Town are calculated upon the water consumption as metered by the Town.

12.2 Utility Services to Common Area Landlord shall pay all expenses of utility services supplied to the Common Areas of the building and to the outside parking areas, except for any lighting at the loading dock area.

12.3 Utilities Consumed by Tenant. Tenant shall pay for heat, light, water, sewer, telephone and communication, and other utility services supplied to the Premises that Tenant consumes and is separately metered and will pay any required deposits. All meters curbing the use of electric and water pertaining to the operation of the Premises being leased to Tenant shall be transferred into the name of Tenant, which shall assume and pay all meter charges. Water, sewer, and electrical services are provided to the building by the Town of Bedford, and Tenant shall contract with the Town of Bedford for all such services.

12.4 Limitation of Landlord's Liability. Landlord shall be under no responsibility or liability for failure, defect or interruption in such services caused by force majeure, breakage, accident, strikes, repairs, or for any other cause or causes beyond the control of Landlord, nor in any event for any indirect or consequential damages; and failure or omission on the part of Landlord to furnish such service shall not be construed as an eviction of Tenant, nor work in abatement of rent, nor rent or Landlord liable in damages, nor release Tenant from proper fulfillment of any of the covenants under this lease.

12.5 Garbage Disposal Tenant shall be responsible for disposing of any garbage, debris, or refuse. Landlord shall provide a designated area outside of the building for such disposal, and it shall be the responsibility of the Tenant to provide appropriate receptacles or storage of garbage and trash and to contract for dumpster service.

ARTICLE 13: INSURANCE

13.1 Liability Insurance by Tenant . Tenant shall, at its sole cost and expense, procure and maintain throughout the Term a commercial general liability policy insuring against claims, demands or actions for bodily injury, death, personal injury, and loss or damage to property arising out of or in connection with: (i) the Premises and Tenant's Property; (ii) the condition of the Premises; (iii) Tenant's operations in, maintenance and use of the Premises, Building and Common Area, and (iv) Tenant's liability assumed under this Lease. Such insurance shall afford protection to the limit of not less than \$2,000,000 with respect to bodily injury or death to any one individual, to the limit of not less than \$3,000,000 with respect to bodily injury or death to any number of individuals in any one accident and to the limit of \$1,000,000 with respect to damage to the property of any one owner from one occurrence and shall be primary over any insurance carried by Landlord. Endorsements shall be obtained for cross-liability and contractual liability.

13.2 Insurance for Tenant's Property . Tenant shall, at its sole cost and expense, procure and maintain throughout the Term a property insurance policy (written on an "All Risk" basis) insuring all of Tenant's Property for not less than the full replacement cost of said property. All proceeds of such insurance shall be used to repair or replace Tenant's Property. If this Lease is terminated as the result of a casualty in accordance with Article 16 herein, the proceeds of said

insurance attributable to the repair and/or replacement of any leasehold improvements, tenant improvements or Alterations performed by or on behalf of Tenant or by Landlord pursuant to the terms of the Work Agreement or this Lease shall be the property of the Landlord and paid to Landlord upon demand together with interest thereon at the Interest Rate until paid.

13.3 Additional Insurance. Tenant shall, at all times during the term hereof, maintain in effect workers' compensation insurance and any other insurance as required by applicable Legal Requirements.

13.4 Requirements of Insurance Coverage. All such insurance required to be carried by Tenant herein shall be with an insurance company licensed to do business in the Commonwealth of Virginia and rated not lower than A-XII in the A.M. Best Rating Guide. Such insurance (i) shall contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured has released its right of action against any party before the occurrence of a loss; (ii) shall name Landlord and, at Landlord's request, any Mortgagee or ground lessor, as additional insured(s); (iii) shall provide that the policy shall not be cancelled, failed to be renewed or materially amended without at least thirty (30) days' prior written notice to Landlord and, at Landlord's request, any Mortgagee, and (iv) shall be issued as primary policies and not contributing with and not in excess of coverage which the Landlord may carry. On or before the Commencement Date and, thereafter, not less than thirty (30) days before the expiration date of the insurance policy, an original of the policy (including any renewal or replacement policy) or a certified copy thereof, together with evidence satisfactory to Landlord of the payment of all premiums for such policy, shall be delivered to Landlord and, at Landlord's request, to any Mortgagee. Tenant's insurance policies shall not include deductibles in excess of Five Thousand and 00/100 Dollars (\$5,000.00).

13.5 Waiver of Subrogation. Each party hereby releases the other party hereto from liability for any loss or damage to any building, structure or tangible personal property, or any resulting loss of income, or losses under worker's compensation laws and benefits, notwithstanding that such loss, damage or liability may arise out of the negligent or intentionally tortious act or omission of the other party or its Agents, if such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Lease. Each party hereto shall require its insurer(s) to include in its insurance policies a waiver of subrogation clause (providing that such waiver of right of recovery against the other party shall not impair the effectiveness of such policy or the insured's ability to recover thereunder), and shall promptly notify the other in writing if such clause cannot be included in any such policy; if such waiver of subrogation clause shall not be available, then the foregoing waiver of right of recovery shall be void.

13.6 Security. In the event that Landlord engages the services of a professional security system company or service for the Building, it is understood that such engagement shall in no way increase Landlord's liability for occurrences and/or consequences which such a system is designed to detect or avert and that Tenant shall look solely to its insurer as set out above for claims for damages or injury to any person or property.

13.7 Landlord's Insurance . Landlord shall procure and maintain throughout the Term fire and extended coverage insurance on the Building in such coverage and amounts as reasonably determined by Landlord in its prudent management of the Building and as necessary to satisfy the requirements of Landlord's Mortgagee, if any. At Landlord's option, such insurance may be carried under any blanket or umbrella policies, which Landlord has in force for other buildings and projects. In addition, at Landlord's option, Landlord may elect to self-insure all or any part of such required insurance coverage. Landlord may, but shall not be obligated to, carry any other form or forms of insurance as Landlord or the mortgagees or ground lessors of Landlord may reasonably determined is advisable. The proceeds payable under all fire and other hazard insurance policies maintained by Landlord on the Building shall belong to and be the property of Landlord, and Tenant shall not have any interest in such proceeds.

13.8 Coverage. Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's Property or Tenant's obligations or assumption of contractual liability under this Lease, and the limits of any insurance carried by Tenant shall not limit its duties and obligations under this Lease.

ARTICLE 14: LIABILITY OF LANDLORD

14.1 No Liability . Except where due to Landlord or its Agents' gross negligence or willful misconduct, Landlord and its Agents shall not be liable to Tenant or its Agents for, and Tenant, for itself and its Agents, does hereby release Landlord and its Agents from liability for, any liability, damage, compensation or claim arising from (i) the necessity of repairing any portion of the Premises or the Building or the Common Area or any structural defects thereto, (ii) any interruption in the use of the Premises or the Common Area for any reason including any interruption or suspension of utility service, (iii) fire or other casualty or personal or property injury, damage or loss resulting from the use or operation (by Landlord, Tenant, or any other person whomsoever) of the Premises or the Building or the Common Area, (iv) the termination of this Lease, (v) robbery, assault, theft or other crime, or (vi) any leakage in the Premises or the Building from water, rain, snow or casualty, or any other cause whatsoever. No such occurrence shall give rise to diminution or abatement of Rent or constructive eviction. Notwithstanding the foregoing, any goods, automobiles, property or personal effects stored or placed by Tenant or its Agents in or about the Premises, the Building or the Common Area shall be at the sole risk of Tenant; Tenant hereby expressly waives its right to recover against Landlord and its Agents therefore. Tenant hereby waives any claim it might have against Landlord or its Agents for any consequential damages or business losses sustained by Tenant arising out of the loss or damage to any person or property of Tenant, or any interruption in the use of the Premises or the Common Area, for any reason. Tenant acknowledges its obligation to insure against such losses and damages. Tenant shall not have the right to offset or deduct any amount allegedly owed to Tenant pursuant to any claim against Landlord from any Rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord.

