

**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 \$2,850,406.00 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 remains in default under the Promissory Note;

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;

WHEREAS, on June 15, 2021, the Authority agreed to continue its forbearance for twelve (12) months on the condition that (1) Vanguard Landing make a \$500,000.00 payment of principal to the Authority within sixty (60) days of June 15, 2021, and (2) Vanguard Landing submit quarterly written reports regarding its site plan approval and financing efforts (collectively, the “2021 Forbearance Conditions”);

WHEREAS, on June 21, 2022, the Authority agreed to continue its forbearance until December 31, 2022 on the condition that during the period of forbearance Vanguard (1) continue to make quarterly reports, and (2) obtain loan approval sufficient, when added to available equity, to construct the Project, and (3) payoff the Authority at closing of Vanguard’s financing (the 2022 Forbearance Conditions, and collectively with the 2021 Forbearance Conditions, the “Forbearance Conditions”);

WHEREAS, while it has made progress, including obtaining a conditional site plan approval, and receiving a commitment from Virginia Housing, Vanguard Landing will not satisfy the 2022 Forbearance Conditions prior to December 31, 2022, and accordingly has requested a further forbearance; and

WHEREAS, the Authority is of the opinion that a further forbearance is reasonable and consistent with the goals of the Authority.

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

1. That the Authority hereby approves continued forbearance until March 31, 2023 with respect to any and all Events of Default.
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 acceptable to the Chair or Vice-Chair, and are in a form deemed satisfactory by the City Attorney.

Adopted this 20<sup>th</sup> day of December, 2022, by the City of Virginia Beach Development Authority.


APPROVED AS TO CONTENT:

  
Economic Development

CITY OF VIRGINIA BEACH  
DEVELOPMENT AUTHORITY

By:   
Secretary / Assistant Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

  
City Attorney