

**GOVERNOR’S AGRICULTURE & FORESTRY INDUSTRIES DEVELOPMENT
FUND PERFORMANCE AGREEMENT
&
ALBEMARLE COUNTY ECONOMIC DEVELOPMENT AUTHORITY
MATCH GRANT**

This **PERFORMANCE AGREEMENT** (the “Agreement”) made and entered this ____ day of June, 2023, by and among **POTTER’S CRAFT, LLC, dba POTTER’S CRAFT CIDER** (the “Company”), a Limited Liability Company authorized to transact business in the Commonwealth, and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF ALBEMARLE, VIRGINIA** (the “Authority”), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Authority has been awarded a grant of and expects to receive \$50,000 from the Governor’s Agriculture & Forestry Industries Development Fund (an “AFID Grant”) through the Virginia Department of Agriculture and Consumer Services (“VDACS”) for the purpose of inducing the Company to construct, improve, and operate an agriculture and/or forestry processing/value-added facility using Virginia-grown products at 1820 Broadway Street in Albemarle County, thereby making a significant Capital Investment, as hereinafter defined; creating a significant number of New Jobs and FTEs, as hereinafter defined; and purchasing a significant amount of Virginia-grown agricultural and forestal products, as hereinafter defined.

WHEREAS, the Authority will match fully the AFID Grant as an additional incentive for the Company to obtain a certificate of occupancy at the 1820 Broadway Street Facility and to open and operate a retail tasting room at that location (the “Local Match Grant”);

WHEREAS, the Authority will provide the AFID Grant to the Company for its use provided the Company promises to meet certain criteria relating to Capital Investment, New Jobs and FTEs, and to purchase of Virginia-grown apples;

WHEREAS, the Authority and the Company desire to set forth their understanding and agreement as to the payout of the AFID and Local Match Grants, the use of the AFID Grant proceeds, the obligations of the Company regarding Capital Investment, New Job creation, purchase of Virginia-grown agricultural and forestal products, and the repayment by the Company of all or part of the AFID Grant under certain circumstances;

WHEREAS, the construction and operation of the Facility will entail a capital expenditure of at least \$900,000, of which \$310,000 will be invested to upfit and improve the site and building, \$550,000 will be invested in machinery and equipment, and \$40,000 will be invested in tangible personal property;

WHEREAS, the operation of the Facility will further entail the creation of 4 New Full-Time Jobs and 4 Full-Time Job Equivalent (FTEs) at the Facility;

WHEREAS, the construction and operation of the Facility will further lead to the additional purchase of \$412,193 of agricultural and forestal products, including the additional purchase of 1,568,227 pounds of apples (at least 92 percent of those being Virginia-grown apples) over the performance period (see Appendix A for details); and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment, New Jobs, and purchase of Virginia-grown agricultural and forestal products constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the AFID Grant:

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

Section 1. Definitions.

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

“Capital Investment” means an expenditure by or on behalf of the Company for the purchase or improvement of taxable real property, the purchase of taxable tangible personal property or machinery and tools, or any combination thereof at the Facility. The Capital Investment must be in addition to any existing improvements at the Facility as of January 24, 2022. The total required capital expenditure of \$900,000 is referred to in this Agreement as the “Total Qualified Capital Investment.” A leasehold interest in real property at the Facility will be considered to be made “on behalf of the Company” if a lease between the owner of the Facility or a developer and the Company is a capital lease, or is an operating lease having a term of at least ten years, and the Facility would not have been constructed or improved but for the Company’s interest in leasing some or all of the Facility. Only the capital expenditures allocated to the portion of the Facility to be leased by the Company will count. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, and expected building up-fit and tenant improvements by or on behalf of the Company will qualify as Capital Investment.

“Grant Award Date” means January 24, 2022. This is the date from which progress towards the achievement of all Targets begins. Progress towards achievement of Targets before this date will not be counted, unless such progress is approved in writing by VDACS, in consultation with the Authority.