14.2 Indemnity. Tenant shall indemnify, defend, protect and hold Landlord and its Agents harmless from and against any and all damage, claim, liability, cost or expense (including, without limitation, attorneys' or other professionals' fees) of every kind and nature (including,

without limitation, those arising from any injury or damage to any person, property or business) incurred by or claimed against Landlord or its Agents, directly or indirectly, as a result of, arising from or in connection with (i) Tenant's or its Agents' use, occupancy, repair or maintenance of the Premises, the Building or the Common Area; (ii) Tenant's breach of any provision of this Lease; or (iii) any act, omission or negligence of Tenant or its Agents.

14.3 Limitation on Recourse. Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual, directors, officers, advisors or agents of Landlord, and Tenant shall not seek recourse against the individual, directors, officers or advisors or agents of Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and notwithstanding anything contained in this Lease to the contrary, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for its obligations under this Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Landlord), shall be limited solely to, and Tenant's and its successors' and assigns' sole and exclusive remedy shall be against Landlord's interest in the Building and Land and proceeds therefrom, and no other assets of Landlord. In the event that the original Landlord hereunder, or any successor owner of the Building, shall sell or convey the Building, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease occurring thereafter shall terminate as of the day of such sale, and thereupon all such liabilities and obligations shall be binding on the new owner.

ARTICLE 15: RULES AND REGULATIONS

15.1 General . Tenant and its Agents shall at all times abide by and observe the Rules and Regulations and any amendments thereto that may be promulgated from time to time by Landlord for the operation and maintenance of the Building and the Common Area and the Rules and Regulations shall be deemed to be covenants of the Lease to be performed and/or observed by Tenant. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms or provisions contained in any other lease, against any other tenant of the Building. Landlord shall not be liable to Tenant for any violation by any party of the Rules and Regulations or the terms of any other Building lease. If there is any inconsistency between this Lease and the Rules and Regulations, this Lease shall govern. Landlord reserves the right to amend and modify the Rules and Regulations as it deems necessary.

ARTICLE 16: DAMAGE AND CONDEMNATION

16.1 Damage to the Premises. If the Premises shall be damaged by fire or other cause without the fault or negligence of Tenant or its Agents, Landlord shall diligently and as soon as practicable after such damage occurs (taking into account the time necessary to effect a satisfactory settlement with any insurance company involved and any delays beyond the direct control of Landlord) repair such damage to the Premises (excluding the Tenant's Property) at the expense of Landlord; provided, however, that Landlord's obligation to repair such damage shall

not exceed the proceeds of insurance available to Landlord (reduced by any proceeds retained pursuant to the rights of Mortgagee). Notwithstanding the foregoing, (i) if the Premises or the Building is damaged by fire or other cause to such an extent that, in Landlord's sole judgment, the damage cannot be substantially repaired within two hundred (200) days after the date of such damage then Landlord within sixty (60) days from the date of such damage may terminate this Lease by written notice to Tenant, or (ii) if the Premises are damaged during the last Lease Year, then Landlord or Tenant within thirty (30) days from the date of such damage may terminate this Lease by written notice to the other. If either Landlord or Tenant terminates this Lease, the Rent shall be apportioned and paid to the date of such termination. If neither Landlord nor Tenant so elects to terminate this Lease but the damage required to be repaired by Landlord is not repaired within two hundred (200) days from the date of such damage (such two hundred (200) day period to be extended by the period of any delay outside the direct control of Landlord plus a reasonable period for a satisfactory settlement with any insurance company involved), Tenant, within thirty (30) days from the expiration of such two hundred (200) day period (as the same may be extended), may terminate this Lease by written notice to Landlord. During the period that Tenant is deprived of the use of the damaged portion of the Premises, and provided such damage is not the consequence of the fault or negligence of Tenant or its Agents, Rent shall be reduced by the ratio that the rentable square footage of the Premises damaged bears to the total rentable square footage of the Premises before such damage. Notwithstanding anything herein to the contrary, Landlord shall not be required to rebuild, replace or repair any of the Tenant's Property. In the event that neither party terminates this Lease as aforesaid, Tenant shall be required to repair or replace the Tenant's Property.

16.2 Condemnation. In the event the Demised Premises shall be acquired or condemned by any public or quasi-public authority under the power of condemnation, eminent domain or appropriations, the term of this Lease shall cease and terminate as of the date possession shall be taken by such authority and Tenant shall pay rent and other payments required hereby up to that date and an appropriate refund shall be made by Landlord of such amounts as shall have been paid in advance for a period subsequent to the date of the taking. If only a part of the Demised Premises shall be taken or acquired by such public authority, then at Tenant's option this Lease may be terminated in its entirety, or upon notice to Landlord, Tenant may remain in possession and the rent shall be abated in that proportion that the area so taken shall bear to the area of the Demised Premises as a whole immediately prior to such taking, and Landlord shall promptly proceed to restore the remaining part not taken to a complete architectural unit.

ARTICLE 17: DEFAULT

17.1 Events of Default. Tenant shall be deemed to be in default hereunder if:

(a) The Tenant shall fail to pay any installment of rent due hereunder or any other costs and expenses for which the Tenant shall be responsible hereunder, within seven (7) days after notice from the Landlord specifying the item or items alleged to be due and unpaid, unless the Tenant shall in good faith dispute its liability therefore or the propriety of the amount claimed (other than the rent);

(b) Tenant shall fail or neglect to keep and perform each and every one of the other covenants, conditions and agreements herein contained and on the part of the Tenant to be kept and performed, within thirty (30) days after written notice from the Landlord specifying the items alleged to be in default, unless (1) the curing of such default will take more than thirty (30) days, in which event the Tenant shall be deemed to be in default only if it does not commence the curing of such default within the said thirty (30) day period and carry it, in good faith, to prompt completion; or (2) the Tenant shall, in good faith, dispute the existence of any default or the extent of its liability therefore, in which event the Tenant shall be deemed to be in default only if it fails, within thirty (30) days after the agreement or final adjudication, to commence the curing of such default as is adjudged to exist or which the Landlord and Tenant shall agree exists, and to carry it, in good faith, to prompt completion.

(c) If the Tenant shall make an assignment of its assets for the benefit of creditors, or if the Tenant shall file a voluntary petition in bankruptcy, or if an involuntary petition in bankruptcy or for the receivership be instituted against the Tenant and the same be not dismissed within thirty (30) days of the filing therefore, or if the Tenant be adjudged bankrupt, then and in any of said events this lease shall immediately cease and terminate at the option of the Landlord with the same force and effect as though the date of said event was the day herein fixed for expiration of the term of this Lease.

(d) In the event the Tenant abandons the property, the Landlord may, at its option, accelerate the entire unpaid balance of the un-expired portion of the lease and take such action to collect same, as the Landlord deems appropriate. The Landlord may re-enter the Premises and such re-entry shall not be deemed a surrender and termination of the lease. It shall be deemed to be a retaking for the purpose of re-letting The Premises and the Landlord may make such alterations, improvements, repairs, etc., as it deems necessary to prepare the Premises for re-letting. Neither the Landlord's re-entry nor failure to re-enter shall be deemed a waiver of any claim it may have against the Tenant for the remaining portion of the lease. The tenant remains liable to the Landlord for the entire unpaid balance plus all damages that the Landlord may have suffered by reason of Tenant's abandonment, less credit given for any rental received by the Landlord from a successor tenant. If the successor tenant pays a rent that exceeds the rent obligation of the Tenant hereunder, the Landlord shall be under no obligation to the Tenant to account for or pay over such excess.

17.2 Landlord's Remedies. If a default shall exist, material or otherwise, because of any reason set out in this lease, Tenant's right to possession shall thereupon cease and Landlord shall be entitled to the possession of said Premises and to re-enter the same without demand for rent or for possession. Landlord may proceed forthwith to recover possession of said premises by process of law, any notice to quit or of intention to exercise such option or to re-enter said premises being hereby EXPRESSLY WAIVED BY TENANT. Further, Landlord at its sole option may accelerate the unpaid rent for the un-expired portion of the lease, giving credit for any proceeds from the re-letting in whole or in part of the Premises and improvements by Landlord to others. Tenant will be liable to Landlord for all court costs and reasonable attorney's fees in the event Tenant shall become in default and Landlord incurs court costs and attorney's fees in obtaining possession of the Premises or in the enforcement of any covenant, condition or agreement herein contained, whether through legal proceedings or otherwise, and whether or not any such legal proceedings be prosecuted to a final judgment. To establish

reasonable attorney's fees, the Landlord may present a signed affidavit from his counsel as to the fees claimed and the services rendered, and anticipated to be rendered, to collect the unpaid claim of Landlord. Tenant hereby expressly waives all objections to this method of proof. The parties agree that future attorney's fees may be claimed hereunder.

