

# Carroll County Board of Supervisors

605-1 Pine Street Hillsville, VA 24343 Telephone (276) 730-3001 Fax (276) 730-3004 Locality CEO Letter Rex L. Hill, Chair Joe Webb, Vice Chair Dr. Tom Littrell Tracy D. Moore Phillip McCraw Robbie McCraw

3-1-2020

JD Bondurant Virginia Housing Development Authority 601 South Belvidere Street Richmond, Virginia 23220

> VHDA Tracking Number Development Name: Name of Owner/Applicant:

2020-C-71 Woodlawn School Apartments Woodlawn School Apartment, LLC

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of Carroll County. Accordingly, Carroll County supports the allocation of federal housing tax credits requested by Woodlawn School Apartments, LLC for this development.

Yours truly,

Signature

Cellell Dalton [CEO Name] County Administrator [Title]



# Carroll County Board of Supervisors

605-1 Pine Street Hillsville, VA 24343 Telephone (276) 730-3001 Fax (276) 730-3004 Rex L. Hill, Chair Joe Webb, Vice Chair Dr. Tom Littrell Tracy D. Moore Phillip McCraw Robbie McCraw

March 1st, 2020

Lisa A. Sari Landmark Asset Services, Inc. 406 E 4<sup>th</sup> Street Winston Salem, NC, 27101

VHDA Tracking Number:2020-C-71Development Name:Woodlawn School ApartmentsName of Owner/Applicant:Woodlawn School Apartments, LLC

Dear Ms. Sari

Please let this letter serve as proof that Carroll County has agreed to waive all Building Permit fees on the Woodlawn School Apartments project.

Sincerely,

Cellell Dalton County Administrator Cellell Dalton Executive Director

Larry Chambers

**Kaye** Carter

**Ronnie Collins** 



Ricky Thomas Chairman

Larry Edwards

Mandi McCraw

**Richard Sowers** 

# **Carroll County Economic Development Authority**

605-1 Pine St. Hillsville, VA 24343

March 1, 2020

JD Bondurant Virginia Housing Development Authority 601 South Belvidere Street Richmond, VA 23220

VHDA Tracking Number: Development Name: Name of Owner/Applicant:

2020-C-71 Woodlawn School Apartments Woodlawn School Apartments, LLC

Dear Mr. Bondurant:

In support of the proposed development, the Carroll County Economic Development Authority, in partnership with the Carroll County Board of Supervisors, has agreed to donate the Historic Woodlawn School building and some of the surrounding land totaling approximately 6.432 acres.

The VHDA LIHTC Manual and QAP state that the value of the donated land will be based on the most recent locality tax assessment, which in this case is 2017. Based on the 2017 assessment and calculation, the value of our donation is \$6,119,980.

Please feel free to reach out to me directly if you have any questions.

Respectfully,

Ricky Thomas Chair, Carroll County EDA Joe N. Webb Chair, Board of Supervisors Carroll County Cellell Dalton Executive Director

Larry Chambers

Kaye Carter

**Ronnie Collins** 



Ricky Thomas Chairman

Larry Edwards Mandi McCraw

**Richard Sowers** 

## **Carroll County Economic Development Authority**

605-1 Pine St. Hillsville, VA 24343

March 1st, 2020

Lisa A. Sari Landmark Asset Services, Inc. 406 E 4<sup>th</sup> Street Winston Salem, NC, 27101

VHDA Tracking Number:2020-C-71Development Name:Woodlawn School ApartmentsName of Owner/Applicant:Woodlawn School Apartments, LLC

Dear Ms. Sari

Please let this letter serve as proof that Carroll County EDA has also committed to donate all of the Woodlawn School Building(s), and a portion of the land surrounding the school, as more specifically spelled out in the Donation Agreement between Carroll County Economic Development Authority and Landmark Asset Services. The County has also agreed to waive all building permit fees.

Please also let this letter serve as proof that Carroll County Board of Supervisors has committed to lease the Woodlawn School Gymnasium Commercial Space from Landmark Asset Services, Inc, and/or assigns, if the Development is awarded LIHTC credits though VHDA. The lease shall be for a period of 30 years after the placed in-service date (to coincide with the extended use period) and shall be rented for One Hundred Dollars (\$100) and no cents a year. We are excited to continue our use of the gymnasium space to provide recreational activities for our community and your future residents.

We look forward to working with you and wish you luck with your LIHTC application.

Sincerely,

Ricky Thomas Chairman, Carroll County EDA Cellell Dalton County Administrator March 1st, 2020

Lisa A. Sari Landmark Asset Services, Inc. 406 E 4<sup>th</sup> Street Winston Salem, NC, 27101

VHDA Tracking Number:2020-C-71Development Name:Woodlawn School ApartmentsName of Owner/Applicant:Woodlawn School Apartments, LLC

Dear Ms. Sari

Please let this letter serve as proof that the Carroll County Public Service Authority has agreed to waive or rebate all Water and Sewer connection fees (Tap Fees) for the proposed development.

