

**RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE OF
REVENUE BONDS FOR THE BENEFIT OF ATLANTIS PRESERVATION LP IN AN
AMOUNT NOT TO EXCEED \$33,000,000
AND THE EXECUTION OF RELATED DOCUMENTS**

WHEREAS, pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Section 15.2 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), the City of Virginia Beach Development Authority, a political subdivision of the Commonwealth of Virginia (the "Authority"), is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans for assistance in the acquisition, rehabilitation and equipping of facilities used primarily for multifamily residences in order to promote decent, safe and sanitary housing in the Commonwealth of Virginia, to issue its revenue bonds from time to time for such purposes and to pledge all or any part of its revenues derived by the Authority in connection with any such loans made by the Authority to secure the payment of such revenue bonds; and

WHEREAS, at the request of Atlantis Preservation LP, a Virginia limited partnership (the "Borrower"), the Authority (a) adopted a preliminary resolution on December 15, 2020 (the "Inducement Resolution") authorizing the issuance of up to \$39,000,000 of its revenue bonds, in one or more series (as described below, the "Governmental Note"), the proceeds of which will be used to make a loan to the Borrower to finance or refinance a portion of the cost of the acquisition, renovation, rehabilitation and equipping of a multifamily residential rental affordable housing project consisting of nineteen two-story walk up apartment buildings containing approximately 208 units, with a community room, laundry facilities, and a playground and basketball court to be known as the Atlantis Apartments Project (the "Project") and such improvements are situated within an area consisting of approximately 11.897 acres of land at 999 Atlantis Drive and located entirely in the City of Virginia Beach, Virginia (the "City") and are expected to be owned and operated by the Borrower or a party related to the Borrower, and (b) held a public hearing on December 15, 2020 in accordance with the Act and Section 15.2-4906 of the Virginia Code, and as required by Section 147(l) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"); and

WHEREAS, on January 19, 2021, the City Council of the City of Virginia Beach (the "City Council") approved the issuance of the Governmental Note by the Authority as requested in the Inducement Resolution and as required by Section 147(1) of the Internal Revenue Code and Section 15.2-4906 of the Virginia Code, as applicable to housing authorities; and

WHEREAS, the Borrower intends to purchase the Project from CP Atlantic, L.P. a California limited partner that currently owns the Project (the "Current Owner"), and the Authority, upon adoption and execution of this Resolution, consents to such sale (the "Sale"); and

WHEREAS, the Authority has previously issued bonds to finance certain improvements to the Project on behalf of the Current Owner, and a portion of the proceeds from the Sale shall be applied to retire the outstanding bonds previously issued by the Authority for the benefit of the Current Owner; and

WHEREAS, the Governmental Note will be issued for the benefit of the Borrower pursuant to a Funding Loan Agreement (the "Funding Loan Agreement"), to be dated as of a date on or prior to the date on which it is executed and delivered, among Wells Fargo Bank, N.A. (or a related entity), the Authority and The Bank of New York Mellon Trust Company, N.A., as fiscal agent, or such other fiscal agent to be named therein (the "Fiscal Agent"); and

WHEREAS, the Governmental Note will be a limited obligation of the Authority, the principal of and, premium, if any, and interest on which will be payable solely out of the receipts and revenues derived by the Authority in accordance with a Project Loan Agreement (the "Project Loan Agreement"), to be dated as of a date on or prior to the date on which it is executed and delivered, among the Authority, the Fiscal Agent and the Borrower; and

WHEREAS, at the request of the Borrower, the Authority desires to approve the final terms and details of the Governmental Note; and

WHEREAS, the foregoing arrangements will be reflected in the following documents (the "Basic Documents") which have been prepared and reviewed by bond counsel to the Authority ("Bond Counsel") and presented to the Authority for its approval:

- (a) the Funding Loan Agreement (including the form of the Governmental Note attached thereto as Exhibit A); and
- (b) the Project Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY THAT:

1. The issuance of the Governmental Note in the aggregate principal amount of up to \$33,000,000 pursuant to the Funding Loan Agreement, consisting of the Authority's multifamily note substantially in the form with substantially the terms provided in Exhibit A to the Funding Loan Agreement is hereby authorized and approved. The Chair, Vice Chair, and any other officer of the Authority, any of whom may act alone (the "Authorized Official") are each hereby authorized and directed to execute the Governmental Note, which shall bear interest at the rates (which may be variable or fixed), shall mature on such dates and shall be subject to redemption at such times as are set forth in the Basic Documents. The Authorized Official is hereby authorized to approve the final terms of the Governmental Note; provided that the interest rate borne by the Governmental Note shall not exceed 6.5% per annum unless the Borrower is in default thereunder, the final maturity of the Governmental Note shall not be later than seventeen (17) years after the date of the initial issuance of the Governmental Note, and the aggregate principal amount of the Governmental Note shall not exceed \$33,000,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Governmental Note.