“Facility” means Albemarle County Tax Map Parcel 77-40 (1840 Broadway Street) and all improvements thereon as of January 24, 2022.

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

“New Job” means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are paid by the Company for the employee, and for which the Company pays an average annual wage of at least \$62,500. Average annual wage means the average annual salary of full-time positions at the Facility determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Facility by the number of full-time positions at the Facility. Each New Job must require a minimum of either (i) 35 hours of an employee’s time per week for the entire normal year of the Company’s operations, which “normal year” must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers, and similar multiplier or spin-off jobs shall not qualify as New Jobs. Net “New Jobs” must be in addition to the existing 7.5 full-time jobs/employees at the Company as of January 24, 2022.

“Full-Time Equivalent” positions (FTEs) are part-time and seasonal positions created by the project on a predictable, annual basis, which do not meet the definition of New Job. For the purposes of the AFID Grant, these positions should be converted into full-time equivalent (FTE) positions based on one FTE equaling 2,000 hours per year with an average annual wage of \$38,000. The new FTEs must be in addition to the existing 7.5 Company employees as of January 24, 2022.

“Performance Date” means June 30, 2025. If the Authority, in consultation with the Secretary of Agriculture and Forestry, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Authority may agree to extend the Performance Date by up to 15 months. If the Performance Date is extended, the Authority shall send written notice of the extension to the Albemarle County Executive, the Company, and the Secretary of Agriculture and Forestry. The date to which the Performance Date has been extended hereunder shall be the “Performance Date” for the purposes of this Agreement.

“Targets” means the Company’s obligations (i) to make Capital Investments at the Facility of at least \$900,000, (ii) to create and maintain at least 4 New Jobs and 4 FTEs at the Facility in addition to maintaining the existing jobs as of January 24, 2022, (iii) to purchase at least \$781,817 in apples (representing a net new value increase of \$412,193 over current annual purchases) and at least 4,044,394 pounds of apples (representing a net new volume increase of 1,568,227 pounds of apples over current volume purchases), at least 92% of which must be Virginia-grown apples in volume and value (as designated in Appendix A, which is incorporated fully into this Agreement) all as of the Performance

Date, and (iv) to obtain a certificate of occupancy permitting the Company to conduct business at the Facility.

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

“Virginia-Grown Agricultural and Forestal Products” primarily means apples grown or produced in Virginia for commercial purposes and to which the Company add value at the Facility. However, if the Company fails to meet the Virginia-grown apple Target and proposes to substitute other products for consideration, then “Virginia-Grown Agricultural and Forestal Products” will mean crops, livestock, and livestock products, including field crops, fruits, vegetables, horticultural specialties, cattle, sheep, hogs, goats, horses, poultry, fur-bearing animals, milk, eggs, aquaculture, commercially harvested wild fish, commercially harvested wild shellfish, and furs, as well as, timber, pulpwood, posts, firewood, Christmas trees, and other tree and wood products for sale or for farm use, which are grown or produced in Virginia for commercial purposes and to which the Company adds value to at the Facility. The use of Virginia-Grown Agricultural and Forestal Products at the Facility must be in addition to the annual usage of these products in the year preceding the Grant Award Date (January 24, 2022).

Section 2. Targets.

The Company will develop and operate the Facility in the Locality and meet or exceed all Targets on or before the Performance Date. If the dollar amount of new purchases of Virginia-grown apples is not met, the Company can still achieve the purchase target by demonstrating they substantively achieved the same value and volume of Virginia-Grown Agricultural and Forestal Products they proposed in Appendix A.

The average annual wage of the 4 New Jobs will be at least \$62,500.

The average annual wage of the 4 FTEs will be at least \$38,000.

The average prevailing wage in the locality in January 2022 is \$53,216.

Section 3. Disbursement of AFID Grant and Local Match Grant.

Upon execution and delivery of this Agreement, the Authority will request disbursement of the AFID Grant to it from VDACS, which will promptly pay the \$50,000 to the Authority.

Within 30 days of the Authority’s receipt of the AFID Grant proceeds, the Authority will disburse those proceeds to the Company as an inducement to the Company to achieve the Targets (i) through (iii) at the Facility. The Company will use the AFID Grant proceeds to make building improvements, as permitted by Section 3.2-304(C) of the Virginia Code.

The Authority will disburse \$50,000 of the Local Match Grant to the Company within 30 days after the Company verifies its receipt of a certificate of occupancy allowing it to conduct business at the Facility.

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

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

<u>Category of Incentive:</u>	<u>Total Amount</u>
AFID Grant	\$50,000 total

The Authority expects to provide the following incentives, as matching grants or otherwise, for the Facility:

<u>Category of Incentive:</u>	<u>Total Amount</u>
Local Match Grant – Albemarle County Economic Development Authority	\$50,000 total

- Occupancy Target: Obtain a certificate of occupancy for the renovated space at 1820 Broadway Street.

The Company may use the Authority’s Local Match Grant proceeds for any lawful purpose.

The Authority’s grant and obligation to pay such funds to the Company are entirely dependent upon the County of Albemarle, Virginia, and its Board of Supervisors appropriating and disbursing \$50,000 to the Authority to fulfill this obligation. If such appropriation and disbursement is made only in part, then the Authority’s obligation hereunder shall not exceed the amount of such disbursement. If no such appropriation or disbursement is made, then the Authority has no obligation under this Agreement and this Agreement shall be terminated.

Section 5. Company Reporting.

The Company shall provide, at the Company’s expense, detailed verification reasonably satisfactory to the Authority and VDACS of the Company’s progress on the Targets. Such progress reports will be provided annually, using a form provided by VDACS, starting June 30, 2023, and at such other times as the Authority or VDACS may reasonably require. The first progress report will cover the period from January 24, 2022, to June 30, 2023, the second progress report will cover the period from July 1, 2023, to June 30, 2024, and the third and final progress report will cover the period from July 1, 2024 to June 30, 2025.

With each progress report, the Company shall report to VDACS (i) the amount of taxable expenditures made at the facility for this project, (ii) the number of New Jobs and FTEs created and Maintained during the reporting period, (iii) the amount purchased and the purchase price paid by the Company, or the fair market value of the Virginia-Grown Agricultural or Forestal Products utilized, through the prior year. VDACS has represented to the Company that it considers such information to be confidential proprietary information that is exempt from public disclosure under the Freedom of Information Act and that such information will be used by VDACS solely in calculating aggregate return on invested capital expenditures, New Jobs and FTEs created and Maintained, and use of Virginia-Grown apples and Virginia-Grown Agricultural or Forestal Products for purposes of gauging the overall effectiveness of economic development incentives.

The Authority and Company agree to retain all books, records, data, and other documents relative to this agreement for a period of three (3) years after the end of this agreement, or until audited by the Commonwealth of Virginia, whichever is sooner. VDACS and its authorized agents, and/or state auditors (both the Auditor of Public Accounts and/or VDACS Internal Auditor) shall have full access to and the right to examine any of said materials and records relating to this agreement during this period.

Section 6. Verification of Targets.

(a) *Verification of Capital Investment:* The Company must submit to VDACS copies of fixed assets reports, business personal property tax filings, personal property tax assessment invoices, and real estate tax assessment invoices. The Company hereby authorizes the County of Albemarle, including its Director of Finance, Director of the Department of Finance and Budget, and Chief Financial Officer to release to VDACS the Company's real estate tax, business personal property tax and machinery and tools tax information. Such information shall be marked and considered confidential and proprietary and shall be used by VDACS solely for verifying satisfaction of the Capital Investment Target. If Albemarle County should require additional documentation or consents from the Company to access such information, the Company shall promptly provide, at the Company's expense, such additional documentation or consents as Albemarle County or VDACS may request. If the Company wishes to count as Capital Investments the capital expenditures made on its behalf by a lessor or a developer of the Facility, the Company is responsible for assembling and distributing the documentation necessary to verify the capital expenditures made on behalf of the Company.