Sincerely,

Doug Winesett Chairman, Carroll County PSA



# Carroll County Board of Supervisors

605-1 Pine Street Hillsville, VA 24343 Telephone (276) 730-3001 Fax (276) 730-3004

# **Zoning Certification**

Rex L. Hill, Chair Joe Webb, Vice Chair Dr. Tom Littrell Tracy D. Moore Phillip McCraw Robbie McCraw

- DATE: 3-1-2020
- Virginia Housing Development Authority
   601 South Belvidere Street
   Richmond, Virginia 23220
   Attention: JD Bondurant
- **RE:** ZONING CERTIFICATION

Name of Development:

Name of Owner/Applicant:

Name of Seller/Current Owner:

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

# **DEVELOPMENT DESCRIPTION:**

Development Address:

Legal Description:

	Proposed Improvement	ts:		14
	New Construction: # Buildings	Units	#	
	Add	aptive Reuse: # Units #	<ul> <li>Buildings</li> </ul>	
	Rehabilitation: # Units # Bu	vildings Approx. Total F	loor Area	
			Sq. Ft.	
App Ft.	prox. Total Floor Area Sq. Ft	. Approx. Total Floor A	area Sq.	

## Zoning Certification, cont'd

Current Zoning: allowing a density of

units per acre, and the following other applicable conditions:

Other Descriptive Information:

#### LOCAL CERTIFICATION:

Check one of the following as appropriate:

☐ The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

Signature

Printed Name

Title of Local Official or Civil Engineer

Phone:

Date:

#### Landmark Asset Services, Inc. 406 East Fourth Street Winston-Salem, NC 27101 Phone (336) 722-9871 Fax (336) 722-3603

December 19th, 2019

Industrial Development Authority of Carroll County Attn: Cellell Dalton, Executive Director 605 Pine Street Hillsville, VA, 24343

Re: Woodlawn School Apartments

Dear Cellell,

I am writing to request a Construction Disturbance Easement. As you know, we plan to make substantial improvements to the property. Some of these improvements include: new water and sewer connections, landscaping improvements, as well as parking lot repair/maintenance. The reason I mention these improvements specifically is because of how the property is subdivided, and because some of these improvements may impact the IDA's property.

As you know, the property we intend to purchase and the property retained by the IDA are right next to each other, and because the property line is so close to the building, it is possible there will be some spill over from the work we plan to complete. Included is the site reuse plan for Woodlawn School to show disturbance and improvements to the schools campus.

Thus, we are requesting that the IDA grant us a Construction Disturbance Easement at no cost so that we can complete the rehabilitation of the school and surrounding area. Of course, if anything is disturbed on IDA property, we will repair or replace it in kind, or, with your permission, we will modify or improve it in a way that benefits the project and the IDA.

Sincerely. 2nd An

Samuel J. Sari Vice President, Landmark Asset Services, Inc. Managing Member of Woodlawn School Apartments, LLC

#### **DEED OF LEASE**

THIS DEED OF LEASE (this "Lease") is entered into as of the  $27^{-tn}$  day of  $A_{4544}$ , 2018 by and between LANDMARK ASSET SERVICES, INC. ("Landlord"), and The INDUSTRIAL DEVELOPMENT AUTHORITY OF CARROLL COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("Tenant"), upon the following terms and conditions.

#### **ARTICLE I – DEFINITIONS**

Unless the context otherwise specifies or requires, the following terms shall have the meanings specified herein.

1.1. <u>Premises</u>. The term "Premises" shall mean the gymnasium of that certain building commonly referred to as the Woodlawn School, (the "Building") along with the entryway counter, locker rooms, weight room, restrooms, and wrestling room. A map depicting the Building and the Premises is attached hereto as Exhibit A.

1.2. <u>Term</u>. The term ("Term") shall be the period commencing immediately upon execution of this Lease by the parties, as stated above, and shall continue for a term of thirty (30) years thereafter, unless extended or sooner terminated as provided in this Lease.

1.3. <u>Rent</u>. The Tenant shall pay annual rent in the amount of one dollar (\$1) annually, payable on the first day of the Term and on each anniversary thereafter.

1.4. <u>Tenant's Permitted Use</u>. The term "Tenant's Permitted Use" shall mean recreational, theatrical or music programs and sporting events, practices and other public or governmental activities of the Tenant.

#### ARTICLE 2 – LEASE OF PREMISES

2.1. <u>Lease of Premises</u>. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon the terms set forth in this Lease.

2.2. <u>Term</u>. This Lease shall continue during the Term, unless terminated as provided herein. The parties may extend this Lease for additional terms as they may agree in writing, and in such event each additional term shall be considered a "Renewal Term".