2. Each of the Basic Documents and the Governmental Note shall be in substantially the same forms as submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including, without limitation, changes of the

dates thereof and the caption of the Governmental Note) as may be approved by the Authorized Official executing them, his or her execution to constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes. The execution, delivery and performance by the Authority of the Basic Documents are hereby authorized and directed. The Basic Documents provide, among other things, that the Project will be subject to a Housing Assistance Payments contract such that all eligible tenants will receive Section 8 assistance.

3. The Authorized Official is hereby authorized and directed to execute on behalf of the Authority, and to deliver the Governmental Note, the Basic Documents and such other agreements, certificates, documents and instruments, and to do and perform such things and acts, as are authorized hereby or contemplated by the Basic Documents, and, if required, the Secretary or any other officer of the Authority is authorized and directed to affix the seal of the Authority to the Governmental Note, the Basic Documents and such other agreements, certificates, documents and instruments and to attest such seal. The signatures of the Authorized Official, the Secretary (or any other officer of the Authority) and the seal of the Authority on the Governmental Note may be by facsimile.

4. The Authorized Official is hereby authorized and directed to execute and deliver on behalf of the Authority such other agreements, certificates, documents and instruments (including, without limitation, Internal Revenue Service Form 8038, assignments and tax agreements and certificates) and to do and perform such other things and acts, as shall be necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Governmental Note, the Basic Documents or such other agreements, certificates, documents and instruments. All of the foregoing previously done or performed on behalf of the Authority are in all respects hereby approved, ratified and confirmed.

5. Any authorization herein to execute a document shall include authorization to change the date of such document, record such document where appropriate and to deliver it to the other parties thereto.

6. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Governmental Note and the undertaking of the Project are hereby approved and confirmed.

7. The Authority hereby confirms its designation of Williams Mullen, Richmond, Virginia to serve as Bond Counsel and its appointment of such firm to supervise the proceedings and approve the issuance of the Governmental Note.

8. All costs and expenses in connection with the Project, including the fees and expenses of the Authority related to the issuance and sale of the Governmental Note (including without limitation, any application fee, origination fee and annual administrative fee) and the fees and expenses of Bond Counsel, counsel for the Authority and any placement agent for or purchaser of the Governmental Note and their counsel, shall be paid from the proceeds of the Governmental Note or from moneys provided by the Borrower.

9. The Borrower has agreed in the Project Loan Agreement to indemnify and save harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Governmental Note.

10. The Governmental Note shall be a limited obligation of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the directors, officers, agents or employees of the Authority, past, present and future, nor any person executing the Governmental Note, shall be liable personally on the Governmental Note by reason of the issuance thereof. The Governmental Note shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof (and the Governmental Note shall so state on its face), including the Authority and the City of Virginia Beach, Virginia, and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Governmental Note be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Governmental Note or the interest thereon or other costs incident thereto. The Governmental Note shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

11. No bonds, in the form of the Governmental Note or otherwise, may be issued pursuant to this Resolution until such time as such bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

12. The Authority consents to the sale of the Project to the Borrower by the Current Owner and the use of a portion of such proceeds to retire bonds previously issued by the Authority for the benefit of the Current Owner and the release of the Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 1, 2004 following the recordation by the Borrower of a corresponding instrument with substantially similar restrictive covenants and requirements.

