

ASSIGNMENT OF CONTRACT

THIS ASSIGNMENT OF CONTRACT (the “Assignment” or the “Agreement”) is entered into as of the ___ day of October 2023 by and among **RIVERSIDE MULTIFAMILY LLC**, a Virginia limited liability company (hereinafter called “Assignor”); and the **CITY OF CHARLOTTESVILLE, VIRGINIA**, a municipal and political subdivision of the Commonwealth of Virginia (“Buyer,” “City,” or “Assignee”); and **SOUTHERN VENTURES, INC.**, a Virginia corporation, **SOUTHERN VECTOR, INC.**, a Virginia corporation, and **WENDELL W. WOOD** (collectively, “Sellers”); and **SEVEN DEVELOPMENT, LLC**, a Virginia limited liability company (“Seven Development”) for the purpose of consenting to this Agreement and assigning to the Assignee any and all interest, if any, that it may have in the Underlying Contract, as hereafter defined. The “Effective Date,” as used in this Agreement, means the date this Agreement has been fully signed and ratified as evidenced by the latest date entered on the signature pages. If any party fails to enter a date by its signature, the Effective Date shall be five (5) business days after the latest date that does appear on such pages.

RECITALS

WHEREAS, Assignor as Purchaser entered into that certain Amended and Restated Contract of Purchase dated October 26, 2023 a copy of which is attached hereto as Exhibit A and is incorporated herein by reference (the “Underlying Contract”) for the purchase and sale of certain property known as: 23.81 acres of land, more or less, located at addresses not yet determined, 0 Caroline Avenue, 510 Caroline Avenue, 532 Caroline Avenue and 0 East High Street and identified as City of Charlottesville Tax Map and Parcel Numbers 500143100, 500143000, 500134000, 500133100 and 500144000 (the “Property”); and

WHEREAS, the Assignor wishes to assign all right, title and interest in and to the Underlying Contract to the Assignee and the Assignee, by signature below, consents to and accepts such an assignment of Underlying Contract; and

WHEREAS, Seven Development wishes to assign to the Assignee all right, title and interest in and to the Underlying Contract that it may have, if any, by its signature below, and the Assignee, by its signature below, consents to and accepts such an assignment of any such interest in the Underlying Contract; and

WHEREAS, the Assignor, Riverside Multifamily LLC, Seven Development, and the Assignee wish to memorialize herein the assignment of the Underlying Contract from the Assignor to the Assignee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the foregoing recitals (which are hereby incorporated as integral parts of this Assignment, and not as mere recitals), the parties hereto covenant and agree as follows.

1. **Assignment and Acceptance.**

1.1 Assignor hereby assigns all of Assignor's right, title and interest in and to the Underlying Contract attached hereto as Exhibit A to Assignee.

1.2 Seven Development hereby assigns all of its right, title, and interest in and to the Underlying Contract, if it has any, to Assignee.

1.3 Assignee agrees, consents to, and accepts the assignment of the Underlying Contract for the Property from the Assignor to the Assignee, on the following terms and conditions, it being expressly acknowledged and agreed that in the event of any conflict between the Underlying Contract and the terms of this Assignment, the terms of this Assignment shall control and prevail.

1.4 Assignor and Assignee expressly acknowledge and agree that, should Closing (as defined hereafter) not occur for any reason or for no reason, the Assignee shall use all commercially reasonable efforts to re-assign any and all right to the Underlying Contract back to the Assignor for no additional consideration, and the Assignment Fee shall not be due and payable by Assignee to Assignor.

