

LURAY TOWN COUNCIL

August 10, 2020 - 7:00 p.m.

MEETING AGENDA

- |       |   |                  |
|-------|---|------------------|
| I.    | CALL TO ORDER &<br>PLEDGE ALLEGIANCE TO THE U.S. FLAG | Mayor Presgraves |
| II.   | ROLL CALL   | Danielle Babb    |
| III.  | CONTINUITY OF GOVERNMENT ANNOUNCEMENT                 | Mayor Presgraves |
| IV.   | CONSENT AGENDA  | Mayor Presgraves |
| V.    | DISCUSSION OF TOWN CHARTER                            | Jason Botkins    |
| VI.   | GENERAL CITIZEN COMMENTS (other than agenda items)    |                  |
| VII.  | PRESENTATIONS   |                  |
| VIII. | PUBLIC HEARING  |                  |
|       | A) Code Amendment - Artisan Manufacturing             | Steve Burke      |
| IX.   | ACTION & DISCUSSION ITEMS                             |                  |
|       | A) Luray Meadows Agreement                            | Steve Burke      |
| X.    | TOWN ATTORNEY'S REPORT                                | Jason Botkins    |
| XI.   | MAYOR'S ANNOUNCEMENTS                                 | Mayor Presgraves |
| XII.  | RECESS  | Mayor Presgraves |
| XIII. | CLOSED MEETING  |                  |
| XIV.  | ADJOURN   |                  |

*Due to the threat of transmission of COVID-19 and in recognition of the Governor's Executive Order, this meeting will have limited seating. The meeting will be live-streamed on the Town's Facebook page.*

*Please submit any public comments concerning the agenda items through any of the following means: Email – [sburke@townofluray.com](mailto:sburke@townofluray.com); Mail – Luray Town Council, Attention Steve Burke, Post Office Box 629, Luray VA, 22835; Hand Delivery – Place in exterior DROP BOX in the alcove located at the front of the Town's Town Hall facing Main Street; or Phone – (540) 743-5511. All comments must be submitted by 5:00 pm the day of the meeting, and will be read aloud at the meeting.*

*Version Date: August 5, 2020 11:00 a.m.*

Town of Luray  
PO Box 629  
45 East Main Street  
Luray, VA 22835  
[www.townofluray.com](http://www.townofluray.com)  
540.743.5511



**Mayor**

***Barry Presgraves***  
bpresgraves@townofluray.com  
Term: 2017-2020

**Council Members**

***Leroy Lancaster***  
llancaster@townofluray.com  
Term: 2017-2020

***Jerry Schiro***  
jschiro@townofluray.com  
Term: 2014-2022

***Joey Sours***  
jsours@townofluray.com  
Term: 2017-2020

***Jerry Dofflemyer***  
jdofflemyer@townofluray.com  
Term: 2015-2022

***Leah Pence***  
lpence@townofluray.com  
Term: 2017-2020

***Ronald Vickers***  
Rvickers@townofluray.com  
Term: 2014-2022

**Town Officials:**

Town Manager – Steven Burke  
Assistant Town Manager- Bryan Chrisman  
Town Clerk/ Treasurer- Mary Broyles  
Deputy Town Clerk/ Treasurer- Danielle Babb  
Chief of Police- Bow Cook  
Superintendent of Public Works- Lynn Mathews  
Superintendent Parks & Recreation-Dakota Baker

**Commissions & Committees:**

Luray Planning Commission  
Luray-Page County Airport Commission  
Luray Tree and Beautification Committee  
Luray Board of Zoning Appeals  
Luray Downtown Initiative  
Luray-Page County Chamber of Commerce



**Town of Luray, Virginia**  
Town Council Agenda Statement

Item No: III

Meeting Date: August 10, 2020

Agenda Item: **Continuity in the Government of Luray, Virginia**

Announcement by Mayor Presgraves:

- This meeting of the Town Council is being held pursuant to the April 13, 2020 Ordinance for Continuity in the Government of Luray.
- The Town Clerk shall read the names of the Councilmembers present and identify those who are electronically present.
- The Town Manager is responsible for receiving public comment in advance of the meeting, which may be submitted by mail, email, phone, or hand delivery by 5:00 p.m. on the day of the meeting.
- In-person attendance and comment by the public is also permitted subject to the limitations of the most recent Executive Order and Phasing Guidelines issued by Governor Northam.
- This meeting can be viewed live on the Town's Facebook page, and a recording will be available on the Town's YouTube Channel. Minutes from the meeting will be posted on the Town's website after being approved by the Town Council.

**I move to approve the following Consent Agenda (All items must be read):**

**CONSENT AGENDA**

- (A) Minutes of the Regular Council Meeting –7-13-20
- (B) Minutes of the Council Work Session Meeting – 7-28-20
- (C) Accounts Payable checks totaling- \$ 133,027.95

- *Financial Statements will be made available upon the close of the fiscal year end.*

Prepared By:

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Mary F. Broyles, Treasurer

**A REGULAR MEETING OF  
THE TOWN COUNCIL  
OF  
THE TOWN OF LURAY, VIRGINIA**

**Monday, July 13, 2020**

The Luray Town Council met in regular session on Monday, July 13, 2020, at 7:00 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia at which time there were present the following:

**Presiding:** Mayor Barry Presgraves

**Council Present:**

Ron Vickers  
Jerry Dofflemyer  
Jerry Schiro  
Leroy Lancaster  
Joseph Sours  
Leah Pence

**Also Present:**

Steve Burke, Town Manager  
Bryan Chrisman, Assistant Town Manager  
Mary Broyles, Clerk Treasurer  
Danielle Babb, Deputy Clerk Treasurer  
Chief Bow Cook, Luray Police Department  
Jason Botkins, Litten & Sipe  
Audre King, West Luray Recreation Center  
Jason Pettit, Luray Downtown Initiative

*(This meeting was made public via the Town's Facebook page. Public comments were accepted prior to the meeting via e-mail to [sburke@townofluray.com](mailto:sburke@townofluray.com)).*

A quorum being present, Mayor Presgraves declared the Council to be in session for the transaction of business. All present stood for a moment of silence. Councilman Lancaster led everyone in the United States Pledge of Allegiance. Mayor Presgraves read aloud the Ordinance for the *Continuity in the Government of Luray*.

**CONSENT AGENDA**

**Motion:** Councilman Vickers motioned to approve the Consent Agenda as presented, motion seconded by Councilman Dofflemyer with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. **Approved 6-0**

***Consent Agenda***

(A) Minutes of the Regular Council Meeting –6-9-2020

(B) Minutes of the Council Work Session Meeting – 6-23-2020

(C) Accounts Payable checks totaling- \$ 352,395.71

### **CITIZEN COMMENT**

There were no citizens signed up to speak during citizen comment.

### **PRESENTATIONS**

#### **West Luray Recreation Center**

Audre King- 1 Jordan Street, Luray

Audre King provided a power point presentation detailing the improvements at the West Luray Recreation Center. Mr. King discussed the first phase of opening and opportunities that the center will provide to area youth. Mr. King said the center plans to provide tutoring, a mentorship program, and meal services. He asked that the Town notify the center of any grant opportunities that may be available.

#### **Luray Downtown Initiative**

Ms. Dees was not available for the evenings meeting.

### **PUBLIC HEARINGS**

#### **Special Use Permit 20-1 – 4 Canaan Street**

Town Manager, Steve Burke, requested the Council hold a public hearing regarding the special use permit request for 4 Canaan Street. The request is to use the structure, which is located in the B-1 Business district, as a residence for long-term rental. Since the structure was constructed after October 1977, a special use permit is required to permit a residential use in the business district. Mr. Burke said that a few comments were received from neighbors, all of which were in favor of the use.

Mayor Presgraves opened the public hearing for citizen comment. With no citizens present to speak, the hearing was closed.

**Motion:** Councilman Dofflemyer moved that the Town Council approve the Special Use Permit for the use of 4 Canaan Street as a residential, single family dwelling in the B-1 Business District as presented. Motion seconded by Councilman Lancaster with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. **Approved 6-0**

#### **Special Use Permit 20-2- 516 Fourth Street**

Mr. Burke presented the second public hearing of the evening. The Council is requested to conduct a public hearing to install a manufactured home at 516 Fourth Street in the R-4 High Density Residential District as permitted in Town Code 404.2.e.

Mayor Presgraves opened the public hearing for citizen comment. With no members signed up to speak, the hearing was then closed.

**Motion:** Councilman Schiro moved that the Town Council approve the Special Use Permit for the installation of a manufactured home at 516 Fourth Street as a residential, single-family dwelling in the R-4 High-Density Residential District as presented. Motion seconded by Councilman Dofflemyer with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. **Approved 6-0**

## **ACTION & DISCUSSION ITEMS**

### **Code of Virginia Readoption Ordinance**

Mr. Burke presented a request from the Town Attorney for Council's consideration and adoption of the Ordinance readopting portions of the Code of Virginia that were adopted by the General Assembly, taking effect on July 1, 2020.

**Motion:** Councilwoman Pence moved that the Town Council adopt the Ordinance Readopting Portions of the Code of Virginia as presented. Motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. **Approved 6-0**

### **Browns Building Listing Agreement**

Mr. Burke noted that the Brown's building listing agreement has technically expired, although Mr. Dudley has continued to market the property in good faith. Council members discussed allocating additional funds for advertising of the property and/or making some minor aesthetic improvements. Councilman Dofflemyer suggested focusing the funds to rehabilitation rather than additional advertising. Councilman Sours inquired about the options for additional advertising. Council requested a cost summary on the suggested improvements from staff and an advertising summary from Bill Dudley Associates.

