
**ARLINGTON COUNTY
ECONOMIC DEVELOPMENT INCENTIVE
GRANT AGREEMENT**

This **ARLINGTON COUNTY ECONOMIC DEVELOPMENT INCENTIVE GRANT AGREEMENT** (this “**Agreement**”) is made and entered this ___ day of November 2015 (the “**Effective Date**”), by and among the **COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA** (the “**County Board**”), a body corporate and politic of the Commonwealth of Virginia (the “**Commonwealth**”), **1776 GLOBAL, INC. PBC** (“**1776**”), a Delaware public benefit corporation authorized to transact business in the Commonwealth, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF ARLINGTON COUNTY**, a political subdivision of the Commonwealth (the “**IDA**”). Individually the County Board, 1776, and the IDA may each be referred to hereinafter as the “**Party**,” or collectively as the “**Parties**.”

RECITALS:

WHEREAS, 1776 is a global incubator and seed fund that helps foster the development and growth of certain startup companies and entrepreneurs (“**1776 Clients**”) in industries such as education, city planning, energy and sustainability, and healthcare by providing early stage funding, office space, and connections with mentors, legislative experts and industry leaders; and

WHEREAS, 1776 desires to expand its operations into Arlington County, Virginia and, as of the Effective Date, has leased approximately 20,000 square feet of office space at 2231 Crystal Drive in the Crystal City neighborhood of Arlington County, Virginia (the “**1776 Facility**”); and

WHEREAS, in order to incentivize and induce 1776 to (i) make an Eight Hundred Fifty Thousand and 00/100 Dollar (\$850,000.00) capital investment in the 1776 Facility, and (ii) facilitate the creation of up to three hundred (300) New Jobs (as defined below) in Arlington County by its 1776 Clients, and pursuant to the Industrial Development and Revenue Bond Act of the Code of Virginia of 1950, as amended, the County Board has agreed, subject to appropriation, to allocate and provide up to Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) in certain economic development incentive general funds to the IDA for the benefit of 1776 (the “**EDI Grant**”), subject to the terms and conditions of this Agreement; and

WHEREAS, 1776 has agreed to accept the EDI Grant from the IDA as an incentive to locate and expand its operations in Arlington County, Virginia and facilitate the creation of up to three hundred (300) New Jobs (as defined below) by its 1776 Clients, pursuant and subject to the terms and conditions of this Agreement; and

WHEREAS, the County Board, the IDA and 1776 desire to set forth their understanding and agreement as to the conditions, payout and use of the EDI Grant proceeds, and the obligations of each of the Parties hereto.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable considerations, mutual benefits, promises and undertakings of the Parties to this Agreement, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties covenant and agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are an integral part of this Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Agreement. Accordingly, the foregoing recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.

2. **Term.** The term of this Agreement shall commence as of the Effective Date, and continue until July 31, 2018; unless terminated earlier as hereinafter provided prior to that time.

3. **Economic Development Incentive Grant.** In order to incentivize and induce 1776 to (A) make an Eight Hundred Fifty Thousand and 00/100 Dollar (\$850,000.00) capital investment in the 1776 Facility in order to expand and continue its operations in Arlington County, Virginia, and (B) facilitate the creation of up to three hundred (300) New Jobs (as defined below) in Arlington County, Virginia by its 1776 Clients, the County Board, subject to appropriation and the terms of this Agreement, will provide up to a total of Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) in certain economic development incentive general funds to the IDA for the benefit of 1776. The EDI Grant will consist of a base amount of up to Three Hundred Thousand and 00/100 Dollars (\$300,000.00) (the "**Base EDI Grant**") and a bonus amount of up to One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) (the "**Bonus EDI Grant**").

For the purpose of this Agreement, the term "**New Jobs**" means new permanent full-time jobs of an indefinite duration which are created by 1776 Clients during the term of this Agreement, which are counted by 1776 for the purpose of obtaining the EDI Grant from the IDA, and which are located in Arlington County, Virginia. 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 employer's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year, and the 1776 Client/employer must provide each employee with a New Job a competitive salary and standard fringe benefits. Seasonal or temporary positions shall not qualify as New Jobs.

4. **IDA Covenants and Obligations.** Upon receipt of the requisite moneys from the County Board to fund the annual EDI Grant payments to 1776, the IDA shall, subject to the Disbursement Conditions in Section 7 below, disburse the EDI Grant payments to 1776 pursuant to Section 6 below. In the event the County Board fails to appropriate moneys sufficient to fund the annual EDI Grant, or transfer the requisite moneys to the IDA to fund the annual EDI Grant payments to 1776, the IDA shall not be responsible for disbursing any more moneys than it actually receives from the County to 1776.

5. **Prerequisite to Receipt of EDI Grant.** 1776 covenants and agrees to adhere to the following prerequisite conditions (the "**Prerequisite Conditions**") in order to receive an annual EDI Grant payment:

(A) On each of the following dates, 1776 shall provide the County Manager, or his designee, with a notarized affidavit (“**Notarized Affidavit**”) declaring the number of New Jobs created by 1776 Clients during the corresponding performance period:

Date Notarized Affidavit Due to the County Manager	Corresponding Performance Period
December 15, 2015	Effective Date – December 14, 2015
July 15, 2016	December 15, 2015 – June 30, 2016
July 15, 2017	July 1, 2016 – June 30, 2017
July 15, 2018	July 1, 2017 – June 30, 2018

Each Notarized Affidavit shall include the following declarations:

- (i) The number of New Jobs created by each 1776 Client during the corresponding performance period;
- (ii) The legal name and address of each 1776 Clients which created New Jobs during the corresponding performance period;
- (iii) The position titles and salary ranges for each New Job created by the 1776 Clients during the corresponding performance period; and
- (iv) A status update on the New Jobs created by the 1776 Clients during preceding performance periods, including whether those New Jobs were maintained or terminated by the 1776 Clients.

(B) Upon request by the Arlington County Department of Economic Development (“**AED**”), 1776 shall permit AED to use the 1776 Facility at no charge for Arlington County related events. AED’s use of the 1776 Facility shall (i) be subject to availability, (ii) be limited to no more than five (5) hours per month, and (iii) occur outside of normal operating hours. AED shall provide 1776 with at least three weeks advanced notice of its request to use the 1776 Facility.

(C) 1776 will list the Arlington County Department of Economic Development as a gold level corporate partner on its website and provide AED with all benefits, rights, and opportunities available to all 1776 gold level corporate partners.

(D) 1776 will post quarterly articles and/or blog entries authored by Arlington County officials on 1776’s blog “Insights” or in any other 1776 communication platform. Such articles and/or blog entries will be related to one of 1776’s core sectors.

(E) 1776 will collaborate with AED officials on two (2) public relations (press/speaking) opportunities per year addressing a mutually-agreed-upon topic.

(F) 1776 will organize a roundtable discussion between the Arlington County Manager and certain 1776 Clients at the 1776 Facility by no later than February 1, 2016.

6. Disbursement of EDI Grant.

(A) *Base EDI Grant.* Upon 1776's satisfaction, prior to each Base EDI Grant Distribution Date, of the Disbursement Conditions in Section 7, and the Base EDI Grant Performance Conditions below, the IDA will disburse to 1776 a Base EDI Grant in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00) on each of the Base EDI Grant Distribution Dates as follows:

Base EDI Grant Distribution Date	Base EDI Grant Distribution Amount	Base EDI Grant Performance Period	Base EDI Grant Performance Terms
January 1, 2016	\$100,000.00	Effective Date – December 14, 2015 (PERIOD 1)	1776 must make an \$850,000 capital investment in the 1776 Facility; and 1776 Clients must create at least fifty (50) New Jobs, in the aggregate, during the Period 1 Base EDI Grant Performance Period.
July 31, 2017	\$100,000.00	July 1, 2016 – June 30, 2017 (PERIOD 2)	1776 Clients must create and/or maintain at least fifty (50) New Jobs, in the aggregate, during the Period 2 Base EDI Grant Performance Period.
July 31, 2018	\$100,000.00	July 1, 2017 – June 30, 2018 (PERIOD 3)	1776 Clients must create and/or maintain at least fifty (50) New Jobs, in the aggregate, during the Period 3 Base EDI Grant Performance Period.

(B) *Bonus EDI Grant.* Upon 1776's satisfaction, prior to each Bonus EDI Grant Distribution Date, of the Disbursement conditions in Section 7 below, the IDA will disburse to 1776 an annual Bonus EDI Grant in the amount of One Thousand and 00/100 Dollars (\$1,000.00) for each New Job created by 1776 Clients in excess of fifty (50) New Jobs, in the aggregate, created during the Bonus EDI Grant Performance Period. Notwithstanding any other provisions in this Agreement, the sum of the Bonus EDI Grant disbursed by the IDA to 1776 on any Bonus EDI Grant Date shall not exceed Fifty Thousand and 00/100 Dollars (\$50,000.00).

Bonus EDI Grant Distribution Date	Bonus EDI Grant Performance Period	Bonus EDI Grant Distribution Amount
July 31, 2016	December 15, 2015 – June 30, 2016	\$1,000.00 for each New Job created in excess of the fifty (50) New Jobs created during the Period 1 Base EDI Grant Performance Period, capped at \$50,000.00
July 31, 2017	July 1, 2016 – June 30, 2017	\$1,000.00 for each New Job created in excess of the fifty (50) New Jobs created during the Period 2 Base EDI Grant Performance Period, capped at \$50,000.00

July 31, 2018	July 1, 2017 – June 30, 2018	\$1,000.00 for each New Job created in excess of the fifty (50) New Jobs created during the Period 3 Base EDI Grant Performance Period, capped at \$50,000.00
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7. **Disbursement Conditions.** Notwithstanding any other provision in this Agreement to the contrary, the obligations of the IDA to disburse the EDI Grants to 1776 on the Base EDI Grant Distribution Dates and the Bonus Grant Distribution Dates listed in Section 6 above are subject to and conditioned on the fulfillment of the following disbursement conditions (the “Disbursement Conditions”):

(A) The County Board must have appropriated and transferred moneys to the IDA that are sufficient to fund the disbursement of the annual Base EDI Grant and, if applicable, the annual Bonus EDI Grant. The IDA will have no responsibility to transfer funds to 1776 beyond such funds as are transferred by the County to the IDA.

(B) The County Manager, or his designee, must have confirmed in writing that 1776 is in compliance with the Prerequisite Conditions in Section 5 above.

(C) The County Manager, or his designee, must have confirmed in writing that 1776 has paid all business, professional and occupational license taxes and all real estate taxes assessed to and due by 1776 to Arlington County.

8. **Miscellaneous Provisions.**

(A) Notices, Demands, and Communications between the Parties. Formal notices, demands, and communications between the Parties shall be given either by (a) personal service, (b) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (c) 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 (d) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed to:

To the County: Arlington County
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201
Attn: Mark Schwartz, Acting County Manager
Fax: (703) 228-3218
Email: MSchwartz@ArlingtonVA.US

With Copies to: Arlington County
Office of the County Attorney
2100 Clarendon Blvd, Suite 403
Arlington, Virginia 22201
Attn: Robert E. Dawson, Assistant County Attorney
Fax: (703) 228-7106
Email: RDawson@ArlingtonVA.US

Arlington County
Arlington Economic Development
1100 North Glebe Road, Suite 1500
Arlington, Virginia 22201
Attn: Victor L. Hoskins, Director
Fax: (703) 228-0805
Email: VHoskins@ArlingtonVA.US

To 1776: 1776 Global, Inc. PBC
1133 15th Street NW, 12th Floor
Washington, DC 20005
Attn: Evan Burfield, Co-CEO
Email: evan@1776.vc

To the IDA: Industrial Development Authority of Arlington County
2100 Clarendon Blvd, Suite 501
Arlington, Virginia 22201
Attn: Jason Friess, Secretary/Treasurer
Fax: (703) 224-3401
Email: JFriess@arlingtonva.us

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices 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, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing.

(B) Entire Agreement; Amendments. This Agreement constitutes the entire agreement among the Parties hereto as to the EDI 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. 1776 may not assign its rights and obligations under this Agreement without the prior written consent of the County Board and the IDA.

(C) Governing Law; Venue. This Agreement is made, and is intended to be performed, in Arlington County, Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the County of Arlington, and such litigation shall be brought only in such court.

(D) No Third-Party Beneficiaries. No provision of this Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

(E) **Relationship of Parties.** The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the Parties and no relationship of partnership, joint venture, or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to this Agreement.

(F) **Severability.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. In the event that all or any portion of this Agreement is found to be unenforceable, this Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Agreement or that portion which is found to be unenforceable.

(G) **Interpretation.** The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement. Each of the capitalized terms expressly defined in this Agreement shall be applicable equally to the singular and the plural forms of such terms and to all genders.

(H) **Language Construction.** The language of each and all paragraphs, terms and/or provisions of this Agreement, shall in all cases and for any and all purposes, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any Party and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

(I) **Determinations; Disbursements.**

(i) Any determination by the County Manager of fulfillment or non-fulfillment of the terms of this Agreement by 1776 shall be binding on the IDA. The IDA may request such determinations by the County Manager as necessary.