2.3 <u>Construction</u>. It is understood that the Landlord has committed to renovate the Building to convert its use to approximately 51 affordable apartments ranging from one to three bedrooms, with parking, picnic area, exercise park, walking trail and children's recreation facilities, all as described in more detail in the Donation Agreement between the Landlord and Tenant dated March 15, 2018, and the Addendum thereto executed\_\_\_\_\_\_, 2018. Tenant shall at all times enjoy possession and use of the Premises. Landlord will make reasonable accommodations to permit Tenant's uninterrupted use of the Premises during construction. To

the extent that interruptions in utility service to the Premises is necessary as part of Landlord's construction work, the parties will make reasonable efforts to schedule such interruptions around Tenant's regular event schedule.

#### **ARTICLE 3 - USE OF PREMISES**

3.1 <u>Tenant's Permitted Use</u>. Tenant shall use the Premises only for Tenant's Permitted Use and shall not use or permit the Premises to be used for any other purpose except as provided herein. Tenant shall, at its sole cost and expenses, obtain all governmental licenses and permits required to allow Tenant to conduct Tenant's Permitted Use. Tenant shall have access to the Premises twenty-four (24) hours a day, seven (7) days a week.

3.2 <u>Compliance With Laws</u>. Tenant shall not use the Premises, or permit the Premises to be used in any manner which violates any applicable laws, ordinances, or regulations.

3.3 <u>Hazardous Substances</u>. The term "Hazardous Substances" shall mean pollutants, contaminants, toxic or hazardous wastes, or any other substances, the removal of which is required or the use or storage of which is restricted, prohibited, regulated or penalized by any law relating to pollution or protection of the environment (collectively "Environmental Laws"). Tenant and Landlord agree not to use, store, release or dispose of any Hazardous Substance in the Premises, the Building or the surrounding property of which the Building and Premises are a part in violation of applicable Environmental Laws. Should either party violate this requirement, such party shall promptly remediate any such violation thereof in strict accordance with all applicable Environmental storage and use of Hazardous Substances in incidental quantities as customarily found in commonly-used cleaning products so long as the same is in strict accordance with all Environmental Laws.

3.4 <u>Signage</u>. Tenant shall be entitled at its expense to install and maintain exterior and interior signage in size and location reasonably acceptable to Landlord. All signage shall be consistent with the requirements of the Virginia Department of Historic Resources (VHDR) or other regulatory entity for the purposes of qualifying for rehabilitation and historic tax credits.

3.5 <u>Parking</u> Tenant shall have reasonable use of existing parking facilities for Tenant's events upon the Premises or for Tenant's use for activities on the Tenant's property located adjacent to the Building, however, Landlord may designate reasonable reserved parking for residents of Landlord's renovated facilities.

#### ARTICLE 4 – OPERATING EXPENSES

4.1 <u>Utilities</u>. Except as set forth hereafter, Landlord shall provide at its expense, HVAC for the Premises and all utilities necessary to service the Premises, including without limitation, gas, water, electricity, wastewater disposal and other utilities used in or for the benefit of the Premises; provided, however, that Tenant shall pay, or reimburse Landlord for, the cost of electricity used at the Premises by Tenant. Unless such electricity is billed directly to Tenant by the electric company, Landlord shall provide copies of invoices to Tenant for such utility service, and payment by Tenant to Landlord shall be due within ten (10) business days after such delivery. Tenant shall arrange and pay for any telephone and communications services that it uses.

#### **ARTICLE 5 – MAINTENANCE AND REPAIRS**

5.1 Landlord, at its sole cost, shall maintain and keep in good repair and condition (including replacement of any broken or damaged items) all of the Building including, without limitation, the roof and exterior doors, all other doors, windows and plate glass, HVAC system, including repairs or replacements and related expenses, exterior grounds and parking areas. Notwithstanding the foregoing, Tenant shall be responsible for any repairs due to damage caused by Tenant to the Premises or the Building. Tenant will be responsible for the normal and customary maintenance and repairs on the interior of the Premises Tenant shall provide and pay for cleaning and janitorial service to the Premises.

#### **ARTICLE 6 – ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

6.1 <u>Landlord's Consent: Conditions</u> Tenant shall not make or permit to be made any alterations, additions, or improvements in or to the Premises (the "Alterations") without the prior written consent of Landlord which consent shall not be unreasonably delayed or withheld. All Alterations shall be performed at Tenant's sole cost in compliance with the plans and specifications approved by Landlord, if any, and all applicable laws, ordinances, rules, and regulations, and the requirements of all carriers of insurance on the Premises. All work shall be performed in a diligent, first class manner.

6.2 <u>Liens</u>. The Landlord shall pay when due all costs for work performed and materials supplied to the Building and the Premises. Both Landlord and Tenant shall keep the Premises free from all liens, stop notices and violation notices relating to the Construction or any other work performed for, materials furnished to, or obligations incurred by or for, the Landlord or Tenant. The Landlord shall protect, indemnify, hold harmless and defend the Tenant, and the Premises of and from any and all loss, cost, damage, liability and expense, including attorneys' fees, arising out of or related to any such liens or notices.