13. This resolution shall take effect immediately upon its adoption.

Adopted: June 15, 2021

[Signature Page Follows]

READ AND ADOPTED: June 15, 2021

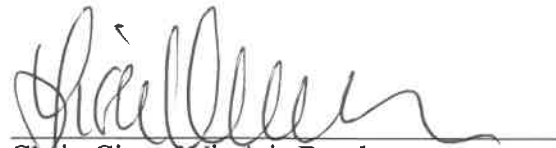
CERTIFICATE OF VOTES

A record of the roll-call vote by the City of Virginia Beach Development Authority, upon reading of a resolution titled "**RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE BONDS FOR THE BENEFIT OF ATLANTIS PRESERVATION LP IN AN AMOUNT NOT TO EXCEED \$33,000,000 AND THE EXECUTION OF RELATED DOCUMENTS**" at a meeting of the Authority held on June 15, 2021 is set forth below:

	AYE	NAY	ABSTAIN	ABSENT
Lisa M. Murphy, Chair	X			
Joseph E. Strange, Vice-Chair	X			
David L. Bernd	X			
Dr. William Brown	X			
William Brunke	X			
Nneka Chiazor				X
W. Taylor Franklin			X	
Penny Morgan				X
Michael J. Standing				X
Guenter H. Weissenseel	X			
Dorothy L. Wood	X			

Dated: June 15, 2021

(SEAL)



Chair, City of Virginia Beach
Development Authority

ATTEST:



Secretary

The undersigned Secretary of the City of Virginia Beach Development Authority hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Authority's commissioners present and voting at a meeting duly called and held on June 15, 2021, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this 15th day of June 2021.

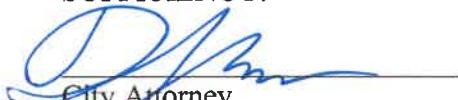
**CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY**

By: 
Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney

RESOLUTION AUTHORIZING THE FILING
OF A PETITION FOR THE CREATION OF A
COMMUNITY DEVELOPMENT AUTHORITY

WHEREAS, the City of Virginia Beach Development Authority (the “VBDA”) the City of Virginia Beach (the “City”) and Atlantic Park, Inc. have entered into a Development Agreement, dated as of December 23, 2019 (the “Development Agreement”);

WHEREAS, the Development Agreement sets forth the terms and conditions for a public-private partnership for the development of a mixed-use project at the Virginia Beach Oceanfront;

WHEREAS, to finance and maintain a portion of the public improvements to be constructed pursuant to the Development Agreement, the Development Agreement contemplates the establishment of the Atlantic Park Community Development Authority, a community development authority pursuant to §15.2-1500, et. seq. of the Code of Virginia (the “CDA Legislation”);

WHEREAS, per §15.2-5152-5153 of the CDA Legislation, a city may consider petitions for the creation of community development authorities when filed by the owners of a majority of the property to be included in the community development authority;

WHEREAS, the VBDA owns all the land currently contemplated to be included in the Atlantic Park Community Development Authority; and

WHEREAS, the VBDA desires to institute the creation of the Atlantic Park Community Development Authority by filing a petition with the City Council of the City of Virginia Beach.

NOW THEREFORE, be it resolved by the City of Virginia Beach Development Authority

The VBDA hereby directs the Chair to file a petition with the City Council of the City of Virginia Beach for the creation of the Atlantic Park Community Development Authority so long as such petition is consistent with the Development Agreement, contains the information set forth in §15.2-5154 of the CDA Legislation, and is in a form deemed acceptable by the Chair or Vice-Chair and the City Attorney.

Adopted this 15th day of June, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney

A RESOLUTION CLARIFYING AND
CONFIRMING THE TERMS FOR THE PROVISION
OF \$350,000 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO ASGN
INCORPORATED (D/B/A APEX SYSTEMS)

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") was created pursuant to Chapter 643 of the Acts of Assembly of 1964, as amended (the "Act");

WHEREAS, one of the primary purposes of the Act is to enable development authorities "to promote industry and develop trade by inducing manufacturing, industrial, governmental and commercial enterprises to locate in or remain in the Commonwealth....";

WHEREAS, pursuant to §6 of the Act, the Authority has the power, *inter alia*, "to sell, exchange, donate and convey any or all of its facilities or other properties whether realty or personalty whenever the Authority shall find any such action to be in furtherance of the purposes for which the Authority was organized";

WHEREAS, pursuant to §7 of the Act, "the Authority may foster and stimulate the development of industry in the area within its jurisdiction... [and] may accept, and expend for the purposes stated above, money from any public or private source....";

WHEREAS, pursuant to §10 of the Act, the City of Virginia Beach (the "City") "is authorized and empowered to make appropriations and to provide funds for the operation of the Authority and to further its purposes";

WHEREAS, the economic development goals and objectives of the City include achieving a higher ratio of nonresidential to residential real estate assessments, investing in land and infrastructure to benefit future economic growth, and maximizing the return of economic development efforts through the development and implementation of programs and strategies that facilitate new business investment and encourage retention and expansion activities, thereby improving the overall quality of life in the City;