**Motion:** Councilman Sours motioned to approve the extension of the Listing Agreement with Bill Dudley & Associates Real Estate Inc. to market and sell the Browns Building located at 36 West Main Street for 90 days until September 6, 2020. Motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. **Approved 6-0**

### **Luray Little League Concession Relief**

Town Manager, Steve Burke, requested Council consider the waiver of the second quarter payment from Luray Little League for the concession services at Ralph Dean Park. Due to Covid-19 the Luray Little League has had to suspend all activities at the park. Councilwoman Pence suggested Council waive the entire amount due to the suspension of all activities by the league.

**Motion:** Councilwoman Pence motioned to approve the waiver of all payments by the Luray Little League for the Ralph H. Dean Park Concessionaire Agreement for the 2020 Season. Motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. **Approved 6-0**

### **Relief Loan Fund Application- Page One**

The Town Council is requested to consider the application from Page One for a \$2500.00 loan through the Covid-19 Relief Loan Program as a part of Luray's Community Development Loan Program. Only one application has been received for consideration by the program. The loan review committee has recommended the applicant for approval.

Councilman Schiro stated that the agreement states the applicant must be a "for-profit" business, as such; the applicant would not meet this requirement. Town Manager, Steve Burke, requested the Council defer any action on this item.

### **Lake Arrowhead Beach Operations**

Councilman Sours requested the Council discuss the operation of Lake Arrowhead Beach. Councilman Sours stated that he would like to propose the continuation of "fee free" swimming for the remainder of the 2020 season. Councilman Sours said the beach has seen an unbelievable amount of visitors. Councilman Sours stated that he is fine with keeping the beach "swim at your own risk" if needed. Mr. Sours felt that as a tourism community, often visitors are seeking a way to extend their vacations by one day. The beach opening provides for an affordable way to extend ones stay.

Mr. Burke said that the Town plans to resume collection of beach entrance fees and stationing of lifeguards at Lake Arrowhead Beach beginning on Thursday, July 16<sup>th</sup>. Following the certification of lifeguard staff, the town plans to staff the beach Thursday through Sunday from 11:00am until 6:00pm.

Councilman Vickers discussed overcrowding at the beach. Mayor Presgraves said he was in favor of collecting fees and opening the concession sales. Council discussed risks associated with no lifeguard staffing. Councilman Schiro discussed lost revenues from admissions and the costs associated with staffing the beach. Mr. Schiro reminded that if the expenses are not offset by admissions, then they are the burden of taxpayers. Councilman Schiro reminded that the beach is a Town sponsored amenity and costs for staff and maintenace are incurred by town residents. Councilman Sours said that he was uncertain of the budgetary impacts. Councilman Schiro felt it was unfair for the town to absorb these costs into the general fund, which in turn affects tax payers. Councilman Dofflemyer expressed concerns regarding the lack of fees charged and suggested this may deter such a large crowd. Councilwoman Pence did not feel the lifeguards should be used as attendants and expressed concern about the appropriate number of guards on duty. Ms. Pence said that her primary concern is safety rather than fees. Councilman Sours suggested tabling the discussion until the work session.

### **CARES Act Funding Update**

Mr. Burke stated that the initial CARES Act submission has been sent to Page County. Subsequent submissions will continue to be made throughout the calendar year. Chief Cook confirmed that he is obtaining approval prior to making any major expenditures.

**TOWN ATTORNEY**

Jason Botkins, Town Attorney, stated that he is pleased to be back in attendance this evening.

**EXECUTIVE SESSION**

**Consultation with Legal Counsel  
Section 2.2-3711 (A) (8)**

Mayor Presgraves requested a motion to adjourn into Executive Session for the purpose of discussing matters relevant to Section 2.2-3711.A.8 regarding consultation with legal counsel. The subjects of the closed meeting are the East End and West End Confederate monuments located within the Town.

**Motion:** Councilman Schiro motioned to recess the regular meeting and to convene in executive session; Councilman Lancaster seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

***-Closed Meeting-***

**Certification:** Mayor Presgraves asked members of Council to certify that to the best of their knowledge only matters covered under Section 2.2-3711.A.8 were heard, discussed, or considered during the closed session. **Motion:** Councilman Schiro motioned to certify the closed session; Councilman Lancaster seconded the motion with the following members voting YEA: Mayor Presgraves, Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence.

**ANNOUNCEMENTS/ ADJOURN**

With no further business, the meeting was adjourned at 8:26 pm.

\_\_\_\_\_  
Barry Presgraves  
Mayor

\_\_\_\_\_  
Danielle Babb  
Deputy Clerk-Treasurer

**MINUTES OF A TOWN COUNCIL  
WORK SESSION MEETING  
TOWN OF LURAY, VIRGINIA  
Tuesday, July 28, 2020  
5:30pm**

The Luray Town Council met in a Work Session on Tuesday, July 28, 2020 at 5:30 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia at which time there were the following present:

Presiding: Mayor Presgraves

Council Present: Ron Vickers  
Jerry Dofflemyer  
Jerry Schiro  
Leroy Lancaster  
Joseph Sours  
Leah Pence

Others Present: Steve Burke, Town Manager  
Bryan Chrisman, Assistant Town Manager  
Mary Broyles, Clerk Treasurer  
Danielle Babb, Deputy Clerk Treasurer  
Chief Bow Cook, Luray Police Department

*Due to the threat of transmission of COVID-19 and in recognition of the Governor's Executive Order, this Work Session will have limited seating. The meeting was made available to the public via the Town's Facebook page live-streaming broadcast.*

A quorum being present, Mayor Presgraves declared the Council to be in session for the transaction of business. Mayor Presgraves led members in the United States Pledge of Allegiance. The roll was called with all members present.

**UPDATES & DISCUSSION ITEMS**

**Code Amendment – Artisans Manufacturing**

Town Manager, Steve Burke, presented the draft code amendments to Section 202 and 406 of the Town Code regarding Artisan Manufacturing in the Business District. The Planning Commission conducted a public hearing at their July meeting and unanimously approved the amendment. Councilman Lancaster discussed concerns about the provisions for micro-breweries and the production gallons allowed. Mr. Lancaster also inquired about requirements for food sales at brewery locations. Mr. Burke said that there are no requirements to sell food in conjunction with these establishments.

**Luray Meadows Agreements**

Mr. Steve Burke requested Council review the agreements between the Town, People Incorporated, and Luray Meadows LLC. The agreement is in regards to the CDBG grant funding for the project. The Town Attorney has developed the agreements enclosed in Council's packets for the meeting. Councilwoman Pence raised one question in regards to subsection B. on the Deed of Trust. Mr. Burke said that he would clarify the language with the Town Attorney regarding the payment terms outlined in section B.

### **VOSH Requirements**

Mr. Burke discussed the emergency temporary standards adopted by VOSH in mid-July that are anticipated to be made final at the end of July. These updates are in response to Covid-19 and provide policies that must be adopted by employers. VML has adopted a draft policy document that localities need to implement following the issuance of the final standards. The policy looks at various work groups according to risk, necessary personal protective equipment, training, and more. A draft policy for the Town has been provided for Council's review.

### **Browns Building**

Town Manager, Steve Burke, recalled the request from Council to obtain costs regarding some improvements to the Brown's building recommended by the realtor. Mr. Burke stated that he met with the painter today to obtain an estimate for various areas of repair. Additionally, Mr. Burke is obtaining costs for the window replacement on the front facade and lighting repairs. Once these costs are obtained, Mr. Burke will be back with more information. Councilwoman Pence requested a walk-through of the building.

### **Luray Parks Association Agreement**

The Town Council reviewed a draft agreement between the Town and the Luray Parks Association. The Town has maintained the property owned by the Luray Park Association since 1949. Mr. Burke said that a draft agreement has been provided. He stated that unfortunately neither party has been able to locate a copy of the original agreement reference in the 1948 Town Council minutes.

Councilwoman Pence inquired about the goals of the Parks Association. Mr. Burke explained that the Association must exist to own the properties, they simply do not have the staff needed for maintenance. The agreement's purpose was for the Town to maintain the property such that its residents could have enjoyment in use of the parks. Mayor Presgraves noted that the Mayor is provided with a seat on the Parks Association Board. Councilwoman Pence would like to know what the Town's options are. Councilman Schiro suggested obtaining Mr. Lowell Baughan's expertise on the subject and perhaps inviting him to the next work session. Council agreed to extend the invitation to Mr. Baughan.

### **CARES Act Funding**

Mr. Burke presented information regarding the proposed Covid-19 Small Business Grant Application and the draft funding application. The program is open to small businesses within the town's corporate limits and type of business category will determine the amount of funding.

Also, Mr. Burke identified that the Town of Bridgewater is investigating using a portion of the Cares-Act funds to supplement law enforcement salaries for officers in the FY2021 budget. Town Attorney, Jason Botkins, and Page County Finance Director, Dennis Click, have verified that the town has the ability to offset these expenses.

### **Announcements and Adjourn**

With no further business, Mayor Presgraves adjourned meeting of the Luray Town Council at approximately 6:22 p.m.

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Mayor, Barry Presgraves

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Deputy Clerk, Danielle Babb

## **TOWN CHARTER – TOWN OF LURAY, VIRGINIA**

### **CHAPTER 1 – INCORPORATION AND BOUNDARIES**

#### 1.1 - Incorporation; general powers.

Be it enacted by the General Assembly of Virginia, that the inhabitants of the territory in the County of Page, contained within the boundaries prescribed and defined in the section immediately following, shall continue to be, and they are hereby declared to be, a body politic and corporate, in fact and in name, under the name and style of the Town of Luray, and as such shall have and exercise all the powers conferred by and be subject to all the laws of the Commonwealth of Virginia now in force or that may hereafter be enacted for the government of towns, so far as the same are not inconsistent with the provisions herein.