6.3 Lease Termination. Upon expiration or earlier termination of this Lease, or any renewal or extension hereof, Tenant shall surrender the Premises to Landlord in the same condition as when received, subject to reasonable wear and tear. All alterations by the Tenant shall become a part of the Premises and shall become the property of Landlord, unless Landlord shall have, by written notice given to Tenant at the time Landlord consented to the alterations, required Tenant to remove some or all of Tenant's alterations, in which event Tenant shall promptly remove the designated alterations and shall promptly repair any resulting damage, all at Tenant's sole expense. All business and trade fixtures, machinery and equipment, furniture, movable partitions and items of personal property of Tenant upon the expiration or earlier termination of this Lease. Tenant shall, at its sole expense, remove all such items and repair any

damage to the Premises caused by such removal. If Tenant fails to remove any such items or repair such damage promptly after the expiration or earlier termination of this Lease, Landlord may, but need not, do so, and Tenant shall pay Landlord the reasonable cost thereof upon demand.

#### **ARTICLE 7 – INDEMNIFICATION AND INSURANCE**

7.1 <u>Indemnification</u>. Landlord agrees to protect, indemnify, hold harmless and defend the Tenant, its agents and employees, successors and assigns, from and against any and all loss, cost, damage, liability or expense (including but not limited to reasonable attorneys' fees) arising out of the use or occupancy of the Premises by Tenant or the acts or omissions of Landlord or its agents, employees, contractors, clients, invitees or subtenants.

7.2 <u>Property Insurance</u>. Landlord shall procure and maintain, at its sole expense, hazard and fire insurance in an amount not less than one hundred percent (100%) of the replacement cost covering the Premises. Tenant shall procure and maintain, at its sole expense, personal property insurance covering its personal property and business interruption.

7.3 <u>Liability Insurance</u>. Tenant shall procure and maintain, at its sole expense, commercial general liability insurance applying to the use and occupancy of the Premises and the business operated by Tenant. Such insurance shall have a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000). All such policies shall be written to apply to all bodily injury, property damage, and personal injury losses.

#### **ARTICLE 8 – DAMAGE OR DESTRUCTION; CONDEMNATION**

8.1 <u>Partial Damage or Destruction</u>. In case of damage to or destruction of less than twenty percent (20%) of the Premises, Landlord shall, at its own expense, promptly repair and restore the Premises substantially to the condition which existed prior to such damage or destruction.

8.2 <u>Condemnation</u>. If twenty percent (20%) or more of the Premises shall be taken by condemnation, then this Lease shall terminate on the date that title or possession to the Premises is taken by the condemning authority, whichever is earlier. The entire award for such taking shall belong to Landlord.

#### ARTICLE 9 – DEFAULT AND REMEDIES

9.1 <u>Events of Default By Tenant</u>. The occurrence of any of the following shall constitute a material breach of this Lease by Tenant.

a. The failure by Tenant to pay any payment due hereunder within ten (10) business days of Tenant's receipt of written notice from Landlord specifying such failure.

b. The failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, if such failure continues for thirty (30) days after written

notice thereof by Landlord to Tenant unless such failure cannot reasonably be cured within such thirty (30) day period and Tenant shall have begun reasonable efforts within such thirty (30) day period to effect such cure.

9.2 <u>Landlord's Right to Terminate Upon Tenant Default</u>. In the event of any material breach of this Lease by Tenant, Landlord shall have the right to terminate this Lease and recover possession of the Premises by giving written notice to Tenant of Landlord's election to terminate this Lease, in which event Landlord shall be entitled to receive from Tenant:

a. the amount of any unpaid Rent which had been earned at the time of such termination; plus

b. any other sum of money owed by Tenant to Landlord under the terms of this Lease; plus

9.3 <u>Right of Landlord to Perform</u>. All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. Upon the occurrence of an Event of Default by Tenant which is not cured during any applicable cure period, Landlord may, but shall not be obligated to, make any payment or perform any other act required to be made or performed by Tenant, without waiving or releasing Tenant of its obligations under this Lease. Any sums so paid by Landlord shall be payable to Landlord as additional rent on demand.

9.4 <u>Events of Default by Landlord</u>. If Landlord fails to pay any amount due or perform any other obligation of Landlord's under this Lease for more than thirty (30) days after Tenant notifies Landlord of such nonpayment or nonperformance, Tenant may exercise any one or more of the following remedies (provided, however, that if a non-monetary default by its nature cannot in the exercise of reasonable diligence be cured within thirty (30) days after Tenant's notice, Landlord will not be in default if Landlord commences performance within that period and diligently proceeds to cure the default within a reasonable time.

a. Tenant may cure the default and seek repayment from Landlord of the cost of curing the default.