(ii) The IDA shall have no responsibility to disburse any funds to 1776 beyond the amount the IDA has received from or on behalf of the County for the purpose.

(J) **No Waiver of Sovereign Immunity by County or IDA.** Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement nor any action taken by the County Board or the IDA, pursuant to this Agreement nor any document which arises out of this Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of Arlington County's or the IDA's respective elected and appointed officials, officers and employees.

(K) **Non-Liability of Officials, Employees and Agents.** No member, official, employee or agent of the County Board or the IDA shall be personally liable to 1776 in the event of any default or breach by the County Board or for any amount which may become due to the 1776 or its successors or assigns or on any obligation under the terms of this Agreement.

(L) **Attorney's Fees.** Attorney's fees shall be paid by the Party incurring such fees.

(M) **Business Day Convention.** If the date of any required action hereunder falls upon a weekend day, or a holiday when the New York Stock Exchange is not open for business, the required action may be deferred to the next occurring business day.

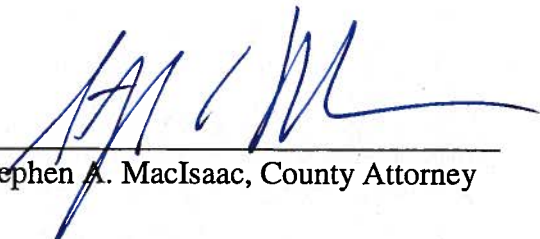
(N) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

[Signatures and acknowledgments appear on the following pages]


IN WITNESS WHEREOF, the County Board, the IDA, and 1776 have each executed, or caused to be duly executed, this Economic Development Incentive Grant Agreement under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives, as the case may be, thereunto duly authorized) as of the day and year first written above.

Approved as to form:

THE COUNTY BOARD OF
ARLINGTON COUNTY, VIRGINIA, a
body corporate and politic of the
Commonwealth of Virginia



Stephen A. MacIsaac, County Attorney

By: 

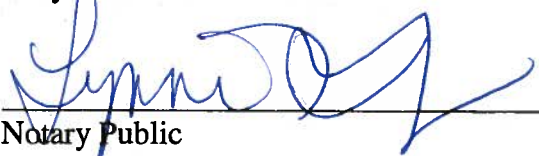
Mark Schwartz, Acting County Manager

ACKNOWLEDGMENT

COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON

On this the 14th day of January, 2018, before me, personally appeared Mark Schwartz, who acknowledged himself to be the Acting County Manager of Arlington County in the above instrument, and that he, as Acting County Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the County Board of Arlington County, Virginia, a body corporate and politic of the Commonwealth of Virginia by himself as Acting County Manager of Arlington County, Virginia

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public

My Commission Expires: 1/31/19



**INDUSTRIAL DEVELOPMENT
AUTHORITY OF ARLINGTON
COUNTY, VIRGINIA**, a political
subdivision of the Commonwealth of
Virginia

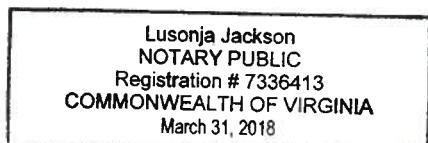
By: Gustavo A. Vega
Name: GUSTAVO A. Vega
Title: chairman

ACKNOWLEDGMENT

COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON

On this the 13th day of November, 2015, before me, personally appeared Gustavo Vega, who acknowledged himself to be the Chairman of the Industrial Development Authority of Arlington County, Virginia in the above instrument, and that he, as Chairman, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Industrial Development Authority of Arlington County, Virginia, a political subdivision of the Commonwealth of Virginia by himself as Chairman of the Industrial Development Authority of Arlington County, Virginia.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Lusonja Jackson
Notary Public

My Commission Expires: 03/31/2018

1776 GLOBAL, INC. PBC, a Delaware
public benefit corporation

By: Brittany Heyd
Name: Brittany Heyd
Title: General Counsel

ACKNOWLEDGMENT

STATE OF District of Columbia
COUNTY OF Washington, DC

On this the 16 day of December, 2015, before me, personally appeared Brittany Heyd, who acknowledged himself to be the General Counsel of 1776 Global, Inc. PBC in the above instrument, and that he, as General Counsel, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of 1776 Global, Inc. PBC, a Delaware public benefit corporation by himself as General Counsel of 1776 Global, Inc. PBC.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public

My Commission Expires: 9/30/2019



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