17.3 Rights Upon Possession. If Landlord takes possession pursuant to this Article, with or without terminating this Lease, Landlord may, at its option, enter into the Premises, remove Tenant's Alterations, signs, personal property, equipment and other evidences of tenancy, and store them at Tenant's risk and expense or dispose of them as Landlord may see fit, and take and hold possession of the Premises; provided, however, that if Landlord elects to take possession only without terminating this Lease, such entry and possession shall not terminate this Lease or release Tenant or any Guarantor, in whole or in part, from the obligation to pay the Rent reserved hereunder for the full Term or from any other obligation under this Lease or any guaranty thereof.

17.4 No Waiver. If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any other covenant, condition or agreement herein contained, nor of any of Landlord's rights hereunder. No waiver by Landlord of any breach shall operate as a waiver of such covenant, condition or agreement, or operate as a waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment of Rent by Tenant or acceptance of Rent by Landlord shall operate as a waiver of any breach or default by Tenant under this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent herein stipulated shall be deemed to be other than a payment on account of the earliest unpaid Rent, nor shall any endorsement or statement on any check or communication accompanying a check for the payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease.

17.5 Right of Landlord to Cure Tenant's Default. If an Event of Default shall occur, then Landlord may (but shall not be obligated to) make such payment or do such act to cure the Event of Default, and charge the amount of the expense thereof, together with interest thereon at the Interest Rate, to Tenant. Such payment shall be due and payable upon demand; however, the making of such payment or the taking of such action by Landlord shall not be deemed to cure the Event of Default or to stop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. Any such payment made by Landlord on Tenant's behalf shall bear interest until paid at the Interest Rate.

17.6 Late Payment. If Tenant fails to pay any Rent within five (5) days after such Rent becomes due and payable, Tenant shall pay to Landlord a late charge of five percent (5%) of the amount of such overdue Rent. In addition, any such late Rent payment shall bear interest from the date such Rent became due and payable to the date of payment thereof by Tenant at the Interest Rate. Such late charge and interest shall be due and payable within two (2) days after written demand from Landlord.

17.7 Landlord's Lien. As security for the performance of Tenant's obligations, Tenant grants to Landlord a lien upon and a security interest in Tenant's Property both existing or hereafter acquired. Such lien shall be in addition to Landlord's rights of distraint, if any. Within twenty (20) days after request, Tenant shall execute, acknowledge and deliver to Landlord a financing statement and any other document submitted to Tenant in form reasonably acceptable to Tenant evidencing or establishing such lien and security interest. During any period that an Event of Default exists hereunder, Tenant shall not sell, transfer or remove from the Premises all or any portion of Tenant's Property except to repair, exchange, or replace such items of Tenant's Property comprised of personal property, furniture, and business trade fixtures and equipment; provided such repair, exchange, or replacement of such designated items is of equal or greater value. Landlord hereby agrees that its lien upon Tenant's Property comprised of personal property, furniture, and business trade fixtures and equipment shall be automatically subordinated to any purchase money security interest or to the line of any institutional lender of Tenant, if required by such lender. In confirmation of such subordination upon the reasonable request of Tenant, Landlord shall at Tenant's expense, execute a commercially reasonable and customary subordination instrument in form acceptable to Landlord in its sole and absolute discretion.

ARTICLE 18: BANKRUPTCY

18.1 Event of Bankruptcy. An "Event of Bankruptcy" is: the occurrence, with respect to Tenant, of any of the following: (i) Tenant's becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency laws of any state (the "Insolvency Laws"); (ii) appointment of a receiver or custodian for any property of Tenant, or the institution of a foreclosure or attachment action upon any property of Tenant; (iii) filing of a voluntary petition by Tenant under the provisions of the Bankruptcy Code or Insolvency Laws; (iv) filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or insolvency Laws, which either (A) is not dismissed within sixty (60) days after filing, or (B) results in the issuance of an order for relief against the debtor; or (v) Tenant's making or consenting to an assignment for the benefit of creditors or a composition of creditors.

18.2 Remedies. Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article 17; provided, however, that while a case (the "Case") in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of Tenant or its trustee in bankruptcy (collectively, "Trustee") to assume or assign this Lease pursuant to the Bankruptcy Code. Trustee shall not have the right to assume or assign this Lease unless Trustee promptly: (i) cures all defaults under this Lease; (ii) compensates Landlord for damages incurred as a result of such defaults; (iii) provides adequate assurance of future performance on the part of Tenant or Tenant's assignee; (iv) complies with the other requirements of this Article; and (v) complies with all other requirements of the Bankruptcy Code. If Trustee fails to assume or assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after entry of an order for relief then Trustee shall be deemed to have rejected this Lease. Adequate assurance of future performance shall require that the following minimum criteria be met: (a) Tenant's gross receipts in the ordinary course of business during the thirty (30) days preceding the Case must be greater than ten (10) times the next monthly

installment of the Base Rent and additional rent; (b) both the average and median of Tenant's monthly gross receipts in the ordinary course of business during the seven (7) months preceding the Case must be greater than ten (10) times the next monthly installment of the Base Rent and additional rent; (c) Trustee must pay its estimated pro-rata share of the cost of all services performed or provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Base Rent) in advance of the performance or provision of such services; (d) Trustee must agree that Tenant's business shall be conducted in a first-class manner, and that no liquidating sale, auction or other non-first-class business operation shall be conducted in the Premises; (e) Trustee must agree that the use of the Premises as stated in this Lease shall remain unchanged and that no prohibited use shall be permitted; (f) Trustee must agree that the assumption or assignment of this Lease shall not violate or affect the rights of other tenants in the Building and the complex or area in which the Building or Project are located; (g) Trustee must pay at the time the next monthly installment of the Base Rent is due, in addition to such installment, an amount equal to the monthly installments of the Base Rent and additional rent due for the next six (6) months thereafter, such amount to be held as a security deposit; (h) Trustee must agree to pay, at any time Landlord draws on such security deposit, the amount necessary to restore such security deposit to its original amount; and (i) all assurances of future performance specified in the Bankruptcy Code must be provided. If Trustee shall propose to assume and assign this Lease to any person who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to Trustee, then notice of such proposed assignment shall be given to Landlord by Trustee no later than twenty (20) days after receipt by Trustee of such offer, but in any event no later than ten (10) days prior to the date that Trustee shall make application to the court of competent jurisdiction for approval to assume this Lease and enter into such assignment, and Landlord shall thereupon have the option, to be exercised by notice to Trustee given at any time prior to the date of such application, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease.

ARTICLE 19: MORTGAGES

19.1 Subordination.

19.1.1 This Lease and Tenant's interest hereunder shall be, at the option of Mortgagee's collateral agent, subordinate to the lien of any Mortgage made by Landlord. If at any time or from time to time during the Term, a Mortgagee or prospective Mortgagee, or a collateral agent therefore, requests that this Lease be subject and subordinate to its Mortgage, this Lease and Tenant's interest hereunder shall be subject and subordinate to the lien of such Mortgage and to all renewals, modifications, replacements, consolidations and extensions thereof and to any and all advances made thereunder and the interest thereon. Tenant agrees that, within ten (10) days after receipt of a written request therefore from Landlord, it will, from time to time, execute and deliver any instrument or other document required by any such Mortgagee to subordinate this Lease and its interest in the Premises to the lien of such Mortgage. If, at any time or from time to time during the Term, a Mortgagee of a Mortgage made prior to the date of this Lease shall request that this Lease have priority over the lien of such Mortgage, and if Landlord consents thereto, this Lease shall have priority over the lien of such Mortgage and all renewals,

modifications, replacements, consolidations and extensions thereof and all advances made thereunder and the interest thereon, and Tenant shall, within ten (10) days after receipt of a request therefore from Landlord, execute, acknowledge and deliver any and all documents and instruments confirming the priority of this Lease. In any event, however, if this Lease shall have priority over the lien of a first Mortgage, this Lease shall not become subject or subordinate to the lien of any subordinate Mortgage, and Tenant shall not execute any subordination documents or instruments for any subordinate Mortgagee, without the written consent of the first Mortgagee.

