

MOTION: LAWSON

**January 24, 2017
Regular Meeting
Res. No. 17-42**

SECOND: NOHE

RE: AUTHORIZE THE EXECUTION OF A PERFORMANCE AGREEMENT BETWEEN CAERUS DISCOVERY, LLC, AND THE PRINCE WILLIAM COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY; AND BUDGET AND APPROPRIATE \$50,000 FROM THE ECONOMIC DEVELOPMENT OPPORTUNITY FUND TO THE PRINCE WILLIAM COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AS A GRANT TO CAERUS DISCOVERY, LLC, FOR THE PURCHASE OF BIOMEDICAL MATERIALS AND FOR CONTRACTUAL WORK WITH GEORGE MASON UNIVERSITY'S BIOMEDICAL RESEARCH LABORATORY TO MODEL, TEST, AND DISCOVER AN ANTIBODY FOR THE ZIKA VIRUS IN PRINCE WILLIAM COUNTY – BRENTSVILLE MAGISTERIAL DISTRICT

ACTION: APPROVED

WHEREAS, the County's 2013-2016 Adopted Strategic Plan lists a number of economic development strategies, three of which are addressed by this request: advance Prince William County as a life sciences center; develop and implement in coordination with George Mason University the next generation strategies for Innovation Science & Technology Park; and strengthen relationships with key development partners; and

WHEREAS, the Board of County Supervisors of Prince William County (BOCS) has determined that it may be necessary from time to time to provide financial incentives to expand targeted industries in Prince William County; and

WHEREAS, the BOCS and the Prince William County Industrial Development Authority (Authority) have entered into an agreement in which the Authority will act as the Board's agent in the implementation of these incentives; and

WHEREAS, the purpose of these financial incentives may include funds to assist in capital equipment purchases and business expansion; and

WHEREAS, the BOCS is interested in providing funds for this incentive program administered by the Authority to Caerus Discovery, LLC, which as a condition to receiving this grant would contract the animal modeling discovery work with George Mason University's Biomedical Research Laboratory (BRL) in Prince William County and purchase biomedical materials for the discovery of a new antibody for the Zika Virus; and

**January 24, 2017
Regular Meeting
Res. No. 17-42
Page Two**

WHEREAS, the performance agreement provides for a grant to reimburse Caerus Discovery, LLC, for the purchase of new lab equipment and assistance with contractual services with the George Mason University Biomedical Research Labs (BRL) and in-kind services and labor costs if the following conditions are met: 1) Caerus Discovery, LLC would invest \$200,000 through in-kind services and labor toward the discovery of a new antibody for the Zika Virus; 2) Caerus Discovery, LLC, will contract the animal modeling discovery work with the BRL in Prince William County; 3) Caerus Discovery, LLC, will provide receipts to the County to verify that 10 percent or \$5,000 of the total Economic Development Opportunity Fund grant was utilized for the purchase of biomedical materials in the discovery of a new antibody for the Zika Virus by March 31, 2017; and 4) Caerus Discovery, LLC, will provide records indicating that the remainder of the EDOF grant (\$45,000) was utilized in contractual services with the BRL and in-kind services and labor costs used in the discovery of a new antibody for the Zika Virus by July 31, 2017. The grant should be paid after conditions (1), (2) and (3) have been met. Caerus Discovery, LLC, will have to pay back \$45,000 of the grant if it does not provide records indicating that the EDOF grant was utilized in contractual services with the BRL and in-kind services and labor costs used in the discovery of a new antibody for the Zika Virus by July 31, 2017;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors does hereby authorize the Industrial Development Authority of Prince William County to execute a performance agreement with Caerus Discovery, LLC, and the Industrial Development Authority of Prince William County in a form approved by the County Attorney, and in substantially the form attached to this resolution; and budget/appropriate \$50,000 from the Economic Development Opportunity Fund as a grant to Caerus Discovery, LLC, for the purchase of biomedical materials and for contractual work with George Mason University's Biomedical Research Laboratories to model, test, and discover an antibody for the Zika Virus in Prince William County as follows:

