

Liberty University, Inc.  
Parcel ID#: 22112005  
Tax Map #: 22112005  
Address: 118 Davis Cup Rd., Lynchburg, VA 24502

**LAND PURCHASE AND SALE CONTRACT**

**THIS LAND PURCHASE AND SALE CONTRACT** ("Contract"), dated this 27<sup>th</sup> day of January, 2016, by and between **LIBERTY UNIVERSITY, INC.** ("Seller"), a Virginia non-stock corporation, and **BENJAMIN CROSSWHITE or assigns** ("Buyer"), an individual,

**WITNESSETH:**

WHEREAS, Seller hereby agrees to sell and Buyer hereby agrees to buy the hereinafter described real estate upon the terms and conditions set forth;

WHEREAS, Buyer leased a portion of the hereinafter described real estate from Seller;

WHEREAS, Buyer has faithfully paid rent to Seller for the duration of the aforementioned tenancy;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereby agree as follows:

**1. PROPERTY**

Seller agrees to sell and Buyer agrees to buy that certain real estate, with any improvements thereon and with all appurtenances thereunto pertaining, located in the City of Lynchburg, Virginia, with a parcel number of 22112005, and a tax map number of 22112005, and a street address of 118 Davis Cup Rd., Lynchburg, VA 24502 ("Property").

**2. PURCHASE PRICE**

The purchase price for the Property is One Million, Two Hundred Thousand Dollars (\$1,200,000.00), plus or minus any charges or credits described below in this Paragraph 2.

2.1 Current Lease Agreement. Buyer shall pay to Seller the amount of Twenty-Six Thousand, Seven Hundred Thirty Dollars (\$26,730.00) for rental of a portion of the facility for the months of April 2015 through December 2015 pursuant to the current lease agreement between LU Racquet Sports, LLC, by its Manager, Liberty University, Inc., as Landlord, and Crosswