

Front Royal-Warren County Regular Meeting Minutes, 12 Dec 2025

Warren County Government Center: Caucus Room, 220 N. Commerce Ave, Front Royal, VA
December 12, 2025. 8:00 AM

1. Call to Order. 8:12 AM.

A. Roll Call 8:13 AM. All present except McDermott (death in family). Also present are Joe Petty, Front Royal Town Manager; Glenn Wood, Front Royal Town Council; and Roger Bianchini, reporter for the Royal Examiner.

2. Adoption of Agenda – Additions and Deletions. 8:14 AM. On a motion by Mr. Fox and seconded by Mr. Townshend and the following vote, the Agenda was adopted. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

3. Approval of Minutes of October Meeting. 8:20 AM. On a motion by Mr. Townshend seconded by Mr. Cullers and the following vote, the Minutes for the meeting of October, 2025, as amended by EDA counsel Rodney Young were adopted. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

4. Officer Elections. 8:22 AM. The EDA Board missed the deadline to elect the current officers in June, 2025. The elections are being held to complete the current term, terminating June 30, 2026, to come into compliance with EDA bylaws. On a motion by Townshend seconded by Cullers and the following vote, the currently serving board members will retain their positions for the term of 1 January 2026 through 30 Jun 2026. Move that the Board approve the following Board Officers to serve for a term commencing January 1, 2026 and terminating June 30, 2026:

Robert MacDougall, Chairman
Robert Culler, Vice Chairman
Bruce Townshend, Secretary
Dave McDermott, Treasurer

Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Fox – Aye; Mr. Townshend – Aye.

5. Reports.

8:27 AM Joe Boatwright, USDA, called in via Zoom to address the EDA on agreements with Shenandoah Community Capital Fund (SCCF). He stressed that we need to make sure that EDA controls the money and not allowing SCCF to simply approve loans. SCCF will evaluate and make recommendations, but loan approval would be vested with the EDA. If the EDA is paying SCCF 3% per loan, ensure that there is enough revenue

coming in to make those payments. The board will send final agreement to Mr. Boatwright for final review before approval.

A. Executive Committee. 8:43 AM. Consultancy for economic development. EDA was address by Miles Friedman in June and he advised that a full-time director of ED is necessary at the County level. As an alternative, hire a consultant with professional expertise for a 6-month term to promote and revive economic development and work with local government and business entities, and work with the EDA of the Town of Front Royal. EDA is considering a request for proposal (RFP) to hire such an individual.

B. Asset Committee Update

i. Financial Update. 8:49 AM. Mr. McDermott is absent. Financial report will resume in January. Current financials are up to date. Deal with EQUUS is closed.

ii. Third Forbearance Agreement with The First Bank & Trust (FB&T). 8:52 AM. Discussions between EDA and FB&T legal counsels are on-going and cooperative. Proceeds from the EQUUS sale were applied to both principal and interest on the loan with FB&T, reducing the principal to approximately \$5.6 Million. Changes apply to the amount of indebtedness in paragraph 2 (See attached) and updates second forbearance agreement. This agreement extends the forbearance further through April 15, 2026. One further change should be made to paragraph 5. Chair and Sec'y signed agreements at the conclusion of the meeting.

iii. Status of Rivermont Acres Sales Contracts. 9:01 AM. Jim Guisewhite, SVN Commercial Specialists, present in the meeting for this portion. Notice must be provided to any buyers, already in partial contracts which expire on 31 December 2025, of the restrictions of the conveyance and uses of the property by the Environmental Protection Agency (EPA). Resolution is to extend the agreement and to prepare/provide such documentation to sales contracts. Addendum makes it clear to all parties that closing is contingent on approval of other entities (US Govt, EPA, FMC, etc.) which may be a lengthy process.

C. Litigation Update

i. Status Update on the Lewisburg Way LLC Appeal. 9:15 AM. EDA was successful in having this issue dismissed by circuit court in the appeals process by Curt Tran/Lewisburg Way. Currently in process of appeal by Court of Appeals of Virginia as a civil matter. Being handled by Sands Anderson (Cullen Seltzer).

ii. Status Update on the Tran/ITFederal Virginia Supreme Court Appeal. 9:19 AM. Judgment obtained by Sands Anderson on behalf of EDA was appealed by

Tran/ITFederal to Virginia Supreme Court and was denied. Judgments of lower courts affirmed by the Virginia Supreme Court. In effect, case is over and judgments will stand.

D. Board Member Updates. 9:21 AM. Chairman MacDougall - Two vacancies remain on this board so please encourage other community members to apply for open positions. Secretary Townshend will attend FREDA meeting on January 5, 2026 at noon if he is available.

Vice Chairman Cullers – CCAP may be interested in purchasing the property currently being rented (Kendrick Lane) at a suitable price. EDA will consider.

James Fox – continuing work on SCCF agreement. Attempting to get progress made on process approvals for the Avtex Conservancy trail. Clean Water Project has concerns about tree removal and other restrictions/potential litigation.

6. Closed Session. 9:39 AM On a motion by Mr. Townshend seconded by Mr. Cullers and the following vote, the EDA went into closed session. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

A. Disposition of EDA-Owned Properties (Avtex/Royal Phoenix 113+/- acres). Motion to convene in closed session pursuant to Virginia Code section 2.2-3711(A)(3) to discuss the disposition of publicly owned property where discussion in open session would adversely affect the bargaining or negotiating position of the EDA. Jim Guisewhite, SVN Commercial Specialists, present for this portion of closed session as the agent for these transactions.

B. Discussions Relating to Proposed Settlement Between United Bank, FB&T, the Town of Front Royal, and the EDA. Motion to convene in closed session pursuant to Virginia Code section 2.2-3711(A)(8) to consult with legal counsel regarding ongoing negotiations relating to the proposed Term Sheet to resolve matters between United Bank, FB&T, the Town of Front Royal, and the EDA.

C. Discussions relating to litigation involving Tran and IT Federal. Motion to convene in closed session pursuant to Virginia Code section 2.2-3711(A)(7) to consult with legal counsel pertaining to actual or probable litigation where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the EDA.

Closed Session Certification

As required by Virginia Code §2.2-3712(D), the Board shall take a recorded vote to be included in the minutes, certifying that to the best of each member's knowledge:

- (i) only public business matters lawfully exempted from open meeting requirements under this chapter and
- (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body.

| Vote: | <u>Yes</u> | <u>No</u> |
|--------------------|------------|-----------|
| MacDougall | [X] | [] |
| Townshend | [X] | [] |
| McDermott (absent) | [] | [] |
| Cullers | [X] | [] |
| Fox | [X] | [] |

7. Action Items 11:04 AM

A. I move that the Board approve the December 12, 2025, Resolution Approving the Third Forbearance Agreement with FB&T and to authorize the Board Chair and Board Secretary to execute the Resolution and the Agreement on behalf of the EDA Board. On a motion by Mr. Townshend seconded by Mr. Cullers and the following vote, the motion to approve the third forbearance agreement was approved. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

B. Move that the Board agree to accept the Dec 8 , 2025 [insert date] Letter of Intent of Purchaser Provident to purchase the property located at 0 Kendrick Lane, Front Royal, Virginia, consisting of approximately 113 acres of land with improvements. On a motion by Mr. Townshend seconded by Mr. Fox and the following vote, the motion was approved. Mr. MacDougall – Aye; Mr. Cullers – Nay; Mr. Townshend – Aye; Mr. Fox – Aye.

C. Move that the Board approve the Addendum to Contract of Purchase for each pending Purchase Contract for sale of the Rivermont Acres lots and I move that the Board authorize the Board Chair and Board Secretary to execute all such contracts. On a motion by Mr. Townshend seconded by Mr. Fox and the following vote, the motion was approved. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

8. New Business: 11:07 AM.

Move that the Board approve the Addenda extending the Exclusive Listing Agreements between the EDA and SVN Commercial Specialists through June 30, 2026 for (1) the Rivermont Acres recreational lots; and (2) for the approximately 113 acres Avtex property located at Kendrick Lane; and that the Board authorize the Board Chair and Board Secretary to execute the Addenda on behalf of the EDA Board. On a motion by Mr.

Townshend seconded by Mr. Cullers and the following vote, the motion was approved. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

9. Adjournment 11:08 AM. On a motion by Mr. Cullers seconded by Mr. Fox and the following vote, the meeting was adjourned. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.