

Commonwealth's Development Opportunity Fund (COF)
 Progress report on repayment status of projects subject to clawbacks

Past due clawbacks referred to Office of the Attorney General as of June 5, 2020

| Company | Locality | Clawback amount due (\$) | Notes | Clawback Previously Reported? | Announcement Date | Performance Date |
|-------------------------|--------------|--------------------------|--|-------------------------------|-------------------|------------------|
| Home Care Industries | Mecklenburg | 150,000 | Full repayment of \$150,000 grant due 5/1/2013; company closed in January 2013; hard asset created (site preparation) through use of COF grant. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. | Yes | 10/5/2010 | 3/31/2014 |
| Lindenburg | Appomattox | 1,400,000 | Project not proceeding as planned; repayment of \$1,400,000 grant due 3/7/2016; VEDP has been pursuing an injunction to attach foreclosure proceeds by alleging misconduct by the project consultant; VEDP has a pending lawsuit against Lindenburg. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. | Yes | 11/4/2014 | 4/30/2018 |
| Tranlin | Chesterfield | 4,811,726 | Project not proceeding as planned; full repayment of \$5,000,000 grant to be repaid. \$150,000 repaid 10/24/2017; remainder to be repaid in six monthly installments of \$833,561 beginning 12/1/2017, secured by deed of trust on land. Additional \$38,274 repaid 9/19/2019. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. | Yes | 6/18/2014 | 12/31/2019 |
| Virginia Casting/ Grede | Radford | 600,000 | Job threshold not met; full repayment of \$600,000 grant due 3/31/2016; VEDP has exchanged letters, phone calls, and emails with the company's lawyers; have discussed further action with the locality. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. | Yes | 5/11/2010 | 7/1/2013 |
| Evatran | Wythe | 100,000 | Full repayment of \$150,000 to be paid in three installments of \$50,000 each due 12/31/2016, 12/31/2017, and 12/31/2018; 2016 payment received; \$50,000 installments due 12/31/2017 and 12/31/2018. The VEDP Board, at its April 26, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. | Yes | 6/29/2010 | 12/31/2013 |
| Qore | Washington | 500,000 | Company filed for bankruptcy; full repayment of \$500,000 grant was due 5/14/2017. Qore subsequently purchased by NanoGlobal. The VEDP Board, at its October 25, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. | Yes | 6/24/2015 | 12/31/2018 |
| Axon Ghost Sentinel | Harrisonburg | 75,000 | Statutory minimum requirements not met; full repayment of \$75,000 grant due 7/25/2019. The VEDP Board, at its October 24, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C, and VEDP is in the process of securing the debt assignment. | Yes | 6/29/2015 | 10/1/2018 |

Past due clawbacks referred to Office of the Attorney General as of June 5, 2020 (continued)

| Company | Locality | Clawback amount due (\$) | Notes | Clawback Previously Reported? | Announcement Date | Performance Date |
|----------------|-----------|--------------------------|--|-------------------------------|-------------------|------------------|
| Basket Savings | Arlington | 40,000 | Statutory minimum requirements not met; full repayment of \$125,000 grant due 9/30/19; \$85,000 held by Arlington received 9/5/19; \$40,000 balance due from Basket by 9/30/19. The VEDP Board, at its October 24, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C., and VEDP is in the process of securing the debt assignment. | Yes | 2/29/2016 | 6/30/2019 |
| Telos | Loudoun | 65,000 | Job threshold not fully met; prorated repayment of \$65,000 of \$500,000 grant due 7/9/2019. The VEDP Board, at its October 24, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C., and VEDP is in the process of securing the debt assignment. | Yes | 1/7/2014 | 3/31/2018 |
| TOTAL | | 7,741,726 | | | | |

Clawbacks past due as of June 5, 2020

| Company | Locality | Clawback amount due (\$) | Notes | Clawback Previously Reported? | Announcement Date | Performance Date |
|--------------|----------------|--------------------------|---|-------------------------------|-------------------|------------------|
| Prufrex | Virginia Beach | 120,000 | Statutory minimum requirements not met; full repayment of \$120,000 grant due 4/1/2020. The VEDP Board, at its June 20, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. Instead, the City of Virginia Beach will repay the grant and then work with the company to recover the funds. Grant to be repaid once Virginia Beach Economic Development Authority holds its next meeting. | Yes | 2/20/2013 | 3/31/2018 |
| TOTAL | | 120,000 | | | | |