#### 1.2. - Town boundaries.

The boundaries of the town shall remain as now established unless changed in accordance with applicable law.

### **CHAPTER 2 – GENERAL POWERS**

#### 2.1. General grant of powers.

##### (a) Powers authorized in Code of Virginia.

The town shall have and may exercise any or all powers now or subsequently authorized for exercise by towns in Title 15.2 or elsewhere in the Code of Virginia of 1950, as amended, regardless of whether such powers are set out or incorporated by reference in this charter. All ordinances in force in the Town of Luray as of July 1, 2019, not inconsistent with this charter, shall be and remain in force until altered, amended, or repealed by the town council.

##### (b) Powers exercised by governing body.

All powers vested in the town by this charter shall be exercised by its governing body unless expressly provided to the contrary. Such powers shall include those not expressly prohibited by the Constitution and general law of the Commonwealth, and which are necessary or desirable to secure and promote the general welfare of the town's inhabitants and the safety, health, peace, good order, comfort, convenience, morals, trade, commerce, and industry of the town and the town's inhabitants, and the enumeration of specific powers shall not be construed or held to be exclusive or as a limitation upon any general grant of power, but shall be construed and held to be in addition to any general grant of power. The exercise of the powers conferred under this section is specifically limited to the area within the corporate limits of the town, unless otherwise conferred in the applicable sections of the Constitution and general laws, as amended, of the Commonwealth.

#### 2.2. Financial powers.

##### (a) Generally.

In accordance with the Constitution of Virginia and the United States Constitution, the town may raise through annual taxes and assessments on property, persons, and other subjects of taxation that are not prohibited by law such sums of money as in the judgment of the town are necessary to pay the debts, defray the expenses, accomplish the purposes, and perform the functions of the town, in such manner as the council deems necessary or expedient. The town shall impose no tax on its bonds.

(b) Assessments for local improvements.

The town may impose special or local assessments for local improvements and enforce payment thereof, subject, however, to such limitations prescribed by the Constitution of Virginia as may be in force at the time of the imposition of such special or local assessments.

(c) Water, light, and sewerage rates; rates and charges for public utilities or services, etc., operated, etc., by town.

The town may establish, impose, and enforce water, light, and sewerage rates and rates and charges for public utilities, or other service, products, or conveniences, operated, rendered, or furnished by the town and assess, or cause to be assessed, water, light, sewerage, and other public utility rates and charges directly against the owner or owners of the buildings, or against the proper tenant or tenants, and in the event that such rates and charges shall be assessed against a tenant, then the council may, by an ordinance, require of such tenant a deposit of such reasonable amount as may be by such ordinance prescribed before furnishing such services to such tenant.

2.3. Contractual powers; gifts; grants.

(a) Acquisition of property generally; holding, selling, leasing, etc., town property.

The town may acquire, by purchase, gift, devise, condemnation, or otherwise, property, real and personal, or any estate or interest therein, within or without the town or the Commonwealth of Virginia and for any of the purposes of the town.

(b) Debts and evidence of indebtedness.

The town may contract debts, borrow money, and make and issue evidence of indebtedness.

(c) Gifts.

The town may accept or refuse gifts, donations, bequests, or grants of any kind from any source, absolutely or in trust, which are related to the town's powers, duties, and functions, or for educational, charitable, or other public purposes, and do all the things and acts necessary to carry out the purposes of such gifts, grants, bequests, and devises, with power to manage, maintain, operate, sell, lease, or otherwise handle or dispose of the same, in accordance with terms and conditions of such gifts, grants, bequests, and devises.

2.4. Operational powers.

(a) Generally.

The town may provide for the organization, conduct, and operation of all departments, offices, boards, commissions, and agencies of the town, subject to such limitations as may be imposed by this charter or otherwise by law, and may establish, consolidate, abolish, or change departments, offices, boards, commissions, and agencies of the municipal corporation and prescribe the powers, duties, and functions thereof, except where such departments, offices, boards, commissions, and agencies or the powers, duties, and functions thereof are specifically established or prescribed by charter or otherwise by law.

(b) Records and accounts.

The town shall provide for the control and management of the town's affairs and shall prescribe and require the adoption and keeping of such books, records, accounts, and systems of accounting by the departments, boards, commissions, or other agencies of the local government necessary to give full and true accounts of the affairs, resources, and revenues of the municipal corporation and the handling, use, and disposal thereof.

(c) Expenditure of money.

The town may expend money of the town for all lawful purposes.

(d) Construction, maintenance, etc., of improvements, buildings, etc., for use and operation of town departments.

The town may construct, maintain, regulate, and operate public improvements of all kinds, including municipal and other buildings, comfort stations, markets, and all buildings and structures necessary or appropriate for the use and proper operation of the various departments of the town, and may acquire by condemnation or otherwise all land, riparian, and other rights and easements necessary for such improvements, or any of them.

2.5. Utilities; public improvements.

(a) Water works and water supply.

The town may own, operate, and maintain water works and acquire in any lawful manner in any county of the Commonwealth of Virginia such water, lands, property rights, and riparian rights as the council may deem necessary for the purpose of providing the town with an adequate water supply, and of piping or conducting the same; lay all necessary mains and service lines, either within or without the corporate limits of the town, and charge and collect water rents therefor; erect and maintain all necessary dams, pumping stations, and other works in connection therewith; make reasonable rules and regulations for promoting the purity of the town water supply and protecting it from pollution and for this purpose exercise full police powers and sanitary patrol over all lands comprised within the limits of the watershed tributary to any such water supply wherever such lands may be located in the Commonwealth of Virginia; impose and enforce adequate penalties for the violation of any such rules and regulations and prevent by injunction any pollution or threatened pollution of such water supply and any and all acts likely to impair the purity thereof; and for the purpose of acquiring lands, interest in lands, property rights, and riparian rights or materials for any such use, exercise all powers of eminent domain provided by the laws of the Commonwealth of Virginia. For any of the purposes aforesaid, said town may, if the council shall so determine, acquire by condemnation, purchase, or otherwise any estate or interest in such lands or any of them in fee.

(b) Streets; parks, playgrounds, etc.; infrastructure; vehicles.

The town may establish, maintain, improve, alter, vacate, regulate, and otherwise manage its streets, alleys, parks, playgrounds, and all of its public infrastructure and public works, in such manner as best serves the public interest, safety, and convenience; regulate, limit, restrict, and control the services and routes of and rates charged by vehicles for the carrying of passengers and property in accordance with general law; permit or prohibit poles and wires for electric, telephone, telegraph, television, and other purposes to be erected and gas pipes to be laid in the streets and alleys and prescribe and collect an annual charge for such privileges; and, subject to the provisions of franchise agreements, require the

owner or lessees of any such poles or wires now in use or hereafter used to place such wires, cables, and accoutrements in conduits underground in accordance with the town's prescribed requirements.

(c) Public utilities.

Subject to the provisions of the Constitution of Virginia, this charter, and general law, the town may grant franchises for public utilities, reserving rights of transfer, renewal, extension, and amendment thereof. (d) Collection and disposition of sewage, garbage, ashes, refuse, etc.; reduction and disposal plant. The town may collect and dispose of sewage, ashes, garbage, carcasses of dead animals, and other refuse; make reasonable charges therefor; acquire and operate reduction or any other plants for the utilization or destruction of such materials, or any of them; contract for and regulate the collection and disposal thereof, and require and regulate the collection and disposal thereof.

2.6. Nuisances; sanitary conditions, etc.

The town may compel the abatement and removal of all nuisances within the town; require all lands, lots, and other premises within the town to be kept clean; regulate the keeping of animals, poultry, and other fowl therein; regulate the exercise of any dangerous or unwholesome business, trade, or employment therein; regulate the transportation of all articles through the streets of the town; compel the abatement of smoke, dust, and unnecessary noise; compel the removal of grass and weeds from private and public property and snow from sidewalks; require the covering or removal of offensive, unwholesome, unsanitary, or unhealthy substances allowed to accumulate in or on any place or premises; require the filling in to the street level of the portion of any lot adjacent to a street where the difference in level between the lot and the street constitutes a danger to life and limb; require the raising or draining of the grounds subject to be covered by stagnant water and the razing or repair of all unsafe, dangerous, or unsanitary public or private buildings, walls, or structures; and remedy, repair, and secure any blighted or derelict building or structure within the town in accordance with applicable law.

2.7. Police powers.

(a) The town may exercise full police powers as provided by general law and establish and maintain a department or division of police.

(b) The town may also do all things whatsoever necessary or expedient for promoting or maintaining the general welfare, comfort, education, morals, peace, government, health, trade, commerce, or industries of the town or its inhabitants; prescribe any penalty for the violation of any town ordinance, rule, or regulation or of any provisions of this charter, not exceeding the fine or sentence imposed by the laws of the Commonwealth of Virginia; pass and enforce all by-laws, rules, regulations, and ordinances that it may deem necessary for the good order and government of the town, the management of its property, the conduct of its affairs, and the peace, comfort, convenience, order, morals, health, and protection of its citizens or their property; and do such other things and pass such other laws as may be necessary or proper to carry into full effect any power, authority, capacity, or jurisdiction that is or shall be granted to or vested in said town, or in the council, court, or offices thereof, or which may be necessarily incident to a municipal corporation.

2.8. Miscellaneous powers.

(a) Removal or reconstruction of unsafe buildings, etc.; protection of public gatherings.

The town may regulate the size, height, materials, and construction of buildings, fences, walls, retaining walls, and other structures hereafter erected in such manner as the public safety and conveniences may

require; remove or require to be removed or reconstructed any building, structure, or addition thereto, which by reason of dilapidation, defect of structure, or other causes may have become dangerous to life or property, or which may have been erected contrary to law; and enact stringent and efficient laws for securing the safety of persons from fires in halls and buildings used for public assemblies, entertainments, or amusements.