WHEREAS, the City established the Economic Development Investment Program ("EDIP") as part of its overall effort to enhance the City's ability to accomplish these goals and objectives;

WHEREAS, pursuant to the authority and empowerment set forth in §10 of the Act, City Council authorized the transfer of funds in the EDIP account to the Authority and the provision of future EDIP appropriations to the Authority to enable the Authority to more effectively continue its efforts to foster and stimulate economic development by inducing businesses to locate or remain in the City;

WHEREAS, on June 16, 2020, the Authority approved a resolution granting \$350,000 in EDIP funds (the "2020 Resolution") to ASGN Incorporated, a Virginia corporation (d/b/a Apex Systems) (the "Recipient");

WHEREAS, the 2020 Resolution was to help induce the Recipient to locate its operations at 222 Central Park Avenue, Suite 1620, in Virginia Beach (the “Property”);

WHEREAS, the Recipient is a professional staffing company with operations throughout the Commonwealth of Virginia;

WHEREAS, the 2020 Resolution was done in conjunction with a Commonwealth Opportunity Fund award of \$900,000 to induce Recipient to relocate its operations from California to its new headquarters in Henrico, with additional operations in Virginia Beach and Roanoke (the “COF Grant”);

WHEREAS, as set forth in the 2020 Resolution, the Authority established the following performance criteria (the “Performance Criteria”) to qualify for payment under the 2020 Resolutions within forty-eight (48) months after the date of that resolution:

- (a) Tax Revenues: The net amount of direct tax revenues returned to the City as a result of the Recipient’s operation will exceed the amount of EDIP Funds provided within forty-eight (48) months; or
- (b) Employment Opportunity: For every \$2,381.00 of EDIP funds received, Recipient will create one new “full-time equivalent” employment opportunity in its operation with an average annual salary of at least \$50,001.00, excluding benefits.

WHEREAS, the nature of Recipient’s business is to provide temporary, project-based employees to high-tech companies;

WHEREAS, for purposes of the 2020 Resolution, it was the intention of the Authority to authorize \$2,381 for each 1,680 hours worked per year (at least 35 hours per week for at least 48 weeks per year) even if those hours entailed multiple projects (within Virginia but not necessarily Virginia Beach) and multiple workers;

WHEREAS, the Recipient will be required to establish that no more than 1,680 hours worked by an individual (be it at one or multiple projects) are counted towards a “new job” to insure that the Recipient adds at least 147 employees based in Virginia Beach;

WHEREAS, to confirm the creation of new jobs, the Recipient will provide the Authority the same reports and information as used by the Commonwealth to verify performance;

WHEREAS, this approach is consistent with the approach by the Commonwealth for the COF Grant, as well as awards from Henrico and Roanoke;

WHEREAS, the Authority is adopting this Resolution to clarify its approach and analysis, and not to amend any of the terms and conditions of the 2020 Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

The 2020 Resolution is hereby clarified as set forth above and otherwise remains in full force and effect on the same terms and conditions as set forth in that document.

Adopted this 15th day of June, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney

A RESOLUTION APPROVING THE AWARD OF
DISTRICT IMPROVEMENT PROGRAM GRANT

WHEREAS, the District Improvement Program (the “Program”) is designed to provide matching grants to small and locally owned and operated businesses located within the boundaries of Strategic Growth Areas, Special Economic Development Growth Areas, Suburban Focus Areas, or any other Council adopted or approved district in the City (all the areas collectively the “Districts”);

WHEREAS, on January 26, 2021, the City of Virginia Beach Development Authority (the “Authority”) adopted the District Improvement Policy to govern the expenditures of funds appropriated for the Program (the “Resolution”);

WHEREAS, the Program Requirements, Policies and Application Review is attached to the Resolution (the “Program Policy”)

WHEREAS, the statutory authority of the Authority includes as a public purpose the promotion and encouragement of economic development;

WHEREAS, the Authority is authorized by statute to make Program grants to businesses in furtherance of its mission;

WHEREAS, the Authority has been accepting and reviewing applications for the Program grant funds (each a “Grant”) and desires to approve the third Grant under the Program, with the recipient and amount of the Grant shown on Exhibit A, attached hereto and incorporated herein; and