In addition to the verification data described above, in VDACS's sole discretion, VDACS may each require such other documentation, including invoices, or audits as may be required to properly verify the Capital Investment.

(b) *Verification of New Jobs, FTEs and Wages:* VDACS will verify New Jobs, FTEs, and wages through the Virginia Employment Commission (VEC). If requested by VDACS, the Company shall provide to VDACS copies of the Company's Employer Quarterly Tax Report (Form FC 20) filings with VEC covering the period from the date of this Agreement through the Performance Date. The forms shall be marked and

considered confidential and proprietary and shall be used by VDACS solely for verifying satisfaction of the New Jobs and FTEs Target. In accordance with the Virginia Code Section 60.2-114, VDACS is entitled to receive the Company's employment level and wage from the Virginia Employment Commission. If the Company wishes to count as New Jobs the employees of contractors, to the extent permitted in the definition of "New Jobs" in Section (i), the Company is responsible for assembling and distributing the documentation necessary to verify such New Jobs, including whether such jobs are net New Jobs in the Commonwealth.

For FTEs, the company is responsible for assembling and distributing the documentation necessary to verify such positions, including individuals' names, hours worked, and salaries.

In addition to the verification data described above, in VDACS's sole discretion, Albemarle County or VDACS may each require such other documentation or audits as may be required to properly verify the New Jobs.

(c) *Verification of use of Virginia-Grown Apples & Agricultural and Forestal Products:* The Company must provide to VDACS an accounting system generated report of the amount of Virginia-Grown Apples and Virginia-Grown Agricultural and Forestal Products purchased or used, including the purchase price paid by the Company, or the fair market value of such apples and products utilized, through the prior year. If the Company wishes to count as used Virginia-Grown Apples or Virginia-Grown Agricultural and Forestal Products that the Company is not directly purchasing or using, but is instead purchasing from another company which is making the Virginia-Grown Agricultural and Forestal Products from apples or otherwise, the Company is responsible for assembling and distributing the documentation necessary to verify these purchases.

In addition to the verification data described above, in VDACS's sole discretion, VDACS may each require such other documentation, including invoices, or audits as may be required to properly verify the use of Virginia-Grown Apples or Virginia-Grown Agricultural and Forestal Products.

Section 7. Repayment Obligation.

(a) *Determination of Inability to Comply:* If the Authority or the Secretary of Agriculture and Forestry (the "Secretary") determines at any time before the Performance Date (a "Determination Date") that the Company is unlikely to meet and Maintain at least fifty percent (50%) of its Targets (i) through (iii) by and through the Performance Date, and if the Authority or the Secretary shall have promptly notified the Company of such determination, the entire AFID Grant must be repaid by the Company to the Authority. Such a determination by the Authority or the Secretary will be based on such circumstances as a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company or other similar significant event that demonstrates the Company will be unable or is unwilling to satisfy the Targets for the AFID Grant and the Local Match Grant.

(b) *Repayment of AFID Grant:* For purposes of repayment, the AFID Grant is to be allocated as \$16,666.66 (33%) for the Company's Capital Investment Target, \$16,666.66 (33%) for its New Jobs and FTEs Target, and \$16,666.67 (33%) for its purchase of Virginia-Grown apples or other Virginia-Grown Agricultural and Forestal Products Target. If the Company has met at least ninety percent (90%) of each of the three AFID Grant Targets at the Performance Date, then and thereafter the Company is no longer obligated to repay any portion of the AFID Grant. If the Company has not met at least ninety percent (90%) of each of the three AFID Grant Targets at the Performance Date, the Company shall repay to the Authority that part of the AFID Grant that is proportional to the Target or Targets for which there is a shortfall. For example, if at the Performance Date the Capital Investment is only \$450,000.00, only 2 New Jobs and 2 FTEs have been created and Maintained, and only \$390,908.50 or 2,022,197 pounds of apples have been purchased (1,860,421.24 pounds of which must be Virginia-grown apples), the Company shall repay to the Authority fifty percent (50%) of the moneys allocated to the Capital Investment Target (\$8,333.33), fifty percent (50%) of the moneys allocated to the New Jobs and FTEs Target (\$8,333.33), and fifty percent (50%) of the moneys allocated to the purchase of the apple Target (\$8,333.34).