Decrease Expenditure Budget:

<u>Fund</u>	<u>Dept.</u>	<u>Program</u>	<u>Activity</u>	<u>Object</u>	<u>Amount</u>
1208	11 – Economic Development	000 – Investment Attraction	0000	55800 – Undistributed & Misc.	\$50,000

Increase Expenditure Budget:

<u>Fund</u>	<u>Dept.</u>	<u>Program</u>	<u>Activity</u>	<u>Object</u>	<u>Amount</u>
1208	11 – Economic Development	111 – Investment Attraction	1111	56010 – Payments to Joint Ops	\$50,000

January 24, 2017
Regular Meeting
Res. No. 17-42
Page Three

BE IT FURTHER RESOLVED that should Caerus Discovery, LLC, be unable to satisfy the conditions of its performance agreement with the Industrial Development Authority within the current fiscal year, the Board authorizes the budget/re-appropriation of authorized Economic Development Opportunity Fund funds for the project in the subsequent fiscal year.

ATTACHMENT: Performance Agreement between Industrial Development Authority (IDA) and Caerus Discovery, LLC

Votes:

Ayes: Anderson, Caddigan, Candland, Jenkins, Lawson, Nohe, Principi, Stewart

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Economic Development Executive Director

ATTEST: _____



Clerk to the Board

AGREEMENT

THIS AGREEMENT made this 6 day of January, 2017, by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM**, (hereinafter referred to as "IDA"), a political subdivision of the Commonwealth of Virginia, and Caerus Discovery, LLC, a Virginia corporation, registered to do business in the Commonwealth of Virginia.

WITNESSETH:

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

WHEREAS, the IDA 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, Caerus Discovery, LLC is a Prince William County Science Accelerator tenant at 9385 Discovery Boulevard, and it would like to enter into a partnership with the George Mason University's Biomedical Research Laboratories to discover an antidote for the Zika Virus; and

WHEREAS, recruitment and expansion of life science companies is an important part of the County's economic development effort; and

WHEREAS, this Agreement is consistent with the agreement entered into by and between the IDA and the Board of County Supervisors for granting incentives to industries expanding in the County and for promoting long-term economic development in the County; and

WHEREAS, it is in the public interest of the citizens of Prince William County for the IDA to assist with the expansion of Caerus Discovery, LLC in the County, which will benefit the County by enhancing it as a location for life science companies, thereby promoting the health, safety, welfare, convenience and prosperity of the citizens of the County; and

WHEREAS, upon execution of this Agreement, and a written request from Caerus Discovery, LLC containing any necessary bank wiring instructions, Caerus Discovery, LLC will receive a grant for the purchase of biomedical materials and for contractual work with George Mason University's Biomedical Research Laboratories to discover an antidote for the Zika Virus in Prince William County from the County Economic Development Opportunity Fund (EDOF) in the amount of \$50,000 for the purpose of assisting the company in the expansion of its life sciences research in Prince William County; and

WHEREAS, Caerus Discovery, LLC has announced its intention to utilize its proprietary antibody discovery paradigm to generate the data required for continued funding from possibly the NIH, Commonwealth's commercialization fund, angel and

venture capital investors, and others, to carry this research forward to find and antidote that will counteract or neutralize the effects of the Zika Virus; and

WHEREAS, it is anticipated that Caerus Discovery, LLC will purchase new lab equipment and utilize its proprietary discovery paradigm, in a partnership with George Mason University Biomedical Research Labs (BRL) for animal modeling work, to discover an antidote for the Zika Virus in Prince William County, hereinafter referred to as the “Project”; and

WHEREAS, the Board of County Supervisors has duly authorized and committed the EDOF Grant, the proceeds of which are to be provided to the IDA for use in helping to offset labor and equipment costs and assist Caerus Discovery, LLC in the expansion of its life sciences operations in Prince William County pursuant to Resolution #17- ____; and

WHEREAS, the IDA and Caerus Discovery, LLC desire to enter into this Agreement to memorialize the understandings and conditions under which financial incentives will be provided to Caerus Discovery, LLC to use in connection with its expansion in Prince William County, 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. The IDA agrees to grant Caerus Discovery, LLC \$50,000 from the Prince William County Economic Development Opportunity Fund, to be paid upon written request from Caerus Discovery, LLC containing any necessary bank wiring instructions.
2. Caerus Discovery, LLC agrees utilize its proprietary discovery paradigm, in a partnership with George Mason University Biomedical Research Labs (BRL) for animal modeling work, to discover an antidote for the Zika Virus in Prince William County, meeting all of the criteria of the “Project” set forth heretofore in this Agreement.
3. The IDA will grant up to \$50,000 to Caerus Discovery, LLC subject to conditions. The conditions of the grant to reimburse Caerus Discovery, LLC for the purchase of new lab equipment and assistance with contractual services with the George Mason University Biomedical Research Labs (BRL) and in in-kind services and labor costs if the following conditions are met: 1) Caerus Discovery, LLC would invest \$200,000, through in-kind services and labor, toward the discovery of a new antibody for the Zika Virus; 2) Caerus Discovery, LLC will contract the animal modeling discovery work with George Mason University’s Biomedical Research Labs (BRL) in Prince William County; 3) Caerus Discovery, LLC will provide receipts to the County to verify that 10 percent or \$5,000 of the total EDOF grant was utilized for the purchase of biomedical materials in the discovery of a new antibody for the Zika Virus by March 31, 2017; and 4) Caerus Discovery, LLC will provide records

indicating that the remainder of the EDOF grant (\$45,000) was utilized in contractual services with the BRL and in in-kind services and labor costs used in the discovery of a new antibody for the Zika Virus by July 31, 2017. The grant should be paid after conditions (1), (2) and (3) have been met. Caerus Discovery, LLC will have to pay back \$45,000 of the grant if it doesn't provide records indicating that EDOF grant was utilized in contractual services with the BRL and in in-kind services and labor costs used in the discovery of a new antibody for the Zika Virus by July 31, 2017.

4. If Caerus Discovery, LLC is delayed in the performance of its obligations hereunder and such delay is due to Force Majeure Including but not limited to acts of nature, fire, catastrophic weather, explosion, riot, war or labor strike or any other cause beyond Caerus Discovery, LLC's control and this (these) event(s) impact the ability of Caerus Discovery, LLC to complete its performance obligations under this Agreement and only if Caerus Discovery, LLC gives prompt notice of such Force Majeure event(s) and has made reasonable efforts to mitigate the impact of such event(s), then Caerus Discovery, LLC may request an extension of the performance commitments from the County; such extension shall not exceed six (6) months and such extension shall not be unreasonably withheld.
5. Caerus Discovery, LLC represents that it is a Virginia corporation in good standing with the Virginia Department of Taxation, and is authorized to conduct business in Virginia, that its Board of Directors has approved the transaction contemplated by this Agreement under its corporate policies and procedures through formal resolution, that the undersigned is authorized to sign this Agreement on behalf of Caerus Discovery, LLC, and that this Agreement will be binding on Caerus Discovery, LLC and its successors and assigns. Caerus Discovery, LLC agrees to provide proper documentation of the foregoing to the IDA prior to the grant of funds to Caerus Discovery, LLC.
6. At the IDA's written request or the written request of the IDA's designee, Caerus Discovery, LLC agrees to report, document and verify to the IDA its compliance with the requirements of this agreement as of February 1, 2017. These reports shall be filed within thirty (30) days after the receipt of the written request.
7. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia.
8. This Agreement may be signed in duplicate, and each of said duplicates shall constitute an original.
9. 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.

ATTEST:

INDUSTRIAL DEVELOPMENT AUTHORITY
THE COUNTY OF PRINCE WILLIAM

Secretary/Treasurer

BY: _____
Frank Mejia, Chairman

CAERUS DISCOVERY, LLC



BY: _____
Guy Yachin, President and CEO