#### **ARTICLE 10- MISCELLANEOUS PROVISIONS**

10.1 <u>Subordination and Non-Disturbance</u> This Lease, and the rights of Tenant hereunder, are and shall be subject and subordinate to the interests of, (i) any and all financing, deeds of trust, regulatory agreements, liens or other encumbrances to any and all lenders providing financing to Landlord for the acquisition renovation and construction of the Building; (ii) present and, subject to the conditions described hereinafter, future mortgages and deeds of trust encumbering all or any part of the Premises; (iii) all past and future advances made under any such mortgages or deeds of trust. Upon demand, Tenant shall execute, acknowledge and deliver any instruments reasonably requested by Landlord or any such mortgagee to effect the purposes of this section; provided however, with respect to any mortgagee who holds a mortgage or deed of trust recorded subsequent to the date of this Lease, such mortgagee shall agree in a recordable instrument that this Lease shall not be divested by foreclosure or other default

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proceedings and the tenancy of the Tenant shall not be disturbed so long as Tenant is not in default under this Lease beyond applicable cure periods. Moreover, this Lease shall not be divested by a conveyance by Landlord to any third parties during the Term or any Renewal Term, and the tenancy of the Tenant shall not be disturbed so long as Tenant is not in default under this Lease beyond applicable cure periods.

10.2 <u>Attornment</u>. If the interests of Landlord under this Lease shall be transferred to any mortgagee or other purchaser or person taking title to the Premises by reason of voluntary sale, or the foreclosure of any superior mortgage or deed of trust (a "Successor Landlord"), Tenant shall be bound to such Successor Landlord and the Successor Landlord shall be bound to Tenant under all of the terms, covenants and conditions of this Lease, including Tenant's right to continue the tenancy without disturbance by the Landlord and Tenant shall attorn to and recognize as Tenant's landlord under this Lease such Successor Landlord.

10.3 <u>Quiet Enjoyment</u>. Landlord represents and warrants to Tenant that Landlord has good and marketable fee simple title to the Premises and the full and absolute authority to enter into this Lease and lease the Premises to Tenant. Provided that Tenant performs all of its obligations hereunder, Tenant shall have and peaceably enjoy the Premises during the Lease Term free of claims by or through Landlord, subject to all of the terms and conditions contained in this Lease. Landlord shall defend any such claims at its expense.

10.4 <u>Estoppel Certificate</u>. Tenant agrees upon not less than ten (10) business days' prior written notice from Landlord to execute, acknowledge and deliver to Landlord an estoppel certificate certifying to any current or prospective mortgagee such facts (if true) and agreeing to such notice provisions and other matters as such mortgagee reasonably may require in connection with Landlord's financing.

10.5 <u>Notices</u>. All notices hereunder shall be effective when delivered, if delivered by hand, five (5) business days after being sent by registered or certified mail, first class postage prepaid, return receipt requested, or one (1) business day after being sent by nationally recognized commercial overnight delivery service, addressed to Landlord or to Tenant as follows, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing.

If to Landlord, to:

Landmark Asset Services, Inc. 406 E. Fourth Street Winston-Salem, NC 27101 Attn: Samuel J. Sari

With a copy to:

Blanco Tackabery & Matamoros, P.A. 110 South Stratford Road Suite 500 Winston-Salem, NC 27104 Attn: Deborah L. McKenney

If to Tenant, to: 605-1 Pine Street Hillsville, Virginia 24343

With a copy to:

Stephen V. Durbin Sands Anderson PC P.O. Box 2009 Christiansburg, VA 24068 540-260-9011

10.6 Entire Agreement. This Lease, along with that certain Donation Agreement between the parties dated March 15, 2018 and the Addendum thereto executed  $\frac{Ay_{y_{2}y_{2}}}{2\eta}$ , 2018 contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection with such leasing. Landlord has not made, and Tenant is not relying upon, any warranties, representations, promises or statements made by Landlord or any agent of Landlord, except as expressly set forth in the enumerated documents, which together expresses the agreement of the parties.

10.7 <u>Amendments</u>. This Lease shall not be amended, changed or modified in any way unless in writing executed by Landlord and Tenant. Neither party hereto shall be deemed to have waived or released any of its rights hereunder unless expressly stated in a writing executed by such party.

10.8 <u>Successors</u>. Except as expressly provided herein, this Lease and the obligations of Landlord and Tenant contained herein shall bind and benefit the successors and assigns of the parties hereto.

10.9 <u>Governing Law</u>. This Lease shall be governed by, and construed and performed in accordance with, the laws of the Commonwealth of Virginia without regard to any choice of law provision thereof.

10.10 <u>Captions</u>. All captions, headings, titles, numerical references and computer highlighting are for convenience only and shall have no effect on the interpretation of this Lease.

10.11 <u>Number and Gender</u>. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include the appropriate number and gender, as the context may require.

10.12 <u>Time is of the Essence</u>. Time is of the essence of this Lease and to the performance of all obligations hereunder.

10.13 <u>Remedies Cumulative</u>. The remedies to which the Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which either may be entitled under this Lease, at law, or in equity in case of a default, breach or threatened breach by the other of any provision or term of this Lease. **IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the date first above written, having been approved by Resolution of the Tenant duly adopted in open session and by the Manager of the Landlord, having full authority to execute the same pursuant to the operating agreement of the Landlord.