WHEREAS, the Authority is of the opinion that the payment of the Grant will aid small businesses to make improvements consistent with the goals of the City. and promote the interests of the Authority.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY THAT:

1. The Authority makes the following findings with respect to each Grant:
 - a. That the recipient as shown on Exhibit A is eligible as set forth in Section B of the Program Policy.
 - b. That the recipient as shown on Exhibit A proposes to make improvements of the sort contemplated by Section C of the Program Policy.
 - c. That the Grant has been recommended by the Grant Review Committee established in the Program Policy.

d. That the animating purpose of the Grant is for the public purpose of promoting economic development and retaining business and employment opportunities in the City of Virginia Beach;

e. That the expenditure of such funds will only incidentally enure to private interests, if at all; and

f. That the proposed provision of the Grant is in furtherance of the purposes for which the Authority was created.

2. That based on the above findings, the Authority hereby approves the Grant under the Program to the recipient and in the amounts as shown on Exhibit A.

3. The funds provided pursuant to this Resolution are to be used for expenses as set forth in the application and in a manner consistent with the requirements of the Policy.

4. The Grant is to be paid on a reimbursement basis after the Director of the Department of Economic Development (the "Director"), or his designee, has determined (i) that the improvements have been made as contemplated herein, (ii) that paid invoices and receipts document the amount expended on the improvements, and (iii) that the amount of the Grant is matched by additional unreimbursed expenditures on the improvements by the recipient.

5. Completion of the improvements and request for payment of the Grant must be made within six (6) months of the date of this Resolution or the Grant shall be terminated, unless the recipient requests an extension, in writing, which may be granted by the Director for up to an additional six (6) months.

6. The Chair or Vice Chair is authorized to execute any documents necessary to implement the Program, so long as such documents are acceptable to the Chair or Vice Chair and in a form deemed satisfactory by the City Attorney.

Adopted this 15th day of June, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:



City Attorney

EXHIBIT A

Project Address	Name	Phone Number	Email	Council-Adopted District or Business Association Where the Project is Located	Company	Total Matching Grant Requesting from the City of Virginia Beach	Summary of request	Estimated total investment
3656 Shore Drive Virginia Beach VA 23455	William Bickel	757-574-8135	dbickel31@gmail.com, bickelwr@yahoo.com		Cutezma Corp T/A Froggies	10,000	Outdoor deck upgrades and weatherization and parking lot circulation improvements	\$74,880
Total						10,000	Total	\$74,880

A RESOLUTION APPROVING THE SALE
OF APPROXIMATELY 3.5 ACRES OF PROPERTY
LOCATED IN THE VIRGINIA BEACH INNOVATION
PARK TO INTREPID POWDER COATING, LLC

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") is the owner of Virginia Beach Innovation Park located at Princess Anne Commons in Virginia Beach, Virginia; and

WHEREAS, the Authority desires to sell an approximately three and one-half (3.5) acres portion of GPIN: 1494-17-0763 located on Hudome Way, as shown on Exhibit A attached hereto (the "Property") to Intrepid Powder Coating, LLC, a Virginia limited liability company (the "Purchaser"), for a price of \$120,000 per acre, pursuant to a Purchase Agreement, the substantive terms of which are summarized on Exhibit B attached here;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. The Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver a Purchase Agreement with the Purchaser for the purchase of the Property on the terms outlined on Exhibit B, and such other terms, conditions and modification as may be satisfactory to and approved by the Chair or the Vice Chair, the Director of the City of Virginia Beach Department of Economic Development and the City Attorney.

2. The Chair or the Vice Chair is hereby authorized to execute and deliver all such other documents and agreements and to take all such actions as such officers and City Attorney may deem necessary or desirable in connection with the sale of such Property.

Adopted this 15th day of June, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By  _____
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