Clawbacks requested but not past due as of June 5, 2020

| Company | Locality | Clawback amount due (\$) | Notes | Clawback Previously Reported? | Announcement Date | Performance Date |
|----------------|----------|--------------------------|--|-------------------------------|-------------------|------------------|
| Liberty Source | Hampton | 110,250 | Second extension request approved at 5/13/2019 MEI Commission meeting for investment; prorated repayment of \$110,250 related to job creation due in quarterly installments of \$27,562.50 due 4/26/2019 (received 4/23/2019), \$27,562.50 due 6/30/2019 (received 7/22/2019), \$5,512 due 10/18/2019 (received 10/22/2019), \$18,375 due 12/30/2019 (received 2/7/2020), \$18,375 due 9/30/2020; and \$12,863 due 12/31/2020. | Yes | 9/30/2018 | 6/30/2019 |

Clawbacks requested but not past due as of June 5, 2020 (continued)

| Company | Locality | Clawback amount due (\$) | Notes | Clawback Previously Reported? | Announcement Date | Performance Date |
|--------------------------|----------|--------------------------|---|-------------------------------|-------------------|------------------|
| Mavalerio | Hanover | 50,000 | Statutory minimum requirements not met; full repayment of \$50,000 grant pending; \$12,500 to be repaid quarterly beginning 9/30/2019 (received 9/24/2019); subsequent installments due 12/31/2019 (received 1/30/2020), 3/31/2020 (received 3/31/2020), and 6/30/2020. | Yes | 4/9/2015 | 6/30/2019 |
| Discovery Communications | Loudoun | 500,000 | Facility closing; employees being moved to Silver Spring, Maryland, facility; full repayment of \$500,000 grant due 6/19/2020. | No | 6/14/2018 | 12/31/2021 |
| VFP | Scott | 29,000 | VEDP Board approved second extension at its 10/24/2019 meeting; awaiting approval by MEI Commission, after which VFP will repay \$29,000 for failing to fully meet its job target. | Yes | 9/19/2013 | 3/31/2018 |
| TOTAL | | 689,250 | | | | |

Clawbacks closed out since January 30, 2020

| Company | Locality | Clawback amount received (\$) | Notes | Clawback Previously Reported? | Announcement Date | Performance Date |
|-----------------------|----------|-------------------------------|---|-------------------------------|-------------------|------------------|
| Movement Mortgage | Norfolk | 600,000 | Statutory minimum employment requirement not met; full repayment of \$600,000 grant received 1/30/2020. | Yes | 3/18/2016 | 9/1/2019 |
| Bechtel | Fairfax | 165,000 | Job threshold not fully met; prorated repayment of \$165,000 of \$500,000 grant received 2/13/2020. | No | 3/4/2015 | 10/1/2019 |
| Tadano Mantis | Tazewell | 100,000 | Statutory minimum employment requirement not met; full repayment of \$100,000 grant received 3/5/2020. | No | 3/25/2015 | 12/1/2019 |
| Peet's Coffee and Tea | Suffolk | 1,000,000 | Project not moving forward as anticipated; full repayment of \$1,000,000 grant received 3/30/2020. | No | 12/9/2016 | 3/31/2021 |
| Aerojet | Orange | 24,000 | Job threshold not fully met; prorated repayment of \$24,000 of \$300,000 grant due 5/25/2020 (check has been received and is being held at VEDP until it can be delivered to Selected Agency Support for processing). | No | 7/13/2015 | 11/1/2019 |
| TOTAL | | 1,889,000 | | | | |

VEDP staff is still in the process of making a final determination for the following companies with performance dates that passed at least 90 days ago

| Company | Locality | Amount of grant (\$) | Status | Previously Reported? | Announcement Date | Performance Date |
|---------|----------|----------------------|--------|----------------------|-------------------|------------------|
| None | | | | | | |

JLARC Recommendation No. 24: "The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to develop and use standard policies and procedures that clearly explain when and how staff should enforce clawback provisions. Enforcement should be consistent and effective for all companies that do not meet their contractual obligations, including wage requirements. **The board should require VEDP staff to report regularly to the full board on each project that is subject to a clawback and the repayment status for each project that is subject to a clawback.**"