19.1.2 This Lease and Tenant's interest hereunder shall be subject and subordinate to each and every ground or underlying lease hereafter made of the Building or the land on which it is located, or both, and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant agrees that, within ten (10) days after receipt of request therefore from Landlord, it will, from time to time, execute, acknowledge and deliver any instrument or other document required by any such lessor to subordinate this Lease and its interest in the Premises to such ground or underlying lease.

19.2 Mortgagee Protection. Tenant agrees to give any Mortgagee or Mortgagee's collateral agent, by certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that before such notice Tenant has been notified in writing of the address of such Mortgagee or Mortgagee's collateral agent. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagee or Mortgagee's collateral agent shall have an additional thirty (30) days within which to cure such default; provided, however, that if such default cannot be reasonably cured within that time, then such Mortgagee or Mortgagee's collateral agent shall have such additional time as may be necessary to cure such default so long as Mortgagee or Mortgagee's collateral agent has commenced and is diligently pursuing the remedies necessary to cure such default (including, without limitation, the commencement of foreclosure proceedings, if necessary), in which event Tenant shall not exercise any remedies for default while such remedies are being so diligently pursued. In the event of the sale of the Land or the Building, by foreclosure or deed in lieu thereof, the Mortgagee or purchaser at such sale shall be responsible for the return of the Security Deposit only to the extent that such Mortgagee or purchaser actually received the Security Deposit.

19.3 Modification Due to Financing. If, in connection with obtaining construction or permanent financing for the Premises, the Building or the Land, any lender (or Mortgagee) shall request reasonable modifications of this Lease as a condition to such financing, Tenant shall promptly execute a modification of this Lease, provided such modifications do not materially increase the financial obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created or Tenant's reasonable use and enjoyment of the Premises. Tenant and any Guarantor shall each, prior to execution and throughout the Term, upon request from time to time, provide such financial information and documentation about itself to Landlord or Mortgagee as may be requested.

19.4 Attornment. In the event of (i) a transfer of Landlord's interest in the Premises, (ii) the termination of any ground or underlying lease of the Building or the land on which it is constructed, or both, or (iii) the purchase of the Building or Landlord's interest therein in a

foreclosure sale or by deed in lieu of foreclosure under any Mortgage or pursuant to a power of sale contained in any Mortgage, then in any of such events Tenant shall, at the request of Landlord or Landlord's successor in interest, attorn to and recognize the transferee or purchaser of Landlord's interest or the lessor under the terminated ground or underlying lease, as the case may be, as Landlord under this Lease for the balance then remaining of the Term, and thereafter this Lease shall continue as a direct lease between such lessor, transferee or purchaser, as "Landlord," and Tenant, as "Tenant," except that such lessor, transferee or purchaser shall not be liable for any act or omission of Landlord prior to such lease termination or prior to its succession to title, nor be subject to any offset, defense or counterclaim accruing prior to such lease termination or prior to such succession to title, nor be bound by any payment of Base Rent or Additional Rent prior to such lease termination or prior to such succession to title for more than one month in advance. Tenant shall, upon request by Landlord or the transferee or purchaser of Landlord's interest or the lessor under the termination ground or underlying lease, as the case may be, execute and deliver an instrument or instruments confirming the foregoing provisions of this Section. Tenant hereby waives the provisions of any present or future law or regulation which gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease, or the obligations of Tenant hereunder, upon or as a result of the termination of any such ground or underlying lease or the completion of any such foreclosure and sale.

ARTICLE 20: SURRENDER AND HOLDING OVER

20.1 Surrender of the Premises. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, including, without limitation, the repair of any damage to the Premises caused by the removal of any of Tenant's Property except for reasonable wear and tear and loss by fire or other casualty not caused by Tenant or its Agents. If, for any reason, Tenant fails to surrender the Premises on the expiration or earlier termination of this Lease with such removal and repair obligations completed, then, in addition to the provisions of Section 22.2 herein and Landlord's rights and remedies under Article 19 and the other provisions of this Lease, Tenant shall indemnify, defend (by counsel reasonably approved in writing by Landlord) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) resulting from such failure to surrender, including, without limitation, any claim made by any succeeding tenant based thereon. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

20.2 Holding Over. In the event that Tenant shall not immediately surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, Tenant shall be deemed to be a month to month tenant upon all of the terms and provisions of this Lease. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a hold over hereunder or result in an extension of this Lease.

ARTICLE 21: QUIET ENJOYMENT

Landlord covenants that if Tenant shall pay Rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the Term peaceably and

quietly occupy and enjoy possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord, subject to the provisions of this Lease and any Mortgage to which this Lease is subordinate and easements, conditions and restrictions of record affecting the Land.

ARTICLE 22: TENANT'S COVENANTS REGARDING HAZARDOUS MATERIALS

22.1 Definition. As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "infectious wastes," "hazardous materials" or "toxic substances" now or subsequently regulated under as defined in any Legal Requirements including, without limitation, oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

22.2 General. Tenant shall comply with all laws and regulations relating to Hazardous Material. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal or bodily injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses arising from a breach of this prohibition by Tenant or its Agents.

22.3 Notice. In the event that Hazardous Materials are discovered upon, in, or under the Premises, the Building or the Land, and applicable Legal Requirements require the removal of such Hazardous Materials, Tenant shall be responsible for removing those Hazardous Materials arising out of or related to the use or occupancy of the Premises by Tenant or its Agents. Notwithstanding the foregoing, Tenant shall not take any remedial action in or about the Premises, the Building or the Land without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to protect Landlord's interest with respect thereto. Tenant immediately shall notify Landlord in writing of: (i) any spill, release, discharge or disposal of any Hazardous Material in, on or under the Premises, the Building, the Land or any portion thereof, (ii) any enforcement, cleanup, removal or other governmental or regulatory action instituted, contemplated, or threatened (if Tenant has notice thereof) pursuant to any Legal Requirements; (iii) any claim made or threatened by any person against Tenant, the Premises, the Building or the Land relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (iv) any reports made to any governmental agency or entity arising out of or in connection with any Hazardous Materials in, on, under or about or removed from the Premises, the Building or the Land,

including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant also shall supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Building, the Land or Tenant's use or occupancy thereof.

22.4 Survival. The respective rights and obligations of Landlord and Tenant under this Article 25 shall survive the expiration or earlier termination of this Lease.

ARTICLE 23: MISCELLANEOUS

23.1 No Representations by Landlord. Tenant acknowledges that neither Landlord or its Agents nor any broker has made any representation or promise with respect to the Premises, the Building, the Land, the Project or the Common Area, except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth. Tenant, by taking possession of the Premises shall accept the Premises and the Building "AS IS," (except as may be agreed upon in writing) and such taking of possession shall be conclusive evidence that the Premises and the Building are in good and satisfactory condition at the time of such taking of possession.

23.2 No Partnership. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between Landlord and Tenant other than that of landlord and tenant.

23.3 Estoppel Certificate. Tenant agrees, at any time and from time to time, upon not less than five (5) days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the lease is in full force and effect as modified and stating the modifications), (b) stating the dates to which the rent and other charges hereunder have been paid by Tenant, (c) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which the Tenant may have knowledge, and (d) stating the address to which notices to Tenant should be sent. Any such statement, delivered pursuant hereto, may be relied upon by any owner of the Premises, any prospective purchaser of the Premises, any mortgagee or prospective mortgagee of the Premises, or of an interest in Premises, or any prospective assignee of any such mortgagee.