(b) Fees for permits, etc.

The town may charge and collect fees for permits to use public facilities and for public services and privileges.

(c) Cemeteries.

The town may provide in or near the town lands to be used as burial places for the dead; improve and care for the same and the approaches thereto; charge for and regulate the use of ground therein; and provide for the perpetual upkeep and care of any plot or burial lot therein. The town is authorized to take and receive sums of money by gift, bequest, or otherwise, to be kept invested, and the income thereof is to be used for the perpetual upkeep and care of the said lot or plat for which the said donation, gift, or bequest shall have been made.

(d) Injunctive relief.

The town may maintain a suit to restrain by injunction the violation of any ordinance, notwithstanding any punishment that may be provided for the violation of such ordinance.

### **CHAPTER 3 - ELECTED OFFICERS**

3.1 - Vesting of government.

The government of the town of Luray shall be vested in a mayor and council of six council members.

3.2. - Election and terms of officers; council as continuing body.

The mayor and council members shall each be a qualified voter within the town, elected at large, and hold office for a term of four years. The council shall be a continuing body, and no measure pending before such body shall abate or be discontinued by reason of expiration of the term of office or removal of any or all of the members. The mayor and council in office at the time of adoption of this charter shall continue in office until the expiration of the terms to which they were elected or until their successors are elected and qualified. Accordingly, at the time of the U.S. presidential election in November 2020, there will be an election for mayor and three council positions and, in November 2022, there will be an election for the other three council positions.

3.3 – Mayor.

The mayor shall be the chief executive officer of the town, and shall have the following powers and duties:

- (a) The mayor shall see that the bylaws and ordinances of the town are fully executed and enforced, and shall preside over the meetings of the town council, voting only in case of a tie.
- (b) The mayor shall authenticate with his or her signature every ordinance and resolution adopted by council.

- (c) The mayor shall see that the duties of the various town officers, agents, and employees are faithfully performed. The mayor shall have power to investigate their accounts, have access to all their books and documents in their office.

#### 3.4. - Vice-Mayor

A vice mayor shall be elected by a majority of the council at its biennial organizational meeting to a term of two years. The vice mayor shall discharge the municipal duties of the mayor during any period of absence or disability of the mayor. If the vice mayor is also absent or unable to act, the council may choose another council member to discharge the mayor's duties during the period of the vice mayor and mayor's absence or disability. The council may provide reasonable compensation to the vice mayor or other council member discharging the duties of the mayor pursuant to this section. Upon the adoption of this charter, the current president pro tempore of the council shall serve as vice mayor until the next organizational meeting of the council.

#### 3.5. - Council

- (a) Regular meetings. The town council shall by ordinance fix the time of their regular meetings, and they shall meet at least once a month. The council may convene at such additional times as it may deem necessary in accordance with applicable law.
- (b) Special meetings. A special meeting may be called by the mayor or by two or more council members. No business shall be transacted at a special meeting except that for which it is called unless all members of the council are present. In addition, no vote shall be reconsidered or rescinded at a special meeting unless the same or a greater number of council members is present at the special meeting as were present when the vote was taken.
- (c) Quorum. Four members of the council, which may include the mayor, shall constitute a quorum for the transaction of business.
- (d) Procedural rules. The town council may adopt rules of procedure that govern meetings of the council.

#### 3.6. – Vacancies

Any vacancy occurring in the office of mayor or a council member shall be filled in accordance with general law.

### **CHAPTER 4 – OFFICERS APPOINTED BY COUNCIL**

#### 4.1. - Appointments.

The town council may appoint the following officers:

- (a) Town manager. The town manager shall be responsible to the town council for the proper administration of all affairs of the town, for the control and management of all town departments and property, for the appointment, supervision, and dismissal of town employees, for the preparation and implementation of an annual budget, and for any other duties as prescribed by the council
- (b) Town treasurer. The treasurer shall keep the town's books and accounts and collect all the taxes, revenues and assessments, which may be levied by the council and is vested with all the powers provided by the general laws of the Commonwealth of Virginia. The treasurer shall also perform other duties and receive such compensation as the town council may prescribe.

- (c) Town clerk. The clerk shall attend the meetings of the council, keep a record of its proceedings, and shall generally perform such other acts and duties as the council may from time to time prescribe and require. The town clerk shall receive such compensation as the council may prescribe and may also hold the office of town treasurer so long as he or she is not a member of town council.
- (d) Town attorney. The town attorney shall be an attorney at law licensed to practice under the laws of the Commonwealth of Virginia. The town attorney shall receive such compensation as may be determined by the council and shall have such duties as prescribed by the council
- (e) Other officers. The town council may appoint such other officers as may be necessary to conduct the business of the town, prescribe their duties, and fix their compensation.

#### 4.2. - Removal of appointed officers.

Any officer appointed by the council may be removed at its pleasure. The council may fill any vacancy in any appointed office.

### **CHAPTER 5 – MISCELLANEOUS PROVISIONS**

#### 5.1. – Severability.

If any clause, sentence, paragraph, or part of this charter shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the charter but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

#### 5.2. - Continuation of ordinances in effect.

All ordinances now in force in the town, not inconsistent with this charter, shall be and remain in force until altered, amended, or repealed by the council.

#### 5.3. - Repeal of conflicting acts and charters.

All acts and parts of acts in conflict with this charter are hereby repealed, insofar as they affect the provisions of this charter, provided, however, that nothing contained in this act shall be construed to invalidate or to in any manner affect the present existing indebtedness and liabilities of the town, whether evidenced by bonded obligations or otherwise, or to relieve it of any part of its present obligation or liability on account of bond issues, liabilities, or debts of whatsoever nature or kind.



**Town of Luray, Virginia**  
Town Council Agenda Statement

Item No: VIII-A

Meeting Date: August 10, 2020

Agenda Item: TOWN COUNCIL PUBLIC HEARING & CONSIDERATION  
Item VIII-A – Code Amendment – Artisan Manufacturing

Summary: The Town Council is requested to conduct a public hearing to receive input from citizens and to consider the draft Code Amendments to Sections 202 and 406 of the Town Code regarding artisan manufacturing in the Business.

During their February 24, 2020 Work Session, Town Council expressed concerns about potential odors, noise, heat, and other emissions from Artisan Manufacturing. The Town Council has requested that the Planning continue discussion regarding Artisan Manufacturing with the consideration of the Artisan Manufacturing requiring a Special Use Permit to ensure that the adjacent businesses have an opportunity to present concerns upon application.

At their July 15<sup>th</sup> meeting, the Planning Commission conducted a public hearing and recommended approval of the Code Amendments to Sections 202 and 406 of the Town Code regarding Artisan Food and Beverage and Artisan Manufacturing.

Council Review: February 24, 2020; July 28, 2020

Fiscal Impact: N/A

Suggested Motion: I move that Town Council adopt the Code Amendments to Sections 202 and 406 of the Town Code regarding artisan manufacturing as presented.

## Artisan Small Scale Production/Manufacturing

### Article II – Definitions

#### 202 – Specific Terms

**Artisan Food & Beverage:** Small scale production or preparation of food or beverage made on site with limited to no automated processes involved an may include direct sales to or consumption by consumers. This definition includes uses such as small-batch bakeries, microbreweries as regulated by the Commonwealth of Virginia, artisan distilleries as regulated by the Commonwealth of Virginia, small-batch candy shops, and local cheese makers.

**Artisan Manufacturing:** Application, teaching, making, or fabrication of crafts or products by an artist, artisan, or craftsperson either by hand or with minimal automation and may include direct sales to consumers. This definition includes uses that employ activities and processes such as small-scale fabrication, welding, and coating, that are typically not permitted in non-industrial zoning districts.

**Microbrewery:** An establishment which produces and sells beer on premise in conjunction with food. A microbrewery may produce up to ~~200,000 gallons~~ 15,000 barrels in any given 12-month period; such operations are required to adhere to all relevant local, state and federal regulations.

#### 406 Business District B-1

406.1.bb. Artisan Food & Beverage – Maximum size of individual production establishment is 2,000 square feet of gross floor area per establishment.

406.2.p Artisan Manufacturing – Maximum size of individual production establishment is 4,000 square feet of gross floor area per establishment.

#### Intended Business

- Breweries & Distilleries
- Food Production – Coffee Roasters, Popcorn, Bakery, Confectionaries
- Apparel
- Furniture
- Sporting Goods
- Jewelry/Watches
- Artisans/Crafters
- Personal Hygiene/Makeup – Soap, Makeup
- Glass Blowing
- 3-D Printing



**Town of Luray, Virginia**  
Town Council Agenda Statement

Item No: V-B

Meeting Date: July 28, 2020

Agenda Item: TOWN COUNCIL DISCUSSION  
Item VI-B – Luray Meadows Apartments

Summary: The Town Council is requested to discuss the drafts of four agreements between the Town, People Incorporated Housing Group (“PIHG”), and Luray Meadows, LLC, regarding the development of the 52-unit apartment complex known as Luray Meadows off of Airport Road. As a result of the Town’s \$700,000 CDBG grant for the project, the Town is required to obtain a secured lien against the property where the improvements will be constructed with the CDBG grant. To establish this relationship and pursue these improvements, the following agreements have been drafted:

- Sub-Grant Agreement – Defines the roles and obligations of the Town and PIHG for the project.
- Note & Deed of Trust – Evidences the Town’s payment of the CDBG grant funds to PIHG and creates a secured lien of \$700,000 against the property for the benefit of the Town. The terms of the agreement mirror those found in the CDBG Grant Agreement.
- Hold Harmless & Indemnification Agreement – PIHG agrees to hold harmless and indemnify the Town against all losses arising from any breach of the Sub-Grant Agreement and any loss arising from the construction, operation, and maintenance of the project. PIHG would potentially be responsible for the entire CDBG loan amount plus attorney’s fees, costs, and other damages incurred by the Town.