"SEAL"

#### **TENANT:**

#### Executive Director INDUSTRIAL DEVELOPMENT AUTHORITY OF CARROLL COUNTY, VIRGINIA

#### LANDLORD:

"SEAL"

#### Manager LANDMARK ASSET SERVICES, INC.

#### COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF \_\_\_\_\_, to-wit:

The foregoing Lease was acknowledged before me this \_\_day of \_\_\_\_\_, 2018, by Steve Truitt, Executive Director of the Industrial Development Authority of Carroll County, Virginia.

My Commission expires:

Notary Public

Notary Identification Number:

#### COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF \_\_\_\_\_, to-wit:

The foregoing Lease was acknowledged before me this \_\_\_\_\_day of \_\_\_\_\_, 2018, by \_\_\_\_\_, Manager, of Landmark Asset Services, Inc..

My Commission expires:

Notary Public

Notary Identification Number:

#### DONATION AGREEMENT

THIS DONATION AGREEMENT (this "Agreement"), dated March 15th, 2018, by and between THE INDUSTRIAL DEVELOPMENT AUTHORITY OF CARROLL COUNTY, VIRGINIA, a Political Subdivision of the Commonwealth of Virginia ("Donor"), and LANDMARK ASSET SERVICES, INC., a North Carolina corporation ("Donee").

#### WITNESSETH:

That for and in consideration of Donee's agreement to develop the historic school located at 745 Woodlawn Road, Woodlawn, Virginia, and more commonly known as The Woodlawn School (the "School") into affordable housing and the funds it is spending in connection therewith, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the mutual promises and conditions expressed below, Donor hereby agrees to donate to Donee, subject to the terms, conditions and provisions hereinafter stated, that certain real property located in the City of Woodlawn, County of Carroll, State of Virginia more particularly described on **Exhibit A** attached hereto and incorporated herein (the "Property"), upon which the School is located.

NOW, THEREFORE, the parties hereto agree each with the other as follows:

1. <u>Term</u>. The term of this Agreement shall commence on the date hereof and shall continue through and until August 31, 2019; provided, however, if Optionee receives a reservation or allocation of low-income housing tax credits from the Virginia Housing Development Authority for the School on or before such date, then the term of this Agreement shall automatically extend to December 31st, 2020 (as may be extended, the "Term").

Inspections. Donee shall have the right to enter upon and inspect the 2. Property, at Donee's expense, at any reasonable time and for any purpose, at any time prior to the Closing (defined below). In connection therewith, Donee, its agents, employees or other representatives shall have the right to enter upon the Property for the purpose of making such surveys, engineering, topographical, grading, geological, environmental and other tests and measurements including, but not limited to, topographical and boundary surveys, title searches, soil tests, percolation tests and subsoil tests (collectively, "Studies"), as Donee deems necessary or advisable, without cost to Donor. Donee agrees to indemnify against and hold Donor harmless from any claims, demands, damages, losses, liabilities, suits, actions, costs and expenses, including, without limitation, reasonable attorney's fees, arising out of or in connection with or related to any entry upon the Property by Donee, or any agents, contractors, or employees of Donee. If Closing does not occur, Donee, at its own expense, shall promptly repair any damage to the Property caused by any of its Studies. Donor agrees to provide reasonable cooperation and assistance to Donee in connection with any such inspections. If the results of any such inspection shall be unsatisfactory to Donee, in Donee's reasonable discretion, then Donee shall give written notice to Donor of such objections, and, within fifteen (15) business days of Donor's receipt of such notice, Donor shall deliver to Donee written notice of Donor's intention to either (i) remediate such objectionable conditions to Donee's reasonable satisfaction or (ii) refuse to

remediate such objectionable conditions. In the event that the Donor refuses to remediate such objectionable conditions or, after notifying Donee of its intention to do so, fails to timely and satisfactorily remediate such conditions, then Donee, in its sole discretion, shall have the option of terminating this Agreement at any time prior to Closing by giving written notice to Donor.

3. <u>Donor's Representations and Warranties</u>. Donor makes the following representations and warranties which are limited to the best of its knowledge (including only the direct knowledge of the undersigned) and true as of this date and, except as caused by any act or omission of Donee, shall remain true at Closing:

(a) There are no parties presently in possession of any portion of the Property, and at Closing, possession of the Property will be delivered to Donee free and clear of any rights of any parties in possession;

(b) There is no pending, nor to the best knowledge of Donor, threatened, litigation or administrative proceeding by or against Donor which could adversely affect title to the Property or any part thereof, or the ability of Donor to perform any of its obligations hereunder;

(c) No consent or approval of any person, entity, agency or authority is required with respect to the execution and delivery of this Agreement by Donor or the consummation by Donor of the transactions contemplated hereby or the performance by Donor of its obligations hereunder other than consents or approvals already obtained;

(d) Donor has received no written notice of any pending action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof. Donor shall, promptly upon receiving any such notice, give Donee written notice thereof;

(e) Donor has received no written notice of any action, suit or proceeding pending or threatened in writing against, by or affecting Donor's right to transfer the Property or the title of the Property;

(f) At Closing, Donor shall terminate, and be responsible for any payments due with respect thereto, all its contracts affecting the Property, unless Donee agrees to assume any such contracts; and

(g) There are no unwritten or unrecorded leases, easements, licenses, or agreements of any kind or nature which grant any rights whatsoever to any individual(s) or entity(ies) with respect to the Property.