23.4 Invalidity of Particular Provisions. If any provisions of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.

23.5 Gender and Number. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number or gender as the context may require.

23.6 Benefit and Burden. Subject to the provisions of Article 7 and except as otherwise expressly provided, the provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, heirs, successors and assigns. Landlord may freely and fully assign its interest hereunder.

23.7 Entire Agreement. This Lease (which includes the Exhibits attached hereto) contains and embodies the entire agreement of the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease shall be of any force or effect. This Lease (other than the Rules and Regulations, which may be changed from time to time as provided herein) may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by Landlord and Tenant.

23.8 Authority. The person executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and validly existing corporation, in good standing, qualified to do business in the Commonwealth of Virginia, that the corporation has full power and authority to enter into this Lease and that he or she is authorized to execute this Lease on behalf of the corporation.

23.9 Attorneys' Fees. If, as a result of any default of Landlord or Tenant in its performance of any of the provisions of this Lease, the other party uses the services of an attorney in order to secure compliance with such provisions or recover damages therefore, or to terminate this Lease or evict Tenant, the non-prevailing party shall reimburse the prevailing party upon demand for any and all attorneys' fees and expenses so incurred by the prevailing party.

23.10 Governing Law. This Lease is governed by the laws of the Commonwealth of Virginia. It is the intention of the parties hereto that this Lease shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

23.11 Time of the Essence. Time is of the essence as to Tenant's obligations contained in this Lease.

23.12 Force Majeure. Except for Tenant's obligations to pay Rent under this Lease, neither Landlord nor Tenant shall be required to perform any of its obligations under this Lease, nor shall such party be liable for loss or damage for failure to do so, nor shall the other party thereby be released from any of its obligations under this Lease, where such failure by the non-performing party arises from or through acts of God, strikes, lockouts, labor difficulties, explosions, sabotage, accidents, riots, civil commotions, acts of war, results of any warfare or warlike conditions in this or any foreign country, fire or casualty, legal requirements, energy shortage or other causes beyond the reasonable control of the non-performing party, unless such loss or damage results from the willful misconduct or gross negligence of the non-performing party.

23.13 Headings. Captions and headings are for convenience of reference only.

23.14 Memorandum of Lease. Tenant shall, at the request of Landlord, execute and deliver a memorandum of lease in recordable form. Tenant shall not record such a memorandum or this Lease without Landlord's consent.

23.15 Effectiveness. The submission to Tenant of an unsigned copy of this document, including drafts and correspondence submitted to Tenant by any person on Landlord's behalf, shall not constitute an offer or option to lease. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant

23.16 Exhibits and Riders . All Exhibits and Riders attached to this Lease are hereby incorporated in this Lease as though set forth at length herein.

23.17 Transportation Management . Tenant shall fully comply with all present or future programs implemented or required by any Legal Requirements or by Landlord to manage parking, transportation, air pollution or emissions, or traffic in and around the Building or the area in which the Building is located.

IN WITNESS WHEREOF, Landlord and Tenant have set their signatures and seals as of the date first above written.

LANDLORD:

Bedford County Economic Development Authority,

By: _____

Name: James Messier

Title: Chairman



Pamela MCBRAYER BAILEY
9/8/20

TENANT:

East Coast Fabricators, Inc.,

By: _____

Its President



BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Agenda Item Summary

AGENDA ITEM # 10A

MEETING DATE: September 7, 2023

MEETING TYPE: Regular Meeting

ITEM TITLE: Approval of Revised EDA By-laws to accommodate remote participation for in-person meeting

RECOMMENDATION

Staff recommends approval to modify the EDA by-laws to add Section Bi 1-5 to Article VII.

SUMMARY

Following the covid pandemic the Governor of Virginia updated the Code of Virginia Section 2.2-3708.2 to allow for meetings to be held via electronic means. A formal policy has not been implemented for the Bedford County Economic Development Authority. On the rare occasion a member needs to attend via remote participation during an in-person meeting, the by-laws must be updated to allow for those circumstances.

Beginning on page 5 Article VII. Section Bi 1 – 5 has been added to accommodate for remote participation for in-person meetings.

FISCAL IMPACT

None.

PRIOR ACTIONS

The EDA previously reviewed the edited by-laws at its August 3, 2023, meeting.

ATTACHMENTS

Edited by-laws as discussed at the August EDA meeting.



At a regular meeting of the Economic Development of the County of Bedford, Virginia held at the Bedford County Administration Building on September 7, 2023 , beginning at 5:30 pm:

MEMBERS:

VOTE:

Jimmy Robertson, Chair
Wyatt Walton, Vice Chair
Matthew Braud
Vicki Gardner
Jim Messier
Kristy Milton
David Wells

On motion of Authority member _____, seconded by Authority member _____, which carried by a vote of _____, the following was adopted:

A RESOLUTION

APPROVAL OF REVISED EDA BY-LAWS TO ACCOMMODATE REMOTE PARTICIPATION FOR IN-PERSON MEETING

WHEREAS, Occasionally the need may arise for Economic Development Authority members to participate in meetings from a remote location by telephone or other audio or video means; and

WHEREAS, a quorum of the Board must be physically assembled at the primary or central meeting location; and

WHEREAS, remote participation must comply with the provisions set forth in VA Code Sec. 2.2-3708.2.

NOW, THEREFORE, BE IT RESOLVED, by the Bedford County Economic Development Authority, that, effective September 7, 2023, does hereby approve the proposed By-law changes to add item Bi 1 – 5 for Remote Participation for In-Person Meeting.

**BY-LAWS
FOR
ECONOMIC DEVELOPMENT AUTHORITY
OF THE
COUNTY OF BEDFORD, VIRGINIA**

ARTICLE I.

NAME AND OFFICES

A. The name of the Authority shall be the ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VIRGINIA.

B. The principal offices of the Authority shall be located within the offices of the County of Bedford, a political subdivision of the Commonwealth of Virginia.

C. Except as otherwise required by resolution of the Authority, or as the business of the Authority may require, all of the books and records of the Authority shall be kept at the office to be designated by the Directors of said Authority. The minutes of the Authority shall be open and available for public inspection at all times during normal business hours, and copies of the said minutes may be ordered by any citizen upon submission of a written request and upon paying in advance the cost of duplicating such copies.

ARTICLE II.

PURPOSES AND POWERS

The Economic Development Authority of the County of Bedford, Virginia, shall fulfill all the purposes and intents of the General Assembly of Virginia, as expressed in Chapter 49, (Title 15.2, Chapter 49, Sections 15.2-4900 through 15.2-4920, inclusive, of the Code of Virginia), and by any other enactment that may hereafter be adopted by the General Assembly. Said Authority shall also fulfill all purposes and intents of the Board of Supervisors of the County of Bedford, Virginia, as may hereafter be provided and the general purpose of the Authority shall be to promote industry and develop trade in the area within its jurisdiction for the general good of the people of said area and of the Commonwealth of Virginia. The Authority shall have any and all powers that have been granted to it by the Acts of Assembly of Virginia, aforesaid, and the powers that may hereafter be granted to it by any enactment of the General Assembly and, also, those

powers that may be granted to it by any delegation of authority hereafter granted by the Board of Supervisors of the County of Bedford, Virginia.

ARTICLE III.

BOARD OF DIRECTORS

A. The Authority shall be governed by a Board of Directors composed of seven (7) directors, appointed by the Board of Supervisors of Bedford County, Virginia. Each member of the Board of Directors shall be domiciled in and resident of the County of Bedford, Virginia. All powers of the Authority shall be vested in the Board of Directors.

B. The seven initial directors shall serve for terms of one, two, three, and four years; two for one-year terms; two for two-year terms; two for three-year terms; and, one for a four-year term, all as appointed by the Board of Supervisors of Bedford County; subsequently terms shall be for four years, except where there have been appointments to fill vacancies, in which case the terms shall be for the unexpired terms. All terms of office shall be deemed to commence upon the date of the initial appointment to the Authority. If at the end of the term of any director, a successor thereto has not been appointed, then the director whose term of office has expired, shall continue to hold office until his successor is appointed and qualified.

C. Directors shall receive compensation per meeting and shall be reimbursed for necessary traveling and other expenses incurred in the performance of their duties.