2. **Purchase and Sale, Purchase Price.** Subject to the terms and conditions set forth in this Agreement and the Underlying Contract, at Closing (as defined below), the City of Charlottesville, Virginia as Assignee, hereinafter referred to as "**the City**" will buy from Sellers and Sellers will sell and transfer to the City, all of Sellers' right, title, and interest in and to the Property. The purchase price for the Property is Five Million Nine Hundred Thousand and No/100 Dollars (\$5,900,000.00) (the "**Purchase Price**"). The Purchase Price shall be payable by the City as follows:

2.1 The City shall pay the Deposit (defined below) pursuant to Section 3 below.

2.2 The City shall pay the Purchase Price in immediately available funds by wire transfer to the Escrow Agent (as hereafter defined) at or in advance of Closing for disbursement to the Sellers and the Assignor upon recordation of the deed to the Property.

2.3 At Closing the Escrow Agent, consistent with instructions supplied by Assignor or Assignor's attorney, shall disburse to the Assignor in immediately available funds by wire transfer the difference between the Purchase Price hereunder and the purchase price under the Underlying Contract (the "**Assignment Fee**").

2.3 At Closing the Escrow Agent, consistent with instructions supplied by Seller or Seller's attorney, shall disburse to Sellers in immediately available funds by wire transfer the balance of the Purchase Price, adjusted as set forth in Section 9 hereafter.

3. **Deposit.**

3.1 Within five (5) days of the Effective Date, The City shall deliver a deposit of \$25,000.00 (the "**Deposit**"), which will be delivered by the City to Blue Ridge Title as agent for Chicago Title Insurance Company or to Red Fox Title as agent for Old Republic National Title Insurance Company as escrow agent ("**Escrow Agent**"). If the City performs all its

obligations under this Agreement, the Deposit shall be applied toward the Purchase Price at Closing. If the City fails to perform its obligations under this Agreement, the Deposit shall be forfeited to Assignor as liquidated damages and not as a penalty.

3.2 If this transaction is not consummated, the Escrow Agent shall hold the Deposit in escrow until (i) all parties to the transaction have agreed in writing to the disposition thereof; (ii) a court of competent jurisdiction orders disbursement; or (iii) the Escrow Agent can pay the funds to the party who is entitled to receive them in accordance with the explicit terms of this Agreement. In the latter event, prior to disbursement, the Escrow Agent shall give written notice to each party to this Agreement that this payment will be made unless a written protest from either party is received by the Escrow Agent within 30 days of the delivery or mailing, as appropriate, of the notice, in which event the Deposit will be held by the Escrow Agent until either of the events specified in subparagraphs 3.2(i) or 3.2(ii) have occurred. If a dispute arises regarding the Deposit, the Escrow Agent shall have the right to pay the Deposit into the Circuit Court of the City of Charlottesville until final resolution of the dispute.

4. **Title.** Title to the Property at Closing must be marketable and insurable by an ALTA Owner's Title Policy (the "**Title Policy**") issued by a nationally known title company acceptable to the City, without exception or limitation except as to the following (collectively, the "**Permitted Exceptions**"): (i) the standard printed exceptions in the Title Policy; (ii) the lien of real property taxes on the Property for the current year not yet due and payable; (iii) any state of facts that an accurate survey of Property would disclose; (iv) any exceptions disclosed on Schedule B of the City's title commitment which will be extinguished upon transfer of the Property; (v) any unrecorded leases, as more fully identified and described on Exhibit B, attached hereto and incorporated herein (collectively, the "**Leases**"); and (vi) such other encumbrances, easements, restrictions and exceptions which would not materially and adversely affect the use of the Property for commercial purposes.

5. **Assignor's and Sellers' Warranties and Representations.** Assignor represents that it has the necessary authority to execute and deliver this Agreement, and to satisfy its obligations under this Agreement. Assignor and Sellers represent and warrant that the representations and warranties of the Sellers set forth in the Underlying Contract are now and will be at Closing true and correct. Assignor further represents and warrants that the purchase price under the Underlying Contract is less than the Purchase Price to be paid by the Assignee at Closing.