4. <u>Donation</u>. Donee, subject to (a) completion of and satisfactory results from such inspections relating to the Property as it deems necessary in its full and absolute discretion, (b) receipt of a reservation or allocation of low-income housing tax credits from the Virginia Housing Development Authority for the School, (c) receipt of a Part 1 approval for the School and a Part 2 approval for the rehabilitation of the School from the National Park Service, subject only to conditions satisfactory to Donee in its sole discretion, and (d) receipt of such financing as Donee deems sufficient, in its sole discretion, to finance the rehabilitation of the School (collectively, the "Donation Conditions"), agrees to accept the donation of the Property from Donor on the terms and conditions set forth herein. Notwithstanding anything to the contrary herein, in no event shall any attempted donation of the Property to Donee be effective unless and until all of the Donation Conditions have been satisfied to Donee's satisfaction, in its sole discretion, or such Donation Conditions have been waived by Donee, and Donee has expressly consented in writing its acceptance of the donation of the Property, which consent must be included within the Deed to Donee prior to recordation. If Donee accepts the donation of the Property, the condition of the Property shall be conveyed to Donee as-is, where-is and with all faults.

5. <u>Closing Date</u>. Closing (the "Closing") on the donation of the Property shall be on the business date selected by Donee, not more than sixty (60) days following the end of the Term.

6. <u>Title</u>. Donor shall deliver to Donee at Closing a special warranty deed in recordable form with all required excise stamps affixed conveying marketable, fee simple title, free and clear of all liens and encumbrances, save and except only easements and restrictions of record. Except as consented to by Donee, Donor shall do nothing hereafter which impairs such title to the Property.

7. <u>Closing Costs</u>. At Closing, Donee shall pay all closing costs relating to the donation of the Property to Donee, other than the cost of the deed preparation, any costs associated with clearing the title to the Property of any liens, and any counsel fees for counsel employed or retained by Donor. Donee shall pay for the title examination, title insurance policy, survey, recording fees, for any counsel fees Donee incurs in the transaction, and for any other due diligence desired by Donee. General and special real estate taxes, assessments and other state, county or city taxes affecting the Property shall be prorated as of the date of Closing based upon the amount of the most recent ascertainable taxes for the Property.

8. <u>Closing Documents</u>. At Closing, Donor will execute, acknowledge and deliver to Donee a special warranty deed with applicable tax exemptions noted thereon conveying title as hereinbefore required, and will deliver a lien and possession affidavit in form and content satisfactory to Donee's title insurance company, evidence satisfactory to Donee's title insurance company of the authorization of the donation by the Donor and the authority and power of the individual(s) executing the deed on behalf of Donor, and such other papers and documents as may be reasonably requested by Donee or its title insurance company in connection with the completion of the Closing, including any evidence of the status and capacity of the Donor and the authority of the person or persons who are executing the various documents on behalf of the Donor in connection with the sale of the Property. Donee and Donor will execute at closing a lease or license agreement permitting Donor to continue to use the gymnasium located on the Property for public recreational and school activities for a term of no less than 30 years.

9. <u>Possession</u>. Possession of the Property shall be delivered to Donee at Closing.

10. <u>Notices</u>. Any notice or other communications hereunder shall be in writing and shall be deemed to have been given (unless otherwise set forth herein), if

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delivered in person, deposited with an overnight express agency, fees prepaid, or mailed by United States express, certified or registered mail, postage prepaid, return receipt requested, to the other party at the following addresses, or to such other address as shall be later provided in writing by one party to the other:

As to Donor:

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605-1 Pine Street Hillsville, Virginia 24343 *With a copy to:* 

Stephen V. Durbin Sands Anderson PC P.O. Box 2009 Christiansburg, VA 24068 540-260-9011

As to Donee:

Landmark Asset Services, Inc. 406 E. Fourth Street Winston-Salem, NC 27101 Attn: Samuel J. Sari

With a copy to:

Blanco Tackabery & Matamoros, P.A. 110 South Stratford Road Suite 500 Winston-Salem, NC 27104 Attn: Deborah L. McKenney

11. <u>Entire Agreement</u>. This Agreement contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing. All changes, additions or deletions hereto must be in writing and signed by all the parties. Any and all references herein to the Donor or Donee shall be deemed to include their respective successors or permitted assigns.

12. <u>Assignment</u>. The rights of Donee hereunder may be assigned at any time by Donee to a single-purpose entity which has Donee as its managing member. The rights of Donor may not be assigned without the prior written consent of Donee. 13. <u>Authority</u>. Donor represents and warrants that Donor has full power and authority to enter into this Agreement and to perform all of its obligations hereunder, and that its acts hereunder and as contemplated have been duly authorized by all requisite municipal action.

14. <u>Governing Law</u>. This Agreement shall be governed in all respects by and construed under the laws of the Commonwealth of Virginia.

15. <u>Failure to Close</u>. In the event Donor wrongfully fails to consummate the Closing and donate the Property as provided herein, Donee shall be entitled to seek enforcement of this Agreement by specific performance.

16. <u>Miscellaneous</u>. No term or condition of this Agreement will be deemed to have been waived or amended unless expressed in writing, and the waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition. This Agreement constitutes the entire agreement of the parties which incorporates and supersedes all prior written and oral understandings. This Agreement shall be binding upon, and inure to the benefit of, the parties, their heirs, executors, personal representatives, nominees, successors or assigns.

17. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

#### [SEPARATE SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Donor and Donee, intending to be legally bound, have executed this Agreement as of the day and year first above written.

#### DONOR:

CARROLL COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: Name: Steve. B Title: EV Diretor

#### DONEE:

LANDMARK ASSET SERVICES, INC.

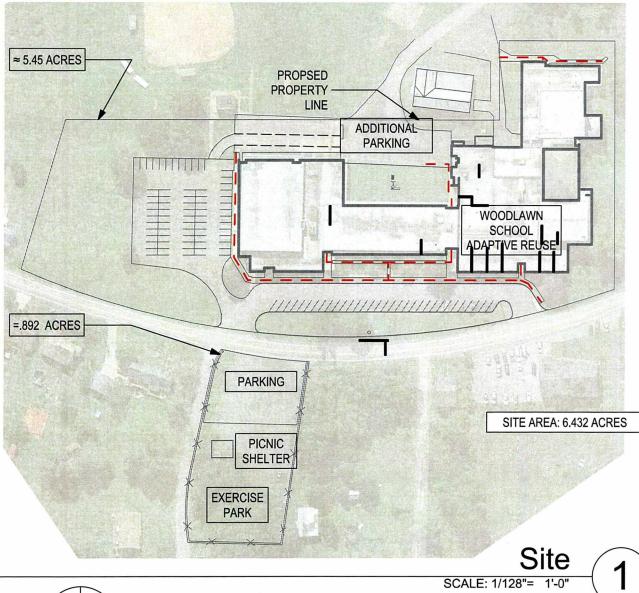
By:	
Name:	
Title:	
nue.	

EXHIBIT A

## EXHIBIT A

Property containing approximately 6.432 acres consisting of all of the parcel with tax map number 81-A-113 and a portion of the parcel with tax map number 81-A-133.

Please see attached drawing for reference.



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Woodlawn School /oodlawn Rd, Woodlawn VA 2438 Lavout

03/08/2018

#### ADDENDUM TO DONATION AGREEMENT

This Addendum to Donation Agreement ("Addendum") dated the \_\_\_\_\_ day of July, 2018, supplements and clarifies that certain Donation Agreement (the "Agreement") dated March 15, 2018 by and between the Industrial Development Authority of Carroll County, Virginia, a political subdivision of the Commonwealth of Virginia ("Donor") and Landmark Asset Services, Inc., a North Carolina corporation ("Donee").

Whereas, pursuant to the Agreement between Donor and Donee, Donor agrees to donate to the Donee the historic Woodlawn School and a portion of the surrounding property all as described in said Agreement, and Donee agrees, upon satisfaction of the contingencies described in the Agreement, to accept conveyance of the property and to construct affordable housing units and accompanying amenities; and,

Whereas, pursuant to the Agreement, the Donee will lease to Donor the Gymnasium, wrestling room, locker rooms and related facilities for Donor's use for public recreational programs and sporting events, for a term of thirty (30) years; and,

Whereas, the parties wish to clarify the terms of performance of the Agreement and to set forth the terms of the lease to Donor.

Now, Therefore, the parties hereto agree each with the other as follows:

1. Provided that the contingencies contained in the Agreement are satisfied and Donee exercises its rights to receive the donation of the Property identified in the Agreement, the Donee agrees, within a reasonable time, to develop the Property in substantial conformity with the proposed plans submitted by Donee to Virginia Housing Development Authority, prepared by CJMW Architecture, Dated March 9, 2018, which will include approximately 51 affordable apartments ranging from one to three bedrooms, with parking, picnic area, exercise park, walking trail and children's recreation facilities, all as depicted on the aforementioned plans.

2. As provided in the Agreement, upon conveyance of the Property to Donee, the parties will execute a Lease in substantially the form attached hereto as Exhibit A, permitting Donor to continue to use the gymnasium located on the Property for public recreational and school activities for a term of no less than 30 years.

IN WITNESS WHEREOF, Donor and Donee, intending to be legally bound, have executed this Agreement as of the day and year first above written.

#### SIGNATURES FOLLOW ON THE NEXT PAGE

## **DONOR:**

# CARROLL COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By:	
Name:	
Title:	

## **DONEE:**

LANDMARK ASSET SERVICES, INC.

By: \_\_\_\_\_ Name: \_\_\_\_\_ Title: \_\_\_\_\_