D. No Director shall be an officer or employee of the County of Bedford, Virginia. A member of the Board of Supervisors and an administrative official of the County government may be appointed as liaisons to the Authority. These persons shall not be directors of the Authority, but shall serve in an advisory capacity to the Authority.

E. The Board of Directors shall have the right to prepare, or delegate the preparation of, confidential reports for submission to any person, governmental body or agency consistent with the purposes and powers stated in said ARTICLE II; but no action binding the Authority may be taken respecting such reports except by action of the Board of Directors.

ARTICLE IV.

OATH OF DIRECTORS

Each director shall, before entering on his duties, take and subscribe the oath prescribed by Section 49-1 of the Code of Virginia, 1950, which shall be administered in accordance with law.

ARTICLE V.

OFFICERS

A. The Board of Directors shall elect from its membership a Chairman, a Vice-Chairman, and from its membership or not, a Secretary and a Treasurer, or a Secretary-Treasurer.

B. The terms of office for the officers shall be for terms of one year, each, commencing at the organizational meeting of the Authority and shall continue until their successors are elected.

C. The duties of the Chairman shall be to preside at meetings of the Board of Directors and at meetings of the Executive Committee; in cooperation with the Secretary to prepare the agenda for any and all meetings, and to make a copy of said agenda available to the Secretary for the purpose of providing adequate notice of special meetings as hereinafter provided; to call special meetings; to call special elections; to be ex-officio a member of all committees; to sign, with the Secretary or Treasurer, or any other proper officer of the Authority thereunto authorized by the Board of Directors, any documents or instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by the By-Laws to some other officer of the Board of Directors, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the Chairman and such other duties as may be prescribed by the Board of Directors from time to time. The Chairman shall have an equal vote with the other directors, and shall not have a second, tie-breaking vote on any question.

D. The duties of the Vice-Chairman shall be to preside at meetings on the request of the Chairman, or in the absence of the Chairman; and in case of the death or resignation of the Chairman shall become Chairman for the remainder of the term for which the Chairman was elected. In the absence of the Chairman, the Vice-Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall perform such other duties as may be assigned by the Board of Directors from time to time.

E. The Secretary or the Secretary-Treasurer in his capacity as Secretary shall be responsible for the preparation of the minutes of meetings of the Board of Directors and Executive Committee, kept in a record book and made available for public inspection at all times; to have custody of all important records of the Authority; to have custody of the seal of the Authority and to see that the seal of the Authority is affixed to all necessary documents or instruments, the execution of which on behalf of the Authority under its seal is duly authorized by the Board of Directors; to sign with the Chairman or Vice-Chairman any documents or instruments which the Board of Directors has authorized to be executed; to see that all notices are duly given as required by law, these By-Laws, or by the Board of Directors; to call meetings of the Board of Directors to order in the absence of the Chairman and Vice-Chairman and thereupon to conduct an election for a temporary presiding officer for that meeting; and in general to perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board or Directors. In the absence of the Secretary, the Chairman shall appoint a director to be responsible for the preparation of detailed minutes of the meeting.

F. The Treasurer or the Secretary-Treasurer in his capacity as Treasurer shall be responsible for the keeping of suitable records of all financial transactions of the Authority; to have such records audited annually; to furnish a copy of such audit to the Board of Supervisors of Bedford County; to make available for public inspection at all times each such annual audit; to have charge and custody of all funds and be responsible for their investment and deposit in the name of the Authority when authorized by the Board of Directors; and in general to perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer or the Secretary-Treasurer shall give bond in such a sum as may from time to time be fixed by resolution of the Board of Directors, payable to the Authority and the Board of Supervisors of Bedford County, Virginia, as their' interests may appear, with corporate surety authorized to act as such in the State of Virginia, premium on which bond is to be paid as an expense of the Authority.

ARTICLE VI.

ELECTION OF OFFICERS

A. The regular election of officers shall be held at the annual organizational meeting of the Authority..

B. Special elections may be held at any regular or special meeting in order to fill vacancies or to fill newly created offices, but only after specific notice, as hereinafter provided for, has been given.

ARTICLE VII.

MEETINGS OF DIRECTORS

A. Annual Meeting. The annual organizational meeting of the Board of Directors for the election of officers and for the transaction of such other business as may properly come before such meeting, shall be in February of each year, at such place and at such time as shall be stated in the notice of the meeting or in the waiver of notice thereof. The schedule of regular meetings of the Board shall be determined by resolution at the annual organizational meeting. The Authority shall give notice of the date, time and location of its meetings by placing a notice in a public place at which notices are regularly posted. It shall be sufficient notice of regular meetings to post an annual regular meeting schedule. If for any reason an annual meeting is not held or if the election of officers shall not be held at any annual meeting or any adjournment thereof, the Chairman or Vice-Chairman shall cause the election to be held at a special meeting of the Board of Directors as soon thereafter as conveniently may be, and any business transacted or elections held at such meeting shall be as valid as if transacted at the annual meeting.

B. Other Regular Meetings. Other regular or regularly scheduled meetings of the Board of Directors, if any, may be held at such time and place as shall from time to time be fixed or determined by resolution of the Board of Directors.

(i) Remote Participation for In-Person Meeting.

Members may attend and participate in meetings from a remote location by telephone or other audio or video means, provided such attendance complies with the provisions of VA Code Sec. 2.2-3708.2, as amended from time to time, and subject to the following requirements:

(1) On or before the day of a meeting, (A) the requesting member shall notify the Chairman that the member is unable to attend the meeting due to (i) a temporary or permanent disability or other medical condition that prevents the member's physical attendance; (ii) a family member's medical condition that requires the member to provide care for such family member; or (iii) that the member is unable to attend the meeting due to an emergency or a personal matter and the member identifies with specificity the nature of the emergency or personal matter, thereby preventing the member's physical attendance.

(2) The Board shall record in its minutes (A) the disability or other medical condition, or the specific nature of the emergency or personal matter that prevents the member's attendance; and (B) the remote location from which the absent member participated. If the absent member's remote participation is disapproved because such participation would violate this policy, such disapproval shall be recorded in the Board's minutes.

(3) Such participation by the absent member shall be limited in each calendar year to two meetings or 25 percent of the meetings of the Board, whichever is fewer.

(4) A quorum of the Board must be physically assembled at the primary or central meeting location.

(5) The Board shall make arrangements for the voice of the absent member to be heard by all persons in attendance at the primary or central meeting location, and the absent member must be present for all of the meeting until adjourned.

C. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman, the Vice-Chairman or any two directors. Written notice of a Special Meeting to the Directors is not required if the time of the Special Meeting has been fixed at a Regular Meeting or if all Members and liaisons are present at the Special Meeting or file a written waiver of notice. Otherwise, three working days written notice of a Special Meeting shall be given to the Board of Directors stating the time and place and the purpose of the meeting.

D. Waiver of Notice. Whenever any notice is required to be given to any director of any meeting under these By-Laws, a waiver thereof in writing signed by all of the directors, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

E. Quorum. Four members of the Board of Directors shall constitute a quorum of the Board for the purpose of conducting its business and exercising its powers and for all other purposes, except that no facilities owned by the Authority shall be leased or disposed of in any manner without a majority vote of the members of the Board of Directors. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all of the powers and perform all of the duties of the Board.

F. Meetings to be Open to Public. Formal action shall be taken by the Board of Directors only at open sessions and such meetings shall be open to the public.

G. Voting. The vote on the adoption of every resolution, any proposals creating a liability, or for the appropriation or expenditure of funds shall be by yeas or nays, the names of members voting for and of those voting against such action shall be entered upon the minutes.

H. Procedure. Unless otherwise provided, procedure at meetings shall follow Robert's Rules of Order for small Boards.

I. Signing of Minutes. When approved, all minutes of meetings of the Board of Directors shall be signed by the Secretary and the presiding officer of the particular meeting.