6. **The City's Warranties and Representations.** The City hereby represents that the City has the necessary authority to execute and deliver this Agreement, and to satisfy its obligations under this Agreement. The City's representations and warranties set forth in this Section 6 will be true at Closing. The City further warrants and represents the following as of the Effective Date:

6.1 **Pending Suits.** Except for the Assignor's appeal to City Council of that certain decision by the City's planning commission at its meeting on August 8, 2023 involving the Property and any legal proceedings resulting from such decision and appeal, there are no actions, suits or proceedings pending or, to the best of the City's knowledge, threatened, which would in any way be binding upon the City or its successors or assigns or affect or limit its or its successors' or assigns' use and enjoyment of the Property or which would limit or restrict in any way the City's right and ability to enter into this Agreement and consummate the transaction contemplated hereby, and perform the obligations in the documents to be executed in connection with the Closing.

6.2 **Valid Existence.** The City is a municipal corporation and political subdivision of the Commonwealth of Virginia and has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to execute, deliver and perform this Agreement.

6.3 **Authority.** The City has the power and authority to execute and deliver this Agreement and the other closing documents to be delivered by the City at the Closing and to carry out and perform all covenants to be performed under this Agreement. The closing documents will, when signed and delivered, constitute the City's legal, valid and binding obligation, enforceable in accordance with its terms.

6.4 **No Violation.** The City's signing and delivery of this Agreement, other closing documents, and completion of the transactions described in this Agreement, and performance of this Agreement, do not (1) conflict with or result in a breach of its governance documents; or (2) violate any statute, law, rule or regulation, or any order, writ, injunction or decree of any governmental authority binding on it or its properties.

7. **Conditions Precedent to Closing.**

7.1 **The City Conditions to Closing.** The City's obligation to consummate the transaction contemplated by this Agreement is subject to the satisfaction of each of the following conditions on or before the Closing Date, any or all of which may be waived in writing by the City in its sole discretion.

(i) The representations and warranties of Sellers contained in this Agreement and/or the Underlying Contract shall have been true and correct on the date of this Agreement and shall be true and correct on the Closing Date as though made on and as of the Closing Date, and Sellers shall have duly performed and complied with all covenants and obligations required by this Agreement and/or the Underlying Contract to be performed or complied with by them on or prior to the Closing.

(ii) No action or proceeding shall be pending by or before any court or other governmental body or agency seeking to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

(iii) Title to the Property at Closing must be marketable and insurable by an ALTA Owner's Title Policy (the "**Title Policy**") issued by a nationally known title company acceptable to the City, without exception or limitation, except as to matters expressly referenced in Paragraph 4 of this Agreement (and any amendments hereto).

(iv) Assignor and Sellers shall have delivered to the City at least seven (7) business days before Closing a copy of the Unredacted Contract and the draft Deed as set forth and described hereafter in paragraph 8.

7.2 **Authorization of City Council and Subject to Appropriation**

THE PARTIES ACKNOWLEDGE AND AGREE THAT THE CITY'S OBLIGATIONS UNDER THIS AGREEMENT ARE CONDITIONED UPON THE EXPRESS APPROVAL OF THIS AGREEMENT BY RESOLUTION OF

THE COUNCIL OF THE CITY OF CHARLOTTESVILLE, AND THE APPROPRIATION OF THE FUNDS NECESSARY TO CONSUMMATE THIS TRANSACTION BY THE COUNCIL OF THE CITY OF CHARLOTTESVILLE.

8. **Closing.** The closing of the transaction contemplated by this Agreement (the “Closing”) shall occur on or before November 30, 2023 (the “Closing Date”). The Closing will be held in the offices of the Escrow Agent, or such other place mutually agreeable to the Parties. At least seven (7) business days prior to Closing (i) the Assignor shall deliver to Assignee a complete and fully unredacted copy of the Underlying Contract which shall include the purchase price set forth in that contract, and (ii) the Sellers shall deliver to the Assignee a draft of the Deed to be delivered at Closing.