The Town Attorney has reviewed these documents.

Council Review: N/A

Fiscal Impact: N/A

Suggested Motion: I move that Town Council approve the agreements for the Luray Meadows Apartments projects as presented and authorize the Town Manager the Sub-Grant Agreement.

Tax Map #

## DEED OF TRUST

Name and address of Noteholder secured hereby:

Town of Luray, Virginia  
45 East Main Street  
Luray, VA 22835

THIS DEED OF TRUST, made as of the \_\_\_\_ day of \_\_\_\_\_, 2020 by and between **LURAY MEADOWS, LLC**, a Virginia limited liability corporation (hereinafter referred to as “Grantor”); and the **TOWN OF LURAY, VIRGINIA**, a Virginia municipal corporation (hereinafter referred to as “Beneficiary” or the “Town”).

### RECITALS

WHEREAS, the Town is the Grantee of a \$700,000 Community Development Block Grant Community Improvement Grant (the “Grant”), which has been made by the Virginia Department of Housing and Community Development (“DHCD”) to the Town to assist the PEOPLE INCORPORATED HOUSING GROUP, a Virginia non-stock corporation (hereinafter referred to as “Developer”) in the construction of 52 affordable housing units situate in the Town (the “Project”) to serve the citizens of Luray and the surrounding area; and

**WHEREAS**, the Town and DHCD have entered into a Grant Agreement governing the Grant dated [ ] (the “Grant Agreement”); and

**WHEREAS**, the Town and the Developer have entered into a Sub-Grant Agreement dated [ ], setting forth the responsibilities of the Developer with respect to the Project (the Sub-Grant Agreement); and

**WHEREAS**, the Developer is the managing member of the Grantor; and

**WHEREAS**, DHCD has required as a condition of awarding the Grant that the Developer and Grantor execute a Deed of Trust in favor of the Town in order to ensure that the Grantor and Developer fulfill their obligations with respect to the Grant; and

**WHEREAS**, the Grantor has executed a Deed of Trust Note of even date herewith (the “Note”) payable to the Town in the amount of \$700,000 which represents the amount of the grant; and

**WHEREAS**, the Developer and Grantor desire to secure the Town the payment of the indebtedness evidenced by the Note and certain other indebtednesses of the Grantor to the Town and the performance of certain covenants made herein by the Grantor to the Town.

**NOW THEREFORE, WITNESSETH:** That for and in consideration of the provisions of the Deed of Trust (hereinafter referred to as “Deed”) and other valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Trustees, with General Warranty and English Covenants of Title, the real property described with particularity in Exhibit A, which is attached hereto, made a part hereof and to be recorded herewith, together with all buildings, improvements, and fixtures now or hereafter erected thereon, including without limitation all apparatus, and other equipment, fixtures or articles, used to supply heat, gas, air conditioning, water, light power, refrigeration, ventilation, or other services, and all items of personal property including without limitation screens, window shades, storm doors and windows, affixed floor coverings, screen doors, Venetian blinds, awnings, stoves and water heaters (all of which are declared to be part of said real estate whether physically attached thereto or not); and also together with easements relating to the property, all of which are hereby pledged, assigned, transferred and set over unto the Trustees. All of the foregoing realty and personalty are hereafter referred to collectively as the “Property.”

**IN TRUST, HOWEVER,** to secure to the Town the performance and payment by the Grantor of the indebtednesses described in Paragraphs 1, 2 and 3 below, which indebtednesses are sometimes referred to herein as the “Secured Indebtednesses,” and also to secure the due and punctual performance by Grantor of each and every covenant, condition and agreement contained herein, and each and every other obligation, covenant and agreement (sometimes referred to herein as the “Secured Covenants”) of the Grantor relating to the Property.

**SECURED INDEBTEDNESSES**

The **Secured Indebtednesses** consist of:

1. **Indebtednesses under Note.** All obligations under the Note and each note given in substitution for, or upon any renewal or extension of, the Note.
2. **Indebtednesses Arising Under Deed of Trust.** All indebtednesses to the Town and to the Trustees which arise under any of the Grantor’s covenants expressly made herein, including fees of their attorneys and agents and other expenses respectively incurred by them in connection with the performance by or assertion of their respective rights and /or duties as set forth in this Deed.
3. Whenever moneys are to be applied by the Town to the payment of the Secured Indebtednesses, the Town shall determine, in its sole discretion, the order and manner in which said moneys are to be applied to the individual indebtednesses secured hereby, unless expressly provided otherwise by this Deed, by other written agreement between the Grantor and the Town or by law.

**Additional Security.** As additional security for the payment of the Secured Indebtednesses and performance of the Secured Covenants, the Grantor hereby transfers, sets over and assigns to the Town:

All judgments, awards of damages, settlements and compensation made in connection with or in lieu of:

- i. any taking of the Property by or under assertion of the power of eminent domain; and damage to or destruction of the Property by insured casualty; and any other injury or damages to the Property.
- ii. The Town is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part to the reduction of the Secured Indebtednesses and/or to the performance of the Secured Covenants.

### SECURED COVENANTS

**The Grantor covenants and agrees as follows:**

1. The Project shall result in the development of 52 multi-family affordable rental units, estimated to benefit 121 low to moderate (LMI) persons.
2. The Grantor shall deliver the benefits as described in the Grant/Sub-Grant Agreements for a minimum of twenty (20) years from \_\_\_\_\_. If Grantor ceases to provide the benefits as described in the Grant/Sub-Grant Agreements, the Grantor shall immediately repay to the Town the sum of \$700,000. The Grantor agrees to maintain the Project and provide affordable rental housing to eligible households. It is anticipated that the services will be provided on site, year round. The Grantor agrees to annually provide the Town with household data to the extent not prohibited by law. The data will be provided to the Town for the purpose of enabling the Town to comply with the beneficiary reporting requirements of DHCD and U.S. Department of Housing and Urban Development (HUD). Grantor staff will collect the required information about the ethnic and racial status and income levels of households served. The Grantor shall comply with all provisions of the Grant/Sub-Grant Agreements.
3. If the Project is no longer needed to provide the housing described in the Grant Agreement, Grantor shall apply to DHCD for approval to use the Project for other purposes. With the approval of DHCD, the Project may be used in another capacity, provided the beneficiaries meet the definition of low- and moderate-income persons or protected populations, as defined by DHCD. If DHCD disapproves the intended use, then the amount of the Note must be immediately repaid to the Town.
4. No sale, transfer or change in use of the Project shall take place without the written approval of DHCD. All proceeds from a sale of the Project must (i) be returned to the Town, which in turn will repay them to DHCD; or (ii) be used for an eligible activity approved by DHCD. If the proceeds from the sale of the Project are not sufficient to repay the entire \$700,000 of Grant Funds, the Grantor must make up the difference from its own funds, and repay the entire \$700,000 to the Town.

5. The Project and the housing opportunities it provides must be open and available for application by eligible households and hours of operation and application must be posted. No use of the Project for the conduct of local government business shall be permitted.

### **ADDITIONAL TERMS**

1. **Payment and Performance.** Grantor shall pay without demand all Secured Indebtedness and shall fully perform without demand all Secured Covenants, when such payments or performances are due.
2. **Payment and Discharge of Liens.** Grantor shall pay when due all amounts and shall perform all covenants secured by any deeds of trust recorded prior to this Deed. The Grantor shall also pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof having priority over the lien of this Deed, and the Grantor shall not at any time create or allow to exist any prior lien on the Property or any part thereof of whatsoever kind or nature other than those specifically approved by the Town; provided, however, that the following are excepted from the foregoing: (i) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (ii) such of the above claims as are, and during the time they are, being contested by the Grantor in good faith and by appropriate legal proceedings, but the Grantor shall post such security for the payment of such contested claims as is requested by the Town.
3. **Maintenance of the Property.** (i) Grantor shall promptly repair, restore or rebuild any part of the Project that may become damaged or be destroyed while subject to the lien of this Deed; (ii) Grantor shall not commit or suffer waste of the Property; (iii) Grantor shall not commit or suffer to be done or exist on or about the Property any condition whereby the Property shall become less valuable; (iv) without prior written permission, Grantor shall not remove or demolish any building or structures on the Property; (v) Grantor shall comply with all applicable laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property, and not to suffer or permit any violations thereof.
4. **Inspections.** The Town and its agents shall have the right of entry and free access to the Property and right to inspect all buildings, fixtures and equipment on the Property. All books, contracts, records, documents, and other papers relating thereto shall at all times be available at the Property (or such other place as the Town shall approve) in reasonable condition for proper audit and shall be subject to examination and inspection and copying at any reasonable time by the Town or its authorized agents. It is understood and agreed that any inspection hereunder by the Town shall be for the sole benefit and protection of the Town, and neither the Grantor nor any other party shall be entitled to rely upon such inspection or the results therefrom for any purpose whatsoever, including without limitation the assertion of; (a) any claim or defense with respect to any failure by the Grantor to perform in accordance with the terms of this Deed; or (b) any waiver or other modifications of the rights of the Town or obligations of the Grantor hereunder.