J. Closed Sessions. The EDA will adhere to the Code of Virginia 2.2-3711 when a closed session is called. Under consultation from the Director of Economic Development and in relation to topics being discussed during a closed session, the Chairman has the responsibility to determine the relevance of who should be in the closed session. The Chairman has the option to invite any staff or other meeting attendees to attend the closed session. Additionally, the Chairman will determine if there may be a conflict of interest among any EDA members and act accordingly. For example, if an employer of one of the members or member's family is being discussed, then the Chairman has the authority to excuse particular officials, including him or herself, from the closed session.

ARTICLE VIII.

COMMITTEES

A. The Executive Committee shall be composed of the Chairman, Vice-Chairman and immediate past Chairman of the Authority. If the immediate past Chairman is not a member of the Authority, the previous Chairman shall serve as a member of the Executive Committee. Should there be a vacancy on the Committee, the Authority may vote one of its members other than the three referenced members to the Committee. The Secretary shall be a nonvoting member of the Executive Committee and will not be counted towards the quorum of the committee. The Executive Committee shall meet at such times and such places as the Chairman may designate. The Secretary shall keep minutes of the meeting of the Executive Committee which shall be preserved along with the minutes of the Board of Directors and read to the Board of Directors at its next meeting.

Two (2) members of the Executive Committee shall constitute a quorum to transact business. In the absence of any member of the Executive Committee, the Chairman may but need not appoint one other director to act on the Executive Committee as a member *pro tempore*, and such member shall be counted as a member of such committee for the purpose of constituting a quorum, and such appointment shall be recorded in the record book of the Authority.

Any action taken by the Executive Committee shall be tentative and advisory only and shall be subject to approval by the Board of Directors.

B. The Chairman may, with the advice and consent of the Board of Directors, appoint such special committees as may be deemed appropriate to carry out the intents and purposes of the Authority.

ARTICLE IX.

STAFF

A. The Board of Directors may employ and compensate such employees and agents, including attorneys and real estate brokers, whether engagement of the Authority or otherwise, as it deems necessary in carrying on the business of the Authority.

B. The employees and agents of the Authority may prepare and submit confidential reports and recommendations to the Board of Directors, but no action binding on the Authority shall be taken respecting such reports except as provided in ARTICLE III.

ARTICLE X.

OFFICIAL SEAL

The official seal of the Authority shall consist of a disc having engraved or impressed upon it the following words and figures: ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VIRGINIA - 1971.

ARTICLE XI.

FISCAL YEAR

The fiscal year of the Authority shall be from July 1 to June 30.

ARTICLE XII.

AMENDMENTS

Except as otherwise provided by law, these By-Laws may be amended, provided that notice of the proposed amendment, addition, alteration or repeal is given to the Board at least thirty (30) days in advance of the call of such meeting.



BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Agenda Item Summary

AGENDA ITEM # 10B

MEETING DATE: September 7, 2023

MEETING TYPE: Regular Meeting

ITEM TITLE: Close Valtim Performance Agreements

SUMMARY

In September 2019 the EDA provided Valtim with a \$15,000 cash incentive for a new W+D piece of equipment (valued at \$750K) and adding 8 new jobs (in addition to the existing 96 for a total of 104).

In August of 2020, the EDA provided Valtim another \$15,000 cash incentive for \$620K investment in new equipment and were to hire 2 new full-time employees for a total of 106 employees.

In 2022, the EDA granted a one-year extension on the original agreement from 2019 to give them more time to hire the needed employees and meet the expectations of the 2019 performance agreement.

Both performance agreements have come to term. Currently the company is at 62 employees for a total loss of 34 employees from their original 96.

From the company: While the two new pieces of equipment are keeping our mail services department busy, other departments within our company have reduced workforce. We are currently at 62 employees total, as we had to close our contact center, losing 10 positions. Also, work in our hand insertion department is down and has been reduced by 11 positions over the last couple of years.

Although the pandemic did not have a negative impact to our business initially, we have experienced some lagging impacts coupled with the minimum wage increases which have resulted in us having to tighten margins to win jobs. Cost of materials have increased, cost of labor has increased, and supply chain issues have become much more regular. This in turn has forced us to run our business much leaner than we'd like. Although we haven't met the total headcount numbers, the two pieces of equipment that we purchased support our mail services operation which is the lifeblood of our company.

ATTACHMENTS

Performance Agreements

PERFORMANCE AGREEMENT

This Performance Agreement made and entered this 12 day of September, 2019, by and between the ECONOMIC DEVELOPMENT AUTHORITY OF BEDFORD COUNTY, VIRGINIA, hereinafter called "EDA" and VALTIM, INC. a Virginia corporation, hereinafter called "VALTIM".

WITNESSETH:

WHEREAS, the EDA has been created to promote the economic development of Bedford County, Virginia (the "County") pursuant to enabling legislation under Section 15.2-4900 *et seq.*, VA Code Ann.; and

WHEREAS, the EDA has authority to make grants of money or property for the purposes of economic development pursuant to Section 15.2-4905, VA Code Ann.; and

WHEREAS, Valtim is adding additional equipment to its operations which will increase the County's tax rolls, and commits to increase employment by 8 net new employees within three years from the current 96 FTE's it employs today, at least 3 of which will be hired in 2019; and

WHEREAS, Valtim desires certain financial assistance in order to finalize its equipment acquisition and additional employees in Bedford County; and

WHEREAS, it is in the public interest of the citizens of Bedford County for the EDA to assist Valtim with the acquisition of additional assets, which will benefit the County through an increase in the tax base and the availability of additional employment opportunities for its citizens, thereby promoting the health, safety, welfare, convenience and prosperity of the citizens of the County; and

WHEREAS, the EDA and Valtim desire to enter into this Agreement to memorialize the understandings and conditions under which financial incentives will be provided to Valtim by the EDA and to set forth the obligations and responsibilities of the parties in connection therewith.

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby state and agree as follows:

1. Valtim has agreed to acquire a new W+D 326 BC at a price of \$750,000.00 in order to open up a new service offering of envelope production. The EDA has agreed to assist Valtim; specifically, the EDA is making a grant in the amount of \$15,000. Valtim will provide to the EDA, evidence of the acquisition and any other related cost.

2. Valtim covenants and agrees that in return for the investment made by the EDA, that it will keep its main marketing fulfillment and call center facilities in Bedford County for a minimum commitment of three (3) years from the date of this agreement. Should Valtim move its facilities from Bedford County within three (3) years of this agreement, the grant will be re-payable in full to the EDA.

3. Valtim grants permission to allow Bedford County Office of Economic Development staff to request verification of employment and/or personal property values, and related tax information from state and local officials as appropriate for providing reasonable evidence to the Authority that it has fulfilled its capital investment goals.

4. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, representatives and assigns.

5. This Agreement may be signed in duplicate, and each of said duplicates shall constitute an original.

6. This Agreement constitutes the full agreement between the parties and neither party shall be bound by any terms, conditions or representations not contained herein. This Agreement may be modified only by written agreement signed by both parties hereto with the same formality.

IN WITNESS WHEREOF, the parties hereto have hereafter set their signatures and seals by their respective duly authorized representatives.

Economic Development Authority

By Mickey Johnson
Mickey Johnson, Chairman

Valtim, Inc.

By [Signature]
Its CEO

COMMONWEALTH OF VIRGINIA;

County of Bedford, to wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, do hereby certify that Mickey Johnson, as Chairman of the Economic Development Authority of Bedford County, VA, whose name is signed to the foregoing Performance Agreement, has appeared before me and acknowledged the same this 12 day of September 2019.

[Signature]
Notary Public



COMMONWEALTH OF VIRGINIA;

County/City of Bedford, to wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, do hereby certify that Tim Hamilton as CEO of Valtim, Inc., whose name is signed to the foregoing Performance Agreement, has appeared before me and acknowledged the same this 12 day of September 2019.

[Signature]
Notary Public



PERFORMANCE AGREEMENT

This Performance Agreement made and entered this 13th day of August 2021, by and between the ECONOMIC DEVELOPMENT AUTHORITY OF BEDFORD COUNTY, VIRGINIA, hereinafter called "EDA" and VALTIM, INC. a Virginia corporation, hereinafter called "VALTIM".

WITNESSETH:

WHEREAS, the EDA has been created to promote the economic development of Bedford County, Virginia (the "County") pursuant to enabling legislation under Section 15.2-4900 *et seq.*, VA Code Ann.; and

WHEREAS, the EDA has authority to make grants of money or property for the purposes of economic development pursuant to Section 15.2-4905, VA Code Ann.; and

WHEREAS, Valtim is adding additional equipment to its operations which will increase the County's tax rolls, and commits to increase employment by 2 net new employees within three years from the current 88 FTE's it employs today; and

WHEREAS, Valtim desires certain financial assistance in order to finalize its equipment acquisition and additional employees in Bedford County; and

WHEREAS, it is in the public interest of the citizens of Bedford County for the EDA to assist Valtim with the acquisition of additional assets, which will benefit the County through an increase in the tax base and the availability of additional employment opportunities for its citizens, thereby promoting the health, safety, welfare, convenience and prosperity of the citizens of the County; and

WHEREAS, the EDA and Valtim desire to enter into this Agreement to memorialize the understandings and conditions under which financial incentives will be provided to Valtim by the EDA and to set forth the obligations and responsibilities of the parties in connection therewith.

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby state and agree as follows:

1. Valtim has agreed to acquire a new EPIC 6 station inserter with MCS Perfect Track MailStream System Feeder and Sealer at a price of \$620,000.00 in order to expand capabilities for mailing services. The EDA has agreed to assist Valtim; specifically, the EDA is making a grant in the amount of \$15,000. Valtim will provide to the EDA, evidence of the acquisition and any other related cost.

2. Valtim covenants and agrees that in return for the investment made by the EDA, it will hire a minimum of two (2) net new full-time employees within two (2) years from the date of the financial grant contemplated herein.

3. Valtim grants permission to allow Bedford County Office of Economic Development staff to request verification of employment and/or personal property values, and related tax information from state and local officials as appropriate for providing reasonable evidence to the Authority that it has fulfilled its capital investment goals.

4. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, representatives and assigns.

5. This Agreement may be signed in duplicate, and each of said duplicates shall constitute an original.

6. This Agreement constitutes the full agreement between the parties and neither party shall be bound by any terms, conditions or representations not contained herein. This Agreement may be modified only by written agreement signed by both parties hereto with the same formality.

IN WITNESS WHEREOF, the parties hereto have hereafter set their signatures and seals by their respective duly authorized representatives.

Economic Development Authority

By James T. Messier
James T. Messier, Chairman

Valtim, Inc.

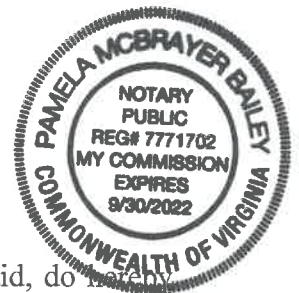
By Steve Morris
Its VP of Finance

COMMONWEALTH OF VIRGINIA;

County of Bedford, to wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, do hereby certify that James T. Messier, as Chairman of the Economic Development Authority of Bedford County, VA, whose name is signed to the foregoing Performance Agreement, has appeared before me and acknowledged the same this 10th day of August 2021.

Pamela MCBRAYER BAILEY
Notary Public



COMMONWEALTH OF VIRGINIA;

County/City of Bedford, to wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, do hereby certify that Steve Morris as VP Finance of Valtim, Inc., whose name is signed to the foregoing Performance Agreement, has appeared before me and acknowledged the same this 13th day of August 2021.

Pamela MCBRAYER BAILEY
Notary Public





BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Agenda Item Summary

AGENDA ITEM # 10C

MEETING DATE: September 7, 2023

MEETING TYPE: Regular Meeting

ITEM TITLE: Close Blue Ridge Optics Performance Agreement

SUMMARY

In September 2019 the EDA provided Blue Ridge Optics with a \$20,000 cash incentive for new equipment valued at \$450K and maintaining their headcount of 42 employees. In 2022, the EDA granted a one-year extension to give them more time to for hiring as their headcount had dropped by several people.

The company was purchased by MPF Products, Inc. in 2022 and continues to grow.

Blue Ridge Optics a division of MPF Products, Inc. is currently employs 30 people with 3 open positions.

ATTACHMENTS

Performance Agreement

PERFORMANCE AGREEMENT

THIS AGREEMENT, made this 17TH day of September, 2019, by and between the ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VIRGINIA, a political subdivision of the Commonwealth of Virginia (hereinafter the "EDA"); and Blue Ridge Optics LLC, located at 1617 Longwood Avenue, Bedford, Virginia, hereinafter "Blue Ridge Optics".

WITNESSETH:

WHEREAS, Blue Ridge Optics is expanding its current facility at 1617 Longwood Avenue, Bedford with a \$695,000 investment and a minimum of 9 net new full time employees with an average salary of \$40,000 within 36 months; and

WHEREAS, the Authority has agreed pursuant to the terms hereof, to grant an incentive as provided herein to assist Blue Ridge Optics with its business expansion; and

WHEREAS, it is in the public interest of the citizens of Bedford County for the EDA to assist Blue Ridge Optics with the incentive which will benefit the County through an increase in the tax base and quality jobs for its citizens, and

WHEREAS, in order to memorialize the agreements between Blue Ridge Optics and the EDA, and to provide a procedure for administration of said incentive and the grant herein provided, the parties hereto have executed this Agreement pursuant to due authority.

NOW THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

That for and in consideration of the incentive grant as provided herein by the Authority, Blue Ridge Optics covenants and agrees with the EDA as follows:

1. Blue Ridge Optics LLC has provided the Authority with information concerning its proposed expenditures and projections with regard to capital investment and employment at its facility. Blue Ridge Optics agrees that it is retaining all of its existing employees who are part of this business unit in Bedford County.
2. The EDA has agreed to assist Blue Ridge Optics; specifically, the EDA is making a grant in the amount of \$20,000 payable upon the execution of this Agreement, for a minimum addition commitment of \$450,000 in equipment and any other related costs for this expansion.
3. Further, Blue Ridge Optics covenants and agrees that in return for the investment made by the EDA, that it will remain in Bedford County for, at a minimum, the duration of this agreement and the satisfaction therein. Should Blue Ridge Optics move its facility from Bedford County within three (3) years of this agreement, the grant will be re-payable in full to the EDA.

4. In the event Blue Ridge Optics does not reach the total capital investment of new equipment at a minimum value of \$450,000 at its Bedford location by the end of September 2022, the grant will be re-payable in full to the EDA.
5. Blue Ridge Optics grants permission to allow Bedford County Office of Economic Development staff to request verification of employment, personal property and machinery and tools values and/or tax information from state and local officials, including the Commissioner of the Revenue, as appropriate for providing reasonable evidence to the EDA that it has fulfilled its employment and capital investments.
6. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. This Agreement shall be binding upon and inure of the benefit of the parties hereto, their respective successors, representatives and assigns.
7. This Agreement may be signed in duplicate, and each of said duplicates shall constitute an original.

This Agreement constitutes the full agreement between parties and neither party shall be bound by any terms, conditions or representations not contained herein. This Agreement may be modified only by written agreement signed by both parties hereto with the same formality.

This Agreement may be modified only by written agreement signed by both parties hereto with the same formality.

IN WITNESS WHEREOF, the parties hereto have hereafter set their signatures and seals by their respective duly authorized representatives.

Economic Development Authority

By Mickey Johnson
Its Chairman

Blue Ridge Optics, LLC.

By Justin Siehien
Its GENERAL MANAGER, COO



COMMONWEALTH OF VIRGINIA;
County of Bedford, to wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, do hereby certify that Mickey Johnson, as Chairman of the Economic Development Authority of Bedford County, VA, whose name is signed to the foregoing Agreement of Sale, has appeared before me and acknowledged the same this 17th day of September 2019.

Pamcummy
Notary Public
My Commission expires: 9/30/22

COMMONWEALTH OF VIRGINIA;

County/City of Bedford, to wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, do hereby certify that Justin Siehien as General Mgr / COO of Blue Ridge optics, whose name is signed to the foregoing Agreement of Sale, has appeared before me and acknowledged the same this 17th day of September 2019.

Pamcummy
Notary Public
My Commission expires: 9/30/22