9. **Taxes, Prorations and Closing Costs.** Costs and expenses relating to this transaction and relating to Closing, will be paid as provided for in the Underlying Contract except as follows:

9.1 Assignor will pay in full (i) the fees of Assignor’s counsel and (ii) any other costs and expenses agreed to by Assignor in this Agreement.

9.2 All ad valorem, real, and personal property taxes and general and special assessments levied or assessed against the Property (collectively, the “Taxes”) for all years before the calendar year which includes the Closing Date will be paid by Seller. All Taxes attributable to the calendar year in which the Closing occurs will be prorated between Seller and the City based upon the number of days each party owned (or will own) the Property during such year.

9.3 At Closing, any rent paid pursuant to the Leases and attributable to the month in which Closing occurs will be prorated between Seller and the City based on the number of days each party owned (or will own) the Property during such month. In addition, to the extent that Sellers have received any other prepaid rent and security deposits from the tenants under the Leases prior to Closing, such prepaid rent and security deposits shall be transferred to the City via a credit toward the Purchase Price on the Settlement Statement.

9.4 Sellers will pay all grantor’s taxes associated with the Deed and all title curative instruments, if any. The City will pay all other recording taxes and fees, including state and local taxes, documentary stamps and transfer taxes, if any, and for its own attorney’s fees in connection with the Deed.

9.5 Any and all closing costs not otherwise specifically provided for in this Agreement will be borne solely by the City.

9.6 The City shall pay the Assignment Fee to the Assignor as a line item on the Settlement Statement as described in Section 2.3 above.

10. **Closing Documents.**

10.1 **Sellers’ Closing Documents.** Sellers will execute and deliver to the City the following documents:

(i) **Deed.** Special warranty deed from Sellers, conveying fee simple title to the Property to the City, subject only to matters of record in the chain of title and the Permitted Exceptions (the "**Deed**").

(ii) **Lien Affidavit.** An owner's affidavit sufficient to induce the City's title insurance company to issue a standard owner's policy of title insurance without general exceptions for mechanic's liens, provided that the form and substance of such affidavit shall be reasonably acceptable to Sellers and Sellers' attorney.

(iii) **FIRPTA Certificate.** Certificates executed by Sellers as to income tax status and matters related to Section 1445 of the Internal Revenue Code or other evidence satisfactory that Sellers have complied with the withholding requirements of the Foreign Investment in Real Property Tax Act under Section 1445, including establishment of escrow until the withholding requirements of Section 1445 have been met. The City agrees to reasonably cooperate with Sellers on such compliance, provided that the City does not incur any added expense in so doing.

(iv) **Settlement Statement.** A Settlement Statement using the standard HUD-1 form or such other form agreed upon by the City, the Assignor and the Sellers.

(v) **Assignment and Assumption Agreement.** An Assignment and Assumption Agreement, whereby Sellers shall assign and transfer, and the City shall accept and assume, all of Sellers' rights, obligations, and liabilities under the Leases.

(vi) **Mutual Release of Claims.** A Mutual Release of Claims in form and substance identical to that attached hereto as Exhibit C signed by the City, the Sellers, and Seven Development.

(vii) **Other Closing Documents.** Any other documents, instruments or certificates reasonably required by the City or its title insurer to issue the Title Policy to the City, otherwise required by this Agreement, required for tax reporting purposes or reasonably necessary to effect Closing, provided that same shall be in form and substance reasonably acceptable to Sellers and Sellers' attorney.

10.2 **The City Closing Documents.** The City will execute and deliver to Sellers the following documents:

(i) **Settlement Statement.** A Settlement Statement in the form provided for in Section 10.1(iv) above.

(ii) **Assignment and Assumption Agreement.** An Assignment and Assumption Agreement as provided for in Section 10.1(v) above.

(iii) **Mutual Release of Claims.** A Mutual Release of Claims in form and substance identical to that attached hereto as Exhibit C signed by the City, the Sellers, and Seven Development.