(c) *Repayment Dates:* Such repayment shall be due from the Company to the Authority within ninety days of the Performance Date or the Determination Date, as applicable. Any moneys repaid by the Company to the Authority hereunder shall be repaid by the Authority to the Commonwealth of Virginia. The Authority shall use its best efforts to recover all such funds, including filing legal action for breach of this Agreement. The Authority shall assume primary responsibility for filing and prosecuting any such legal action. The Authority shall have no responsibility for the repayment of any sums hereunder unless said sums have been received by the Authority from the Company.

(d) *Failure to Repay:* If the Company fails to repay AFID funds following a determination of its liability for repayment pursuant to this Section 7, VDACS may determine that further collection action is required and may refer the matter to the Office of the Attorney General (the "OAG") for collection pursuant to Section 2.2-518 of the Virginia Code. In such event, by their signatures below, the Authority will be deemed to have assigned to the Commonwealth all of its rights, title, and interest in and to this Section 7. In any matter referred to the OAG for collection, the Company shall be liable to pay interest, administrative charges, attorney fees, and other applicable fees. Interest on any outstanding repayment referred to the OAG shall accrue at the rate set forth in Section 6.2-301(A) of the Virginia Code (currently 6.0% per year) for the period from the Performance Date or the Determination Date, as applicable, until paid.

Section 8. Notices.

Formal notices and communications between the Parties shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed as noted below.

Notices and communications personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices and communications mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices and communications delivered by facsimile or email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices and communications shall be addressed to:

if to the Company, to:

Potter's Craft Cider
1350 Arrowhead Valley Road
Charlottesville, VA 22903

Attention: Tim Edmond

with a copy to:

Potter's Craft Cider
1820 Broadway Street
Charlottesville, VA 22902

Attention: Tim Edmond

if to the Authority, to:

Economic Development Authority
401 McIntire Road, Suite 130
Charlottesville, VA 22902
Attention: Economic Development Office

with a copy to:

Economic Development Office
401 McIntire Road, Suite 130
Charlottesville, VA 22902
Attention: Director

Section 9. Miscellaneous.

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

(b) *Governing Law; Venue; Attorney's Fees and Costs:* This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Albemarle County Circuit Court and such litigation shall be brought only in such court. If the Authority or the Commonwealth of Virginia files suit against the Company for any reason arising out of this Performance Agreement, the Company shall be liable for attorney's fees and costs.

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

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

(e) *Interpretation of Language*: Any potential dispute in language shall be determined by VDACS or the Secretary. For any terms which any party to the Agreement might seek interpretation, the party or parties seeking interpretation must write VDACS or the Secretary describing the need for interpretation and any related context, factual or legal, which the party believes will aid the interpretation. When seeking interpretation, parties must notify all other parties to the Agreement of any interpretation request. Requests must indicate whether the other parties consent to the interpretation request. Parties that do not consent to requests may write their own requests for interpretation. All parties shall cooperate with the efforts made by VDACS and the Secretary in making any interpretations and such interpretations shall be conclusive and binding upon all parties to the Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement.

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

By _____
Donald D. Long
Chair

Date:

**POTTER'S CRAFT, LLC dba
POTTER'S CRAFT CIDER**

By _____
Tim Edmond
Member

Date:

APPENDIX A – AFID PROJECT METRICS – POTTER’S CRAFT CIDER (ALBEMARLE COUNTY)

ANNUAL EMPLOYMENT RAMP-UP AND WAGES						
	Current # of Employees	Year 1	Year 2	Year 3	Total New Jobs	Avg. Wages of New Jobs and FTEs (W-2 Wages)
Sales		1		1	2	\$75,000
Cellar/Production Manager	4	1			1	\$40,000
Operations Manager	1			1	1	\$60,000
Tasting Room Staff*	2		2		2	\$36,000
Marketing/Admin*	.5	1	1		2	\$40,000
Total	7.5	3	3	2	8	\$50,250

*Full-Time Equivalent positions (FTEs), where 1 FTE =2,000 hrs/yr
 Project will create 4 new jobs at an average annual wage of \$62,500 and 4 FTEs at an average annual wage of \$38,000.