5. **Insurance.** Grantor shall maintain insurance for the full replacement cost of the Property, and shall maintain policies of insurance against such other hazards, casualties and contingencies as the Town may require, with such policies naming the Town as the mortgagee and to be in form satisfactory to, and with insurance companies approved by, the Town. The proceeds of such insurance shall be applied by the Town to the restoration of the Property damaged or destroyed, under safeguards satisfactory to the Town in its sole discretion. Grantor shall provide the Town annual certificates of insurance or endorsements, as applicable, and evidence that insurance policy premiums have been paid when due.
6. **Payment of Taxes and Utility Charges.** The Grantor shall pay, when due, all taxes and assessments both general and special, ground rents, fines, penalties, impositions, levies, dues and charges of every type or nature levied upon or assessed against the Property including any personal property included thereon.
7. **Warranty of Title.** The Grantor is lawfully seized of any indefeasible estate in the Property in fee simple, free from encumbrances except as accepted by the Town, has good right and power to convey the Property, does hereby warrant generally the same, and shall execute such further assurances as may be requisite.
8. **Attorney's Fees: Costs of Trustees' Sale.** If the Town employs an attorney to collect any or all of the Secured Indebtednesses or to foreclose this Deed, or authorizes the Trustees to conduct Trustees' sale proceedings hereunder, then the Trustees and the Town shall be reimbursed by Grantor, immediately and without demand, for all reasonable costs, charges and attorney's fees incurred by them or either of them in any such case whether or not suit be commenced, and the same shall be secured hereby.
9. **Sale or Forbearance.** No sale of the Property, forbearance on the part of the Town or extension of the time for the payment of the Secured Indebtednesses given by the Town shall operate to release, discharge, modify, change or affect the original liability of the Grantor herein either whole or in part.
10. **Repayment to the Town.** Upon the payment of any sums or performance of any act which the Grantor fails to pay or to perform, the amount so paid or the cost of performing any such act, together with other sums paid or incurred by the Town (including charges, expenses and attorney's fees deemed necessary or appropriate by the Town to effect such payment or to perform such act) immediately and without demand, shall be paid by the Grantor to the Town. The foregoing amounts shall be secured hereby.
11. **Events of Default.** Any one or more of the following events shall constitute a default under this Deed: (a) Default in the payment of any portion of the Secured Indebtednesses or any installment thereof, whether principal, interest, loan repayment or otherwise, when and as the time shall become due and payable, whether at maturity or by acceleration or otherwise; or (b) Default in the due performance or observance of any Secured Covenant; or (c) If the Grantor shall be involved in financial difficulties as evidenced: (i) by an admission in writing of its inability to pay its debts generally as they become due; (ii) by

filing a petition in bankruptcy or for the adoption of an arrangement under the Bankruptcy Code (as now or in the future amended) or an admission seeking the relief therein provided; (iii) by making an assignment for the benefit of creditors; (iv) by consenting to the appointment of a receiver or trustee for all or a substantial part of its assets or to the filing of a petition against it under said Bankruptcy Code; (v) by being adjudicated a bankrupt; (vi) by the entry of a court order appointing a receiver or trustee for all or a substantial part of the assets of the Grantor or approving as filed in good faith a petition filed against it under said Bankruptcy Code; (vii) by the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of the assets of the Grantor; (viii) by an attachment for an amount in excess of \$5,000 on any substantial part of the assets of the Grantor which shall not be discharged within thirty (30) days from the making thereof; (ix) by a judgment or decree for the payment of money in excess of \$5,000 being entered against the Grantor, or if an attachment, execution or levy is made upon any of its assets and the judgment, execution or levy, as the case may be, is not discharged or stayed within thirty (30) days from the date of the judgment, attachment, execution or levy as the case may be; or (x) by default under any deed of trust recorded prior to this Deed.

12. **Remedies on Default.**

- a) **Acceleration.** In the event of any default hereunder, then all of the Secured Indebtednesses shall, at the option of the Town, become at once due and payable. No failure by the Town to exercise such option shall be deemed or construed as a waiver of the right to exercise same in the event of any subsequent or continuing event of default.
- b) **Sale.** In the event of default hereunder, then at the request of the Town the Trustees shall sell (and in the case of default of any purchaser, shall resell) the Property at auction for cash, unless the Town and the Trustees shall agree upon other terms. Such sale shall be held, in the discretion of the Trustee, at the premises or in front of the circuit court building (or at such other place as the Trustees may select) in Page County. Such sale shall be made upon such other terms and conditions, in such parcels and at such times as the Trustees shall deem proper. Upon compliance with the terms of such sale, the Trustees shall convey the Property in fee simple to and at the cost of the purchaser thereof (who shall not be required to see to the application of the purchase money) and to hold and apply the proceeds of such sale or sales in the manner provided by law and this Deed.
- c) **Entry and Receivership.** In the event of any default hereunder and irrespective of whether the Town accelerates the maturity of the indebtednesses secured hereby, the Town may exercise the rights and remedies provided herein. In addition, in the event of such default, the Town or the Trustees, upon the Town's written demand to the Trustees, without notice may enter upon and take possession of the Property or any part thereof, and perform personally or by their agents any acts which the Town or the Trustees deem necessary or proper to

operate, manage and conserve the Property and/or have a receiver appointed. The expenses (including but not limited to the Town's, the Trustees' and the receiver's fees, counsel fees, costs and agents' compensation) incurred pursuant to the powers herein contained shall be secured hereby. In the event the Trustees take possession of the Property pursuant hereto, the Trustees shall after payment of all their costs and expenses, pay to the Town all rents and other income collected by the Town or Trustees, and the Town shall apply the same to the payment of the Secured Indebtednesses. The right under this subparagraph (c) to enter and take possession of the property and to manage and operate the same whether by a receiver or otherwise, shall be in addition to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof.

- d) **Application of Funds.** With respect to funds (including investments therefrom) which are security under this Deed, the Town shall, in the event of default hereunder, have the right, in addition to all other rights and remedies hereunder, at any time and from time to time to expend all or any part of such funds for the repayment of the Secured Indebtednesses or the performance of the Secured Covenants. In the event of a sale under subparagraph (b), any such funds then remaining shall be applied to the Secured Indebtednesses.

13. **Delay.** No delay by the Town or the Trustees in exercising any right or remedy hereunder or otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.
14. **Sales or Transfers Prohibited.** During the period that the Note is secured by this Deed, the Grantor shall not, without the prior written consent of the Town and DHCD, sell, assign, convey, or transfer, nor suffer or permit any sale, assignment, conveyance or transfer of all or any part of any interest in the Property or any other security hereunder. Any permitted sale, conveyance or transfer shall be on such terms and conditions as the Town shall prescribe.
15. **Trustee Substitution.** The irrevocable power to appoint a substitute trustee or trustees hereunder is expressly granted to the Town, to be exercised at any time hereafter, without specifying any reasons therefor by filing for record in the Clerk's office where this instrument is recorded a deed of appointment. Said power of appointment of successor trustee or trustees may be exercised as often as whenever the Town deems advisable. The exercise of said power of appointment, no matter how often shall not be an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of their, his or its predecessor in the trusts hereunder, with like effect as if originally named as trustee or as one of the trustees hereunder.

16. **Notice.** Unless required by law, notice of the exercise of any option granted to the Town herein need not be given, and the Grantor hereby waives, to the extent permitted by law, any notice of the election of the Town to exercise any such option.
17. **Remedies Cumulative.** No remedy herein contained or conferred upon the Town or the Trustees is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the Town or to the Trustees, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.
18. **Successors, Assigns, Gender, Number.** The covenants and agreements herein contained shall bind, and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.
19. **Security Agreement.** This Deed shall constitute a security agreement under the Uniform Commercial Code for the benefit of the Town as Secured Party. In the event of default hereunder, the Town may, at its sole discretion, proceed to enforce any one or more of the rights and remedies (i) as provided in this Deed or any other agreements or instruments relating to the Property, or (ii) as otherwise provided by law.
20. **Recourse.** The Grantor shall be liable for, and shall pay, all sums due hereunder and under the above-referenced Note.
21. **Headings.** The headings herein are inserted only for convenience of reference and in no way define, limit or describe the scope or intent of this Deed, or of any particular provision thereof, or the proper construction thereof.
21. THIS DEED OF TRUST shall be construed to confer and impose upon the parties hereto, and the beneficiaries hereunder the rights, duties and obligations set forth in §§ 55.1-320, *et. seq.* of the Code of Virginia, 1950, as amended and in effect as of the date of acknowledgement hereof, and further to incorporate herein the following provisions, by short term reference below, pursuant to the provisions of § 55.1-325 of the Code of Virginia:
- (a) Identified by Trustee's signature
  - (b) Exemptions waived
  - (c) Any Trustee may act

NOTICE: THE DEBT SECURED BY THIS DEED OF TRUST IS SUBJECT TO CALL IN FULL, OR THE TERMS THEREOF BEING MODIFIED, IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY SUBJECT TO THIS DEED OF TRUST.

Trustees or the Beneficiary may employ agents or attorneys in the execution of this trust and for the protection of the interest of the Beneficiary. All such expenditures and the compensation of such agents or attorneys and all expenses incident to their employment, including those of litigation, shall be added to and deemed a part of the indebtedness secured hereby, shall be secured in the same manner as the Note is secured, shall bear interest from the date of expenditure thereof at the legal rate of interest and shall, together with the interest thereon, be payable by Grantor on demand.

WITNESS the following signature and seal on the date first above written:

LURAY MEADOWS, LLC  
a Virginia limited liability corporation,

By: PEOPLE INCORPORATED HOUSING GROUP (Developer),  
a Virginia non-stock corporation, its managing member

By: \_\_\_\_\_ (SEAL)

Name: \_\_\_\_\_

Its: \_\_\_\_\_

DRAFT

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020 by Robert G. Goldsmith, President and CEO of People Incorporated Housing Group.