 _____
Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

 _____
City Attorney

EXHIBIT A

**3.5+/- Acres
(Portion of GPIN:
1494-17-0763)**

**150' RIGHT OF WAY
RESERVATION**

**150' RIGHT OF WAY
RESERVATION**

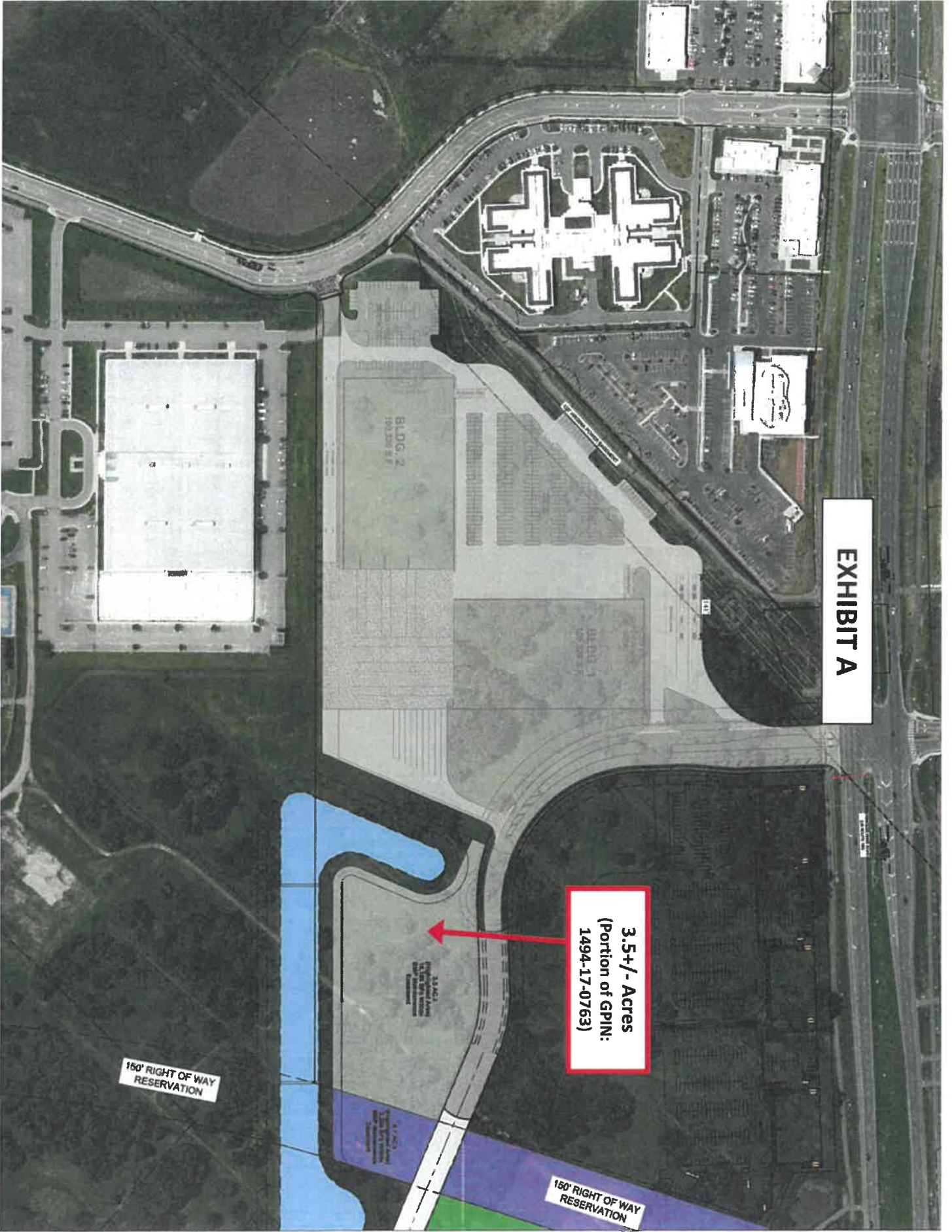


EXHIBIT B

LANDOWNER: City of Virginia Beach Development Authority

PURCHASER: Intrepid Powder Coating LLC, a Virginia limited liability company, or a related entity

PROPERTY: A portion of GPIN: 1494-17-0763, consisting of approximately three and one-half (3.5) acres located on Hudome Way in the Virginia Beach Innovation Park

PROJECT: 20,000 sq. ft. facility for electrostatic painting of equipment which will occur indoors and comply with the environmental regulations.

PRICE: \$120,000.00 per acre

DEPOSIT: \$5,000.00

DUE DILIGENCE PERIOD: 60 days after execution of the Purchase Agreement

CLOSING: 30 days from site plan approval and issuance of building permit or two (2) years after execution of the Purchase Agreement, whichever first occurs. If closing does not occur within said timeframe, the Landowner may terminate the Purchase Agreement.