(vi) **Other Closing Documents.** Any other documents, instruments or certificates reasonably required by Sellers, otherwise required by this Agreement, required for tax reporting purposes or reasonably necessary to effect Closing.

11. **Time of Essence.** Time will be of the essence in the performance of the obligations created under this Agreement, including without limitation the Closing.

12. **Recordation.** This Agreement may not be recorded.

13. **Default.** The default provisions of the Underlying Contract shall apply to this Agreement as fully as if set forth herein and as if the Assignee were the Purchaser thereunder; provided, however, that in no event shall a termination of this Agreement result in a termination of the Underlying Contract, it being expressly acknowledged and agreed that the Assignor shall continue to have rights under the Underlying Contract in the event this Assignment is terminated for any reason or for no reason in which case Assignee shall use all commercially reasonable efforts to re-assign any and all right to the Underlying Contract back to the Assignor hereunder for no additional consideration.

14. **Notices.** Whenever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by hand or sent by overnight courier service or by U.S. registered or certified mail, return receipt requested, postage prepaid, or by email, to the addresses set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

TO ASSIGNOR OR SEVEN DEVELOPMENT:

Riverside Multifamily LLC
310 Old Ivy Way, Suite 204
Charlottesville, VA 22903
Attn: Edward C. Carrington
Email: edward@sevendevelopment.com

with a copy (which alone shall not constitute notice hereunder) to:

Royer Caramanis
200-C Garrett Street
Charlottesville, VA 22902
Attn: Tim Kelsey
Email: tkelsey@royercaramanis.com

TO THE SELLERS:

Mr. Wendell Wood
435 Gander Dr., Ste. 100
Charlottesville, VA 22901
Email: ulca@unitedlandva.com

with copies to:

Mr. Hunter W. Wood and Ms. Nena L Harrell at the above address, and the following email addresses:

Email: hww818@gmail.com and ulca@unitedlandva.com

TO THE CITY: City of Charlottesville
Samuel Sanders, Jr.
City Manager
605 East Main Street
Charlottesville, VA 22902
Email: sanderss@charlottesville.gov

with a copy (which alone shall not constitute notice hereunder) to

Jacob P. Stroman
City Attorney
605 East Main Street
Charlottesville, VA 22902
Email: stromanj@charlottesville.gov

Notices sent by hand delivery, overnight delivery, or email shall be effective when delivered. To be effective, email notices shall require confirmation of delivery (which shall expressly exclude an “out of office” reply or other automated email reply) and a copy to be sent by any one of the other methods for giving notice under this Agreement. Notices sent by certified mail shall be effective 5 days after mailing. Any notice given by legal counsel or other authorized agent of any party shall be effective as if the same had been executed and delivered by such party itself.

15. **Waiver.** No waiver by either party of any breach or default of any of the terms and conditions contained in this Agreement will be construed as a waiver of any subsequent breach or default whether of a like or different character.

16. **Headings.** The headings of the paragraphs herein are for convenience only and will not affect the meanings or interpretations of the contents thereof.

17. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement will nonetheless remain in full force and effect.

18. **Complete Agreement.** This Agreement together with the Underlying Contract, represents the complete understanding between the parties hereto, and supersedes all prior negotiations, representations, or agreements, either written or oral, as to the matters described herein. This Agreement may be amended only by written instrument signed by both parties. All parties have participated in drafting and negotiating this Agreement and no interpretive presumption will be drawn against any party by virtue of its role in drafting this Agreement.

19. **Construction.** This Agreement will be governed and construed in accordance with laws of the Commonwealth of Virginia.

20. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Electronic copies of any signed original agreement will be deemed the same as an original. At the request of any party, the parties will confirm electronic copies of any signed original document by signing and delivering a duplicate original document. In addition, the parties will sign original documents for all documents that are required to be recorded in the Clerk's Office of the Circuit Court of the City of Charlottesville for this transaction.

21. **Assignability.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by the City without the prior written consent of Sellers, and any purported assignment without such consent shall be void.