\_\_\_\_\_  
Notary Registration Number

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

EXHIBIT A- PROPERTY DESCRIPTION

DRAFT

## DEED OF TRUST NOTE

\$700,000

Page County, Virginia  
\_\_\_\_\_, 2019

FOR VALUE RECEIVED, the undersigned, **LURAY MEADOWS, LLC**, a Virginia limited liability corporation (herein called the “Mortgagor”) promises to pay to the order of the **TOWN OF LURAY, VIRGINIA**, a Virginia municipal corporation (the “Town”), the principal sum of Seven Hundred Thousand Dollars AND NO/100 (\$700,000) DOLLARS with interest thereon at the rate of zero percent (0%) per annum, such principal being payable at the place of business of the Town, 45 East Main Street, Luray, Virginia 22835 or at other such place as the Town may designate in writing, as follows:

- A. Purpose. The Town has received a Community Development Block Grant (CDBG) Award in the amount of \$700,000 (the “Grant Funds”) to be used to assist the PEOPLE INCORPORATED HOUSING GROUP, a Virginia non-stock corporation (hereinafter referred to as “Developer”), and Mortgagor in the construction of 52 multi-family housing units in the Town of Luray. The Town is providing the Grant Funds for the assistance and benefit of the Developer and Mortgagor in the form of a forgivable loan, evidenced by this Note, and secured by the Deed of Trust referred to below.
- B. Payment Terms. The principal balance of this Note shall be payable on the earlier of (i) twenty (20) years after the date of this Note, unless the conditions for forgiveness set forth in Section C below have been satisfied; or (ii) the date of an event of default by the Mortgagor, as defined in the Deed of Trust identified below.
- C. Conditions of Forgiveness. The forgivable loan evidenced by this Note is being made to finance the construction of 52 multi-family housing units and supporting infrastructure on the real property described in Section F below. The ownership and operation of the improvements shall be subject to the terms and conditions of the Deed of Trust identified in Section F below, and an agreement entitled “Sub-Grant Agreement” between the Mortgagor and the Town. The amounts due under this Note shall be forgiven on the date twenty (20) years after the date of this Note if the Mortgagor is in full compliance with all provisions of the Deed of Trust.
- D. Prepayment. The principal balance of this Note may be prepaid anytime, without penalty or premium.
- E. Waivers. The Mortgagor, and any and all endorsers, sureties, guarantors and assumers hereof (each a “Party” and collectively the “Parties” hereto), hereby jointly and severally waive presentment, demand, protest, notices of dishonor and of protest, the benefits of homestead, and all other waivable exemptions, and all defenses and pleas on the ground of any extension(s) of the time of payment or of the due dates of this Note, in whole or in part, before or after maturity, with or without notice, it being further agreed by all Parties that they will pay any collection expense, court costs, and reasonable attorney’s fees which may be incurred in the collection or enforcement of this Note or any part hereof.
- F. Security; Deed of Trust. This Note is secured by a Deed of Trust of even date herewith conveying real property and other security, which real property is briefly described as Airport Road, Luray, Virginia 22835, and more fully described in said Deed of Trust in which the Trustees are the town council of the Town of Luray, one of whom has countersigned this Note

solely for the purpose of identifying the same as being secured by said Deed of Trust (copy attached).

- G. Recourse. The Mortgagor shall be liable for the payment of any sums due hereunder or secured under the hereinabove referenced Deed of Trust.
- H. Prohibition Against Transfer; Acceleration. Transfer of the Property is expressly prohibited. If any part of the Property is sold or transferred without the approval of the Town and the Virginia Department of Housing and Community Development (DHCD), the principal amount of \$700,000 due hereunder shall be immediately due and payable, and the Mortgagor shall immediately repay to the Town the principal amount of \$700,000. The Mortgagor, with approval from its Board of Directors, may use the Property as collateral without the consent of the Town or DHCD, provided that nothing herein shall in anyway obligate the Town of Luray to agree to subordinate its Deed of Trust to any other security interest that the Mortgagor may wish to give.

Upon the failure of the Mortgagor to make any payment or perform or observe any covenant under this Note or upon the occurrence of any other event of default under the Deed of Trust hereinbefore described securing this Note, the entire unpaid principal hereof, together with all accrued interest thereon, shall, at the option of the Town become at once due and payable (and no failure by the Town to exercise such option shall be deemed or construed as a waiver of the right the exercise the same in the event of any subsequent or continuing default or breach), and the Mortgagor shall immediately repay to the Town the principal amount of \$700,000.

The undersigned hereby (i) agrees that this Note shall be construed in accordance with the laws of the Commonwealth of Virginia and that any action to collect this Note or any part hereof may be instituted in a court having appropriate jurisdiction and located in the County of Page, Virginia; and (ii) agrees to pay all collection expenses, including reasonable attorneys' fees and court costs, incurred in the collection of this Note or any part hereof after an event of default.

*[signatures appear on the following page]*

WITNESS THE FOLLOWING SIGNATURES AND SEAL:

LURAY MEADOWS, LLC  
a Virginia limited liability corporation,

By: PEOPLE INCORPORATED HOUSING GROUP (Developer),  
a Virginia non-stock corporation, its managing member

By: \_\_\_\_\_ (SEAL)

Name: \_\_\_\_\_

Its: \_\_\_\_\_

COUNTERSIGNATURE OF ONE TRUSTEE  
FOR IDENTIFICATION ONLY

\_\_\_\_\_  
TRUSTEE

DRAFT

HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

THIS AGREEMENT, entered into this the \_\_\_ day of \_\_\_\_\_, 2020, by and between PEOPLE INCORPORATED OF VIRGINIA, a Virginia non-stock corporation, hereinafter referred to as “**Indemnitor**,” and the Town of Luray, a Virginia municipal corporation, hereinafter referred to as the “**Town**.”

**WITNESSETH:**

WHEREAS, the Town and PEOPLE INCORPORATED HOUSING GROUP, a Virginia non-stock corporation and affiliate of the Indemnitor, have entered into a Sub-Grant Agreement, attached and incorporated herein in its entirety by reference, whereby the Town has agreed to pay People Incorporated Housing Group certain Community Development Block Grant (CDBG) monies to support the construction of 52 affordable housing units and supporting infrastructure and the subsequent use of said facilities, hereinafter referred to as the “**Project**”; and

WHEREAS, the parties wish to supplement the Sub-Grant Agreement with this Hold Harmless and Indemnification Agreement, adding further protection to the Town from any damages it may suffer as a result of the payment of the grant to the Indemnitor.

NOW THEREFORE, for and in consideration of the mutual covenants derived by both parties as fully set out in the aforementioned Subgrant Agreement, the Indemnitor does hereby agree to hold the Town harmless against any loss that it may suffer, including but not limited to any repayment that it must make to the Virginia Department of Housing and Community Development, as a result of the Indemnitor’s, its successor’s, affiliate’s and assign’s noncompliance with the Subgrant Agreement or any other act or omission of the Indemnitor, its successors, affiliates or assigns in the construction, operation and maintenance of the Project which results in a loss, damage, cost, charge, liability, reimbursement or expense to be suffered by the Town.

*[signatures appear on the following page]*

WITNESS the signatures and seals of the parties the day, month and year first above written.

PEOPLE INCORPORATED OF VIRGINIA,  
a Virginia non-stock corporation

By: \_\_\_\_\_ (SEAL)  
Robert G. Goldsmith  
President and CEO

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020 by Robert G. Goldsmith, President and CEO of People Incorporated of Virginia.

\_\_\_\_\_  
Notary Registration Number Notary Public

DRAFT

My commission expires: \_\_\_\_\_

TOWN OF LURAY,  
a Virginia municipal corporation

By: \_\_\_\_\_ (SEAL)  
Steve Burke  
Town Manager

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020 by Steve Burke, Town Manager, on behalf of the Town of Luray.

\_\_\_\_\_  
Notary Registration Number

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

DRAFT

## SUB-GRANT AGREEMENT

THIS AGREEMENT, entered into this the \_\_\_ day of \_\_\_\_\_, 2020, by and between the Town of Luray, a Virginia municipal corporation, hereinafter referred to as “**Town,**” and People Incorporated Housing Group, a Virginia non-stock corporation, hereinafter referred to as “**Developer.**”

1. Project: The Town has received Community Development Block Grant (CDBG) funding totaling \$700,000, CIG Contract #18-02, hereinafter referred to as the “**Grant,**” to improve the living conditions of fifty-two (52) households, all of which are low-to-moderate income (LMI) households, through the provision of infrastructure improvements, the construction of a community center, and through the provision of rental production activities, hereinafter referred to as the “**Project.**” The Project is to be developed in accordance with the CDBG Grant Contract executed between the Town and the Virginia Department of Housing and Community Development (DHCD), hereinafter referred to as the “**Grant Agreement,**” and all pertinent Federal and state laws, regulations and procedures, including the CDBG Management Manual published by DHCD, as it may be from time to time amended. A true copy of the Grant Agreement is attached and incorporated herein by reference.
2. Purpose: The purpose of this Agreement is to set out and define the responsibilities of the Town and the Developer for the construction, maintenance, and management of the infrastructure improvements and housing units resulting from the completion of the Project, as well as other obligations of the Town and Developer.
3. Term of Agreement: The term of this Agreement shall be effective as of the date first written above and extend twenty years from the date that all buildings constructed as part of the Project are issued a Certificate of Occupancy by the building official of Page County, Virginia.
4. Town Responsibilities
  - a) Grant Administration: The Town will provide for the administration of the Grant in a manner that is consistent with the provisions of the CDBG Grant Management Manual as published annually by DHCD. The Town has engaged the Northern Shenandoah Valley Regional Commission to administer the Grant.
  - b) Financial Management: The Town shall provide for financial management of the Grant to include processing and disbursing invoices for payment under the Grant in accordance with the Grant Agreement.
  - c) Participation. The Town shall appoint a representative and participate as an active member of the Management Team formed to oversee and monitor the Project.
5. Developer Responsibilities: It shall be the Developer’s responsibility to perform the following services:

