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We also understand the Company will use its best efforts to use Baltimore/Washington International Thurgood Marshall Airport and the Port of Baltimore for its shipping and transportation and Maryland contractors and construction workers for construction of the Project. Additionally, Maryland strongly supports our military personnel and encourages companies to use their best efforts to employ veterans.

Of course, any material changes to the Project as outlined in this letter should be immediately brought to the Department's attention since they could affect the Department's proposed assistance for the Project.

3. **DEPARTMENT PARTICIPATION.** The Department is willing to consider providing the following assistance to enable the Company to complete the Project at the Project Site in Prince George's County, Maryland:

(a) **Conditional Loan** under the Maryland Economic Development Assistance Fund (the "Loan"):

Borrower:	Metropolitan Meat, Seafood & Poultry Company, or an entity acceptable to the Department.
Amount:	\$200,000
Purpose:	The proceeds of the Loan would be used to reimburse Eligible Project Costs at the Project Site.
Eligible Project Costs:	Those costs associated with the Project that are eligible for reimbursement under the Maryland Economic Development Assistance Fund program. This would include the acquisition, construction, or installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements at the Project Site.
Disbursement:	The Loan would be disbursed for up to 70% of incurred Eligible Project Costs.
Approval:	The Loan is subject to approval by the Secretary of the Department.
Term:	The term of the Loan will be ten (10) years from the initial disbursement.
Interest Rate:	Three percent (3%) fixed per annum.

- Collateral: To be determined based upon a financial and collateral review of the Borrower and the final structure of the Loan.
- Guarantors: To be determined based upon a financial and collateral review of the Borrower and the final structure of the Loan.
- Conditions Precedent
To Disbursement:
- (1) The Borrower will provide acceptable evidence of its control of the Project Site.
 - (2) The Department will have received satisfactory evidence that the Borrower employs a minimum of 150 permanent full-time employees at the Project Site.
 - (3) The Borrower will have expended at least \$286,000 of Eligible Project Costs at the Project Site against which the Loan may be disbursed.
 - (4) The Department will have received satisfactory evidence that Prince George's County has approved and funded its incentive.
- Repayment: All principal and accrued interest would be deferred over the term of the Loan. In the event that all of the Performance Criteria of the Loan are met over the term, all outstanding deferred principal and accrued interest would be forgiven at the end of the Loan term. In the event that any of the Performance Criteria are not met, the Loan would be repayable as described in the Conditions section.
- Performance Criteria:
- (1) The Borrower will employ at least 150 permanent full-time employees at the Project Site for the term of the Loan.
 - (2) The Borrower will employ at least 215 permanent full-time employees at the Project Site by June 30, 2016 and retain at least that amount at the Project Site through the remaining term of the Loan.
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(3) The Borrower will employ at least 230 permanent full-time employees at the Project Site by December 31, 2020 and retain at least that amount at the Project Site through the remaining term of the Loan.

Full-time employment will be measured annually as of December 31st of each required year, with employment reports due to the Department by January 31st of the following year with the first reporting beginning the first December 31st following disbursement.

(4) The Borrower will have expended an aggregate minimum of \$3,500,000 (including the Loan) on Project Costs at the Project Site by June 30, 2016.

(5) The Borrower will maintain its food distribution operation at the Project Site for the term of the Loan.

Conditions:

(A) If at any time after June 30, 2016, permanent full-time employment at the Project Site is less than 215 but greater than 150; the Borrower would repay a pro-rata portion of principal (\$2,500) and the associated portion of accrued interest due for every employee below the goal.

(B) If at any time after December 31, 2020, full-time employment at the Project Site is less than 230 but greater than 150; the Borrower would repay a pro-rata portion of principal (\$2,500) and the associated portion of accrued interest due for every employee below the goal.

(C) If at any time during the term of the Loan the Borrower does not meet Performance Criteria (1) or (5), or does not meet Performance Criteria (4) by June 30, 2016 all outstanding unpaid interest and principal under the Loan would be repaid.

(D) The Loan must close by December 31, 2014 and be fully funded by December 31, 2015.

4. **PRINCE GEORGE'S COUNTY INCENTIVES.** The County is willing to consider providing the following assistance to enable the Company to complete the Project in Prince George's County, Maryland:

(a) **Financial Assistance:** Prince George's County has created an Economic Development Incentive Fund ("EDI Fund") to support job retention and attraction and economic development and redevelopment in Prince George's County. Prince George's County will offer a separate \$85,000 conditional loan to enable the Company to complete the Project at the Project Site, subject to terms, conditions, and performance criteria that are consistent with the Department's Conditional Loan in all material respects. The EDI Fund conditional loan requires approval by the County Chief Administrative Officer and notice to the Prince George's County Council.

It is the policy of Prince George's County to encourage and in some cases require businesses that accept financial assistance from the EDI Fund, and other economic development tools and incentives, to commit to specific goals or minimum requirements for local, small, and/or minority business (LSMBE) participation in the projects that are being supported by the financial assistance. Prince George's County endorses the goal of improving the quality of life for all citizens by strengthening the economic capacity of its local, small, and minority business communities. As a condition of assistance, Metropolitan Meat, Seafood & Poultry Company will be expected to do enter into an agreement with the County to meet specified LSMBE goals and requirements.

(b) **Workforce Services.** The Workforce Services Division ("WSD") of Prince George's County Economic Development Corporation has the responsibility of developing integrated and comprehensive solutions to the workforce needs of County employers. The in-kind projected value of this assistance is up to \$900 per job. WSD will offer the following services for the Project at no cost to the Company:

- a. Customized Recruitment, Prescreening, and Assessment of job candidates;
- b. Customized On-the Job Training (can reimburse up to 50 percent of the employee's wages to cover the cost of training);
- c. Screening for various tax credit opportunities due to creating new employment; and
- d. Dedicated WSD Staff to provide these services.

(c) **Permit Assistance.** Prince George's County will authorize the Project to be considered for Priority Project Designation. Under this process, the Company will have the opportunity to present the Project to all appropriate County regulatory and permit granting agencies and to receive expedited review through applicable local processes. An individual in County government will be designated to assist the Company in the regulatory and review process.

5. **OTHER INCENTIVES.** In addition to the incentives described above, the State could provide, through the appropriate state and local governmental instrumentalities, certain incentives to induce the Company to expand in the State, including:

(a) **Job Creation Tax Credit.** The Company could be eligible for a Job Creation Tax Credit if it establishes or expands a Maryland business facility that is primarily engaged in warehousing, the operation of central administrative offices, or a company headquarters. The new or expanded facility may also qualify for the credit if it is primarily engaged in business services and is located in one of the following "priority funding areas": an incorporated municipality, within the Baltimore Beltway, within the Maryland portion of the Washington, D.C. Beltway, in a federal empowerment zone, in a Maryland Enterprise Zone, in a Department of Housing and Community Development ("DHCD") designated neighborhood, in one area in a county designated by the County as a priority funding area, or in that portion of the port land use development zone that has been designated as an area appropriate for growth in the county comprehensive master plan.

To qualify for the job creation tax credit, most business entities must create at least 60 "qualified positions" (permanent newly created Maryland positions of at least 1,680 hours per year resulting from the establishment or expansion of a business facility in a single location in the state and paying at least 150% of the federal minimum wage) within a 2-year period. The 60 new job minimum is reduced to a 30 new job minimum if the aggregate annual payroll for the qualified positions exceeds 60 multiplied by the State's average annual salary. The 60 new job minimum is reduced to 25 new jobs if the facility is located in one of the "priority funding areas" listed above.

The Project Site is located in the Prince George's County Enterprise Zone therefore the credit granted will be the lesser of \$1,500 or 5% of a year's wages for each employee in a qualified position. Based on the Project description provided by the Company, the Company could be eligible for aggregate credits of up to \$120,000 depending on the ramp up of the new jobs.

The maximum credit allowed during any credit year for a single facility is \$1 million. The credit is allowed ratably, with 1/2 to be taken in the credit year and 1/2 taken in the following year (or carried forward, if necessary). If, during the three (3) years succeeding the credit year, the average number of qualified positions falls below the applicable minimum number of qualified positions, all credits shall be recaptured. If the number of qualified positions falls more than 5%, but not below the applicable minimum number of qualified positions, then the credit is recaptured in proportion to the decline in qualified employees.

(b) **Enterprise Zones.** The Project is located within a focus area of an Enterprise Zone, special local property tax credits are available to businesses that construct new or substantially improve existing business properties in State Enterprise Zones (including federal empowerment zones). State tax credits and other benefits are also available to businesses locating or expanding in a Maryland Enterprise Zone.

- **Property Tax Credit.** A ten-year local real property tax credit is available to businesses that build new or substantially improve existing business facilities in State Enterprise Zones. The credit is based on the difference between the "base year" real property assessment (the assessment in the year before improvement) and the

assessment in the year after improvement of the real property. The Project Site is located in a focus area and the property tax credit will be 80% of the tax on the difference between the base year assessment and the post-improvement assessment for 10 years.

- Personal Property Tax Credit. There is a personal property tax credit for 10 years at 80% against local personal property taxes on new investment in personal property for projects located in a focus area.
- State Tax Credit. An income tax credit is available to businesses that create new, full-time (at least 35 hours per week) jobs paying at least 150% of minimum wage in an enterprise zone. Companies located in a focus area receive \$1,500 for each qualified new employee in the first year. If the new position is filled by an employee who is "economically disadvantaged" and is located in a focus area, the business may take a credit of up to \$4,500 in the first year of employment, \$3,000 in the second year, and \$1,500 in the third year. The term "economically disadvantaged" generally refers to an individual whose household income is 70% of the poverty rate. (This determination is made by the Maryland Department of Labor, Licensing and Regulation.) Based on the Project description provided by the Company, the Company could be eligible for aggregate credits of approximately \$120,000.

(c) Inventory Tax Exemptions: Prince George's County exempts 100% of commercial inventory from personal property tax.

(d) Sales Tax Exemptions. The Company could be exempt from state sales taxes on equipment that is purchased for use in a production activity, tangible personal property consumed in a production activity, and energy sources consumed directly and predominately in a production activity, in connection with the Company's production. Based on expenditures of \$400,000 for manufacturing equipment, the value of this exemption is estimated to be \$24,000.

(e) Single Sales Factor Apportionment for Manufacturing Corporations. Maryland's corporate tax law provides that a manufacturer's income tax is based solely on its percentage of in-State sales. A single sales factor apportionment formula is used to apportion income to the State, for purposes of the corporate income tax, for "manufacturing corporations" that carry on a trade or business in and out of the State.

(f) Maryland Commuter Tax Credit. Maryland employers that pay for part or all of eligible monthly commuting expenses for their employees can qualify for a tax credit equal to 50% of the cost of those expenses with a cap of \$50 per employee per month. This includes expenses incurred for monthly usage of bus or rail service provided by the Washington Metropolitan Area Transit Authority or the Maryland Mass Transit Administration, MARC trains and vanpools. The credit can be claimed against State income taxes, financial institution franchise taxes, or insurance premium taxes. When combined with federal tax incentives, this

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State tax credit allows employers to offer a new employee benefit for a fraction of the total cost. Please call the Maryland Mass Transit Administration at 410-767-8755 for more details.

(g) **Maryland Disability Employment Tax Credit.** The Maryland Disability Employment Tax Credit ("MDETC") is a Maryland State tax credit that allows employers to claim credit for employees with disabilities.

- For the first taxable year, a credit is allowed in an amount equal to 30% of up to the first \$6,000 (\$1,800) of wages paid during the first year and 20% of up to the first \$6,000 (\$1,200) of wages paid during the second year of employment. Employers can also benefit from a tax credit for work-related childcare or transportation expenses paid by the employer. A credit of up to \$600 of the qualified childcare or transportation expenses incurred during the first year of employment and up to \$500 for the second year. The MDETC may be claimed concurrently with any available federal tax credits for which the employee may be eligible.

The Company must hire an individual with a disability and obtain a determination from the Division of Rehabilitation Services ("DORS") of the Maryland State Department of Education, or the Maryland Department of Labor, Licensing, and Regulation for a disabled veteran, that the individual is a qualified employee with a disability. The program is set to expire June 30, 2013.

Unless otherwise noted, please contact Mr. Mark Vulcan, Program Manager, Tax Incentives, Office of Finance Programs, DBED, at 410-767-6438, toll-free at 877-821-0099, or email at mvulcan@choosemaryland.org for additional information concerning tax credits.

6. **CONDITIONS.** The extension of financial assistance will be subject to the Department's and County's due diligence review of the Company's business and financial affairs and documentation satisfactory to the Department's and County's counsel. The Loan is subject to approval by all appropriate approval authorities. A later commitment for any financial assistance will be subject to the availability of funding and adequate appropriations, the payment of applicable fees, and compliance with all applicable state and federal laws.

Any public communication (i.e., letters to legislators, press releases, discussion with local media, tombstone ads, staged events with public officials) about the proposed Project must first be agreed to by the Department's Communications Office, at 410-767-6318, since erroneous or premature publicity could affect the composition of the incentives under discussion.

Recipients of the Department's financial assistance are prohibited from discriminating on the basis of race, color, sex, religion, or national or ethnic origin in the hiring of contractors (or permitting contractors to discriminate in hiring of subcontractors) for projects funded by that financial assistance. The recipient agrees to support the State's interest in expanding procurement opportunities for contractors and vendors who are minority business enterprises ("MBEs"). The recipient will designate an individual to identify procurement opportunities in the Project and to work cooperatively with the Department's Equal Opportunity Office to

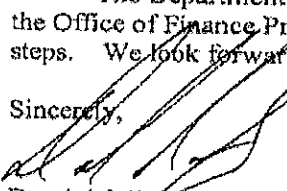
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identify MBEs that have the capacity to provide goods or services for the Project. (Contact the Equal Opportunity Office at 410-767-6488, 401 E. Pratt Street, 10th Floor, Baltimore, Maryland 21202.) The recipient will submit a list, updated at least annually until the Project is completed, of the MBEs from which goods or services were procured, and the nature and dollar amount of the goods or services.

7. **EXPIRATION.** While this letter is intended as a non-binding expression of intent rather than an enforceable commitment, and while material provisions that will be critical to an acceptable agreement are absent from this summary, we hope that it will serve as a useful framework for the prompt completion of negotiations. Please sign and return this letter to the Department as soon as possible, but no later than **November 24, 2014**, to expedite negotiations and preserve the Project's high priority status.

The Department invites you to contact Mr. Timothy P. Doyle or Mr. Harry M. Carroll of the Office of Finance Programs, DBED, at 410-767-2369 or 410-767-6360 for details and further steps. We look forward to working with you.

Sincerely,


Dominick E. Murray
Secretary
Department of Business and Economic
Development

David D. Ryer,
Managing Director,
Administration and Technology
on behalf of Secretary Murray

Ms. Gwen S. McCall
President and CEO
Prince George's County
Economic Development Corporation

Accepted this 14 day of January, 2014

Metropolitan Meat, Seafood & Poultry Company

By:

Name:

Title:

FID#


Scott Willard
President, Metropolitan Meat, Seafood & Poultry
530259371

(A.M. Briggs FID #, Metropolitan is a division of Briggs)
Upon signing, please return this letter directly to Mr. Harry M. Carroll, Finance Specialist,
Office of Finance Programs, 17th Floor, 401 E. Pratt Street, Baltimore, MD 21202.

cc: Mr. Dalip Bamni, Bamni & Associates, LLC
Mr. Larry Hentz, Business Development Specialist, Prince George's County Economic
Development Corporation
Mr. Harry M. Carroll, Finance Specialist, Office of Finance Programs, DBED
Mr. Timothy P. Doyle, Program Manager, Office of Finance Programs, DBED
Mr. Mark Vulcan, Program Manager, Tax Incentives, Office of Finance Programs,
DBED