SUBDIVISION PLAT: Landowner shall be responsible for all costs associated with subdividing the existing parcel

COVENANTS & RESTRICTIONS: The Project is EXPRESSLY SUBJECT to the Design and Development Guidelines - Princess Anne Commons Biomedical Park.

REAL ESTATE COMMISSION: Landowner to pay five percent (5%) commission to Harvey Lindsay Commercial Real Estate, which is consistent with the Authority's real estate broker commission policy in Section 11 of Part C of the EDIP Policy.

**RESOLUTION APPROVING CONTINUED
FORBEARANCE ON LOAN TO
VANGUARD LANDING, INC.**

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") was created pursuant to Chapter 643 of the Acts of Assembly of 1964, as amended (the "Act");

WHEREAS, pursuant to §10 of the Act, the City of Virginia Beach (the "City") "is authorized and empowered to make appropriations and to provide funds for the operation of the Authority and to further its purposes";

WHEREAS, on December 17, 2013 the Authority adopted a resolution authorizing a loan to Vanguard Landing, Inc., a Virginia non-profit corporation ("Vanguard Landing") to provide funding for Vanguard Landing's purchase of approximately 74.54 acres of property off Princess Anne Road, located south of the intersection of Princess Anne Road and Sandbridge Road (the "Property");

WHEREAS, Vanguard Landing proposed to develop the Property into a mixed-use facility consisting of residential, retail and commercial components for citizens with intellectual disabilities (the "Project");

WHEREAS, on February 13, 2014, the Authority made a loan in the amount of \$2,850,406 to Vanguard Landing (the "Loan") and Vanguard Landing acquired the Property;

WHEREAS, the Loan is evidenced by a promissory note dated February 13, 2014 (the "Promissory Note") and secured by a deed of trust also dated February 13, 2014 and recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, as Instrument No. 2014022000014460 (the "Deed of Trust");

WHEREAS, under the terms of the Promissory Note, Vanguard Landing was required to have completed construction of at least one (1) building at the Project on or before February 13, 2019 and (2) submit an annual written report of its progress towards obtaining necessary approvals for the Project;

WHEREAS, to date, Vanguard Landing has not commenced construction on any buildings for the Project and is in default under the Promissory Note and has not delivered all the required annual reports;

WHEREAS, on March 18, 2021 the Authority gave Vanguard Landing notice of the occurrence of an Event of Default under the Promissory Note but agreed to forbear any collection efforts for sixty (60) days;

WHEREAS, on May 18, 2021, the Authority agreed to continue its forbearance until after the June 15, 2021 Authority meeting; and

WHEREAS, the Authority has agreed to continue its forbearance for an additional twelve months on the terms and conditions set forth on the Summary of Terms attached hereto as Exhibit A,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. That the Authority hereby approves continued forbearance with respect to any and all Events of Default on the terms and conditions set forth in the Summary of Terms, attached hereto as Exhibit A and incorporated herein.

2. The Chair or Vice-Chair are hereby authorized to execute such documents as may be necessary to evidence the continued forbearance of the Authority so long as such documents are consistent with the Summary of Terms, are acceptable to the Chair or Vice-Chair, and are in a form deemed legally sufficient by the City Attorney.

Adopted this 15th day of June, 2021 by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

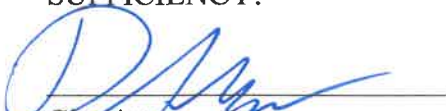

City Attorney

EXHIBIT A

SUMMARY OF TERMS

- Lender: The City of Virginia Beach Development Authority
- Borrower: Vanguard Landing, Inc., a Virginia non-profit corporation
- Loan Amount: \$2,850,406
- Existing Defaults: Failure to have at least one residential building constructed at the Project within timeframe set forth in Promissory Note.
- Failure to deliver annual reports regarding status of approvals necessary for the Project.
- Forbearance: 12 months, until June 15, 2022
- Conditions for Continued Forbearance:
1. Borrower to make quarterly written reports to Lender describing all progress in:
 - a. Obtaining site plan approval;
 - b. Obtaining debt financing (currently contemplated through Virginia Housing); and
 - c. Raising sufficient funds to satisfy capital/equity requirements.
 2. Within sixty (60) days of the date of this Resolution, Borrower to make lump sum principal payment of \$500,000 on amounts outstanding under the Promissory Note.
 3. If there is a breach of these terms, staff is directed to initiate foreclosure proceedings.
 4. Remaining funds owed to the Development Authority shall be paid at closing of debt financing.