- a) Capital Improvements: The Developer shall be responsible and work with the Town to oversee the construction and to assure compliance with all CDBG and construction related requirements of the Project to be located on Airport Road, Luray, Virginia 22835 and conveyed to Luray Meadows, LLC by deed recorded in the Clerk's Office of the Circuit Court of Page County, Virginia in Instrument #180002548.
- b) Reporting Requirements: The Developer will prepare, in consultation with and at the direction of the Town or its consultants, all information and correspondence necessary to satisfy grant reporting and/or compliance requirements requested by DHCD.
- c) Additional Funding: The Developer agrees that it will provide a minimum of [\$8,928,984] in additional funding to leverage the Grant of \$700,000 awarded to the Project. All furnishings, equipment and supplies necessary to maintain the operation of the Project will be provided by the Developer and shall not be the responsibility of the Town. The Developer is solely responsible for the payment of any and all construction costs that exceed the \$700,000 Grant awarded to the Project.
- d) Residential Rental Housing: The Developer agrees to maintain the Project and to operate it as affordable rental housing available to applicants who, at minimum, have incomes of 80% or less than the Area Median Income (AMI) of Page County, Virginia, as defined and adjusted annually by the U.S. Department of Housing and Urban Development (HUD). The Developer agrees to periodically provide the Town with client data to the extent not prohibited by law. The data will be provided the Town for the purpose of enabling the Town to comply with the reporting requirements of HUD and DHCD. Developer staff will collect the required information about the ethnic and racial status and income levels of persons served.

6. Security of CDBG Benefits: The Town will secure a 20-year lien on the Project and the Property as set forth in the Deed of Trust and Note, copies of which are attached hereto and incorporated herein in their entirety by reference. This lien will require that the Project be used to provide affordable rental housing consisting of 52-units to low and moderate income individuals. The Developer represents that (i) the total number of households occupying the units will be to low-to-moderate income (LMI) meaning that they have household incomes under 80 percent of the median household income for Page County as published annually by HUD; (ii) the purpose of the CDBG is to benefit low and moderate income people; and (iii) fulfillment of this intent is to be verified based on the periodic reports of data on households compiled by the Developer, forwarded to the Town, and submitted to DHCD.

7. Default Policy: The following events shall constitute a default hereunder:

- a) Sale or transfer of the Property, as defined in the Deed of Trust, to persons and/or entities not approved by the Town and DHCD, which approval shall not be unreasonably withheld.

- b) A change in the provision of housing as outlined herein to a primarily unrelated use of the Project, not approved by the Town.
- c) A cessation of operation of the housing provided by the Project, as outlined herein, for a period of more than 90 days.
- d) Failure of the Developer, related entities, or its affiliates to materially comply with the provisions and covenants of this Sub-Grant Agreement, the Deed of Trust, and the Deed of Trust Note executed on behalf of the Project.

8. Default Correction Policy:

- a) If there is a cessation of the operation of the housing provided by the Project that extends beyond 90 days, the Town and the Developer shall form a committee and act in cooperation with each other to work diligently and in good faith to provide alternatives for the reinstatement of operation of such housing. If such housing cannot be developed and offered within one year from the date the committee is formed, then the Town at its option and upon 90 days prior written notice, may determine that such failure to provide such housing is a continuing default; provided however, if at any time prior to the expiration of such 90 day period, such services are secured as outlined herein, then such default shall be deemed cured.
- b) If the Developer is unable to cure instances of default to the satisfaction of the Town within 90 days, the Developer shall, at the Town's election, either (i) deed the Project to the Town as the full satisfaction of the Grant, (ii) negotiate a revised agreement with the Town for the continued maintenance and operation of the Project to allow the provision of such housing as may be needed by the low-to-moderate income residents of Page County, or (iii) repay the balance of the Grant in which all agreements herein are terminated. The balance of the Grant will be the full investment and value of the Grant, \$700,000.
- c) In the event the Town selects the default remedy described above in Subsections 8(b)(i) or 8(b)(ii), the Town shall be responsible for advising and seeking the endorsement of DHCD for any agreement regarding the use of the Project to serve the needs of residents for the remainder of the initial 20 year term of this Agreement.

9. Meetings: The Developer and the Town shall attend and participate in meetings related to the construction of the Project.

10. Federal and State Agreement Requirements: The Developer shall comply, and shall enable the Town to comply with all applicable Federal and State requirements and the provisions of the CDBG Grant Management manual published annually by DHCD, as it may be amended from time to time.

11. Retention of Records: Any Developer records regarding the construction of the Project, including but not limited to information on beneficiaries or agreements for service, shall be made available to the Town upon request.
12. Availability of Service: The Project and the housing it provides shall be open and available for application by all potential residents.
13. Status of Project Documents: All Project documents produced in connection with the construction of the Project, including beneficiaries served under this Agreement, shall become the property of the Town upon the occurrence of any default that is not cured. DHCD is entitled to permanently retain copies of all project related documents for reference purposes and to determine ongoing compliance with CDBG requirements.
14. Title Insurance: The Developer shall provide the Town with a policy of title insurance in the amount of [\$8,928,984] in a form acceptable to the Town prior to the disbursement of Grant funds.
15. Provision and Execution of Other Documents: The Developer and the Town shall provide such information or documents, and execute such other documents, as may be required the Town or DHCD in connection with the Grant.
16. Insurance: The Developer shall cause to be maintained insurance for the full replacement cost of the Project, and shall maintain policies of insurance such other hazards, casualties and contingencies. All such policies shall name the Town as the mortgagee until such time as the Grant has been satisfied in full. The proceeds of any such insurance shall be applied by the Developer to the restoration of the Project damaged or destroyed, under safeguards satisfactory to the Developer in its sole discretion. The lack of such insurance shall be deemed an instance of default.
17. Full Repayment: Upon full repayment of the Grant, or the expiration of the twenty year term, this agreement shall be voided and of no further force or effect.
18. Correspondence: Any notice or communication required or allowed by this agreement shall be sent to the parties as set forth below:

Town of Luray  
45 East Main Street  
Luray, Virginia 22835

WITH COPY TO:

Northern Shenandoah Valley Regional Commission  
400 East Kendrick Lane

Front Royal, Virginia 22630

AND

People Incorporated Housing Group  
1173 West Main Street  
Abingdon, Virginia 24210

19. Assignability: The Developer may assign and/or subcontract any interest in or obligation under this agreement, and may transfer any interest in the same with the prior written consent of the Town thereto, which consent shall not be unreasonably withheld.
20. Binding on Parties: This Agreement is a legally enforceable contract and shall be binding on the parties hereto, and their respective successors or assigns. This Agreement shall not be amended by oral agreement; this Agreement shall be amended only in writing signed by duly authorized agents of the Developer and the Town.
21. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, and any action to enforce this Agreement shall be brought in the courts of Page County, Virginia.
22. Entire Agreement: This writing contains all the agreements between the parties and there are no agreements except as contained herein. This Agreement may not be amended except in writing, signed by both parties.

In witness whereof, the Town and the Developer have executed this Agreement.

*[signatures appear on the following page]*

PEOPLE INCORPORATED HOUSING GROUP,  
a Virginia non-stock corporation

By: \_\_\_\_\_ (SEAL)

Robert G. Goldsmith

President and CEO

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020 by Robert G. Goldsmith, President and CEO of People Incorporated Housing Group.

\_\_\_\_\_  
Notary Registration Number

\_\_\_\_\_  
Notary Public

DRAFT

My commission expires: \_\_\_\_\_

TOWN OF LURAY,  
a Virginia municipal corporation

By: \_\_\_\_\_ (SEAL)

Steve Burke

Town Manager

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020 by Steve Burke, Town Manager, on behalf of the Town of Luray.

\_\_\_\_\_  
Notary Registration Number

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

DRAFT

Exhibits:

- A. Grant Agreement
- B. Deed of Trust
- C. Deed of Trust Note

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**Town of Luray, Virginia**  
Council Agenda Statement

Item No: XIII-A

Meeting Date: August 10, 2020

Agenda Item: CLOSED MEETING  
Item XIII-A – Performance of the Mayor

Summary: Council is requested to go into Closed Meeting for the purpose of discussion, consideration, or interviews or prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body as authorized by Section 2.2-3711(A)(1) of the Code of Virginia and consultation with the Town Attorney regarding specific legal matters requiring the provision of legal advice by the Town Attorney as authorized by Section 2.2-3711(A)(8) of the Code of Virginia.

Council Review: N/A

Fiscal Impact: N/A

**Motion to Go Into Closed Meeting**

I move that Town Council convene and go into Closed Meeting for the purpose of discussion, consideration, or interviews or prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body as authorized by Section 2.2-3711(A)(1) of the Code of Virginia and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, as authorized by Section 2.2-3711(A)(8) of the Code of Virginia.

The subjects of the closed meeting are the performance of the Mayor and the use of social media by the Town's public officers

*A roll call vote shall be taken to certify the vote to convene in Closed Meeting.*

**Motion to Adjourn Closed Meeting and Reconvene in Open Session**

*At the conclusion of the Closed Meeting, immediately reconvene in open session.*

I move the closed meeting be adjourned and the Luray Town Council reconvene in open session.

*A roll call vote shall be taken to adjourn the Closed Meeting.*

**Certification Resolution**

*Upon reconvening in open session, Council shall certify the Close Meeting discussion.*

I move that with respect to the just-completed closed session and to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the Town Council.

*A roll call vote shall be taken to certify the Closed Meeting discussion.*

**NOTE:** Any member who does not intend to vote "aye" should state so prior to the vote and indicate the substance of the departure that, in his/her judgement, has taken place. This statement shall be recorded in the minutes.