22. **Brokers.** Each party represents and warrants to the other that no real estate brokers or other intermediaries were involved in connection with this transaction. Sellers will indemnify, defend and hold the City harmless from any claim for brokerage fees resulting from a breach of the foregoing representation and warranty. The provisions of this Section shall survive Closing and any termination of this Agreement.

23. **Deadlines.** If the Closing Date or any other date for performance by a party of any obligation herein falls on a Saturday, Sunday or legal holiday, then the Closing Date or such other date shall be extended to the next day which is a business day.

24. **Submission of Agreement for Examination.** The submitting of this Agreement for examination by any party does not constitute an offer, and this document becomes effective only upon full execution and delivery hereof.

[SIGNATURES ON FOLLOWING PAGES]

[SIGNATURE PAGE [1 OF 3] TO ASSIGNMENT OF CONTRACT]

IN WITNESS WHEREOF, each party has executed and sealed this Assignment or caused it to be executed and sealed on its behalf by its duly authorized representative(s) or agent(s).

ASSIGNOR:

RIVERSIDE MULTIFAMILY LLC
a Virginia limited liability company

Date: 11/1/2023

By:  (SEAL)
Authorized Signatory

EDWARD CARRINGTON
Printed Name
Title: MANAGER

ASSIGNEE:


CITY OF CHARLOTTESVILLE, VIRGINIA
a municipal corporation and political subdivision of the Commonwealth of Virginia

Date: _____

By: _____ (SEAL)
Authorized Signatory

Printed Name
Title:

Approved as to form:



Jacob P. Stroman
City Attorney


[SIGNATURE PAGE [2 OF 3] TO ASSIGNMENT OF CONTRACT]

IN WITNESS WHEREOF, each party has executed and sealed this Assignment or caused it to be executed and sealed on its behalf by its duly authorized representative(s) or agent(s).

SELLERS:

SOUTHERN VENTURES, INC.
a Virginia corporation


Date: 11/1/2023

By:  (SEAL)
Authorized Signatory

Wendell W Wood
Printed Name
Title: *president*

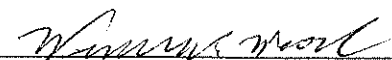
SOUTHERN VECTOR, INC.
a Virginia corporation

Date: 11/1/2023

By:  (SEAL)
Authorized Signatory

Wendell W Wood
Printed Name
Title: *president*

Date: 11/1/2023

 (SEAL)
WENDELL W. WOOD, Individually and
as sole shareholder of Southern Venture, Inc.
and Southern Vector, Inc.

[SIGNATURE PAGE [3 OF 3] TO ASSIGNMENT OF CONTRACT]

IN WITNESS WHEREOF, each party has executed and sealed this Assignment or caused it to be executed and sealed on its behalf by its duly authorized representative(s) or agent(s).

SEEN AND AGREED:
SEVEN DEVELOPMENT, LLC
a Virginia limited liability company

Date: 11/1/2023

By:  (SEAL)
Authorized Signatory

EDWARD CARRINGTON

Printed Name

Title: MANAGER

EXHIBIT A

The true and accurate copy of that certain
AMENDED AND RESTATED CONTRACT

between

Wendell W. Wood, Southern Vector, Inc. and Southern Ventures Inc. as Sellers and
Riverside Multifamily LLC as Purchaser

for

23.81 acres of land, more or less, located at addresses not yet determined, 0 Caroline Avenue, 510
Caroline Avenue, 532 Caroline Avenue and 0 East High Street and identified as City of
Charlottesville Tax Map and Parcel Numbers 500143100, 500143000, 500134000, 500133100 and
500144000.

EXHIBIT B
LEASES TO BE ASSIGNED

Rivanna River Company (\$800.00 / month rent; term through August 30, 2024)

532 Caroline House (\$775.00 / month rent; term through August 30, 2024)

EXHIBIT C
FORM OF MUTUAL RELEASE OF CLAIMS