ESTIMATED ANNUAL TIMELINE FOR CAPITALIZED INVESTMENT					
	Current	Year 1	Year 2	Year 3	Total New Investment
Building Construction/Renovation		\$220,000	\$60,000	\$30,000	\$310,000
Building Renovation – Electrical Upgrades, Additional Lighting, Plumbing/Drainage Upgrades, Insulation, Flooring, Water Treatment, etc.		\$200,000	\$50,000	\$20,000	
Site Improvements		\$20,000	\$10,000	\$10,000	
Machinery and Tools (Manufacturing)		\$450,000	\$50,000	\$50,000	\$550,000
Canning Line and Depalletization Equipment, 7 New Fermentation and Packaging Tanks, New Chiller		\$450,000	\$50,000	\$50,000	
Tangible Personal Property (FFE)		\$20,000	\$10,000	\$10,000	\$40,000
Fork Lift, Office Equipment, Lab Equipment		\$20,000	\$10,000	\$10,000	
Total Qualified Capital Investment		\$690,000	\$120,000	\$90,000	\$900,000

PROJECTED AGRICULTURE PURCHASES										
	Current \$ Value	Current Volume	YEAR 1 \$ Value	YEAR 1 Volume	YEAR 2 \$ Value	YEAR 2 Volume	YEAR 3 \$ Value	YEAR 3 Volume	Net New \$ Value	Net New Volume
Total of all Ag & Forest Products Purchase	\$123,208	825,389	\$190,909	105,000	\$272,727	1,818,182	\$318,181	2,121,212	\$412,193	1,568,227
Apples (pounds)	\$123,208	825,389	\$190,909	105,000	\$272,727	1,818,182	\$318,181	2,121,212	\$412,193	1,568,227
Total Virginia Ag & Forest Products Purchase	\$113,605	757,366	\$176,029	96,347	\$251,471	1,668,340	\$293,382	1,946,396	\$380,067	1,438,984
Apples (pounds)	\$113,605	757,366	\$176,029	96,347	\$251,471	1,668,340	\$293,382	1,946,396	\$380,067	1,438,984
Percentage that is Virginia-grown	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%

APPENDIX B

Purchases of Virginia-Grown Agricultural and Forestal Products:

PROJECTED AGRICULTURE PURCHASES										
	Current \$ Value	Current Volume	YEAR 1 \$ Value	YEAR 1 Volume	YEAR 2 \$ Value	YEAR 2 Volume	YEAR 3 \$ Value	YEAR 3 Volume	Net New \$ Value	Net New Volume
Total of all Ag & Forest Products Purchase	\$123,208	825,389	\$190,909	105,000	\$272,727	1,818,182	\$318,181	2,121,212	\$412,193	1,568,227
Apples (pounds)	\$123,208	825,389	\$190,909	105,000	\$272,727	1,818,182	\$318,181	2,121,212	\$412,193	1,568,227
Total Virginia Ag & Forest Products Purchase	\$113,605	757,366	\$176,029	96,347	\$251,471	1,668,340	\$293,382	1,946,396	\$380,067	1,438,984
Apples (pounds)	\$113,605	757,366	\$176,029	96,347	\$251,471	1,668,340	\$293,382	1,946,396	\$380,067	1,438,984
Percentage that is Virginia-grown	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%

Break-Even Point Definition:

VDACS has estimated that the Commonwealth will reach its “break-even point” by the Performance Date. The break-even point compares new revenues realized as a result of the Capital Investment and New Jobs at the Facility with the Commonwealth’s expenditures on incentives, including but not limited to the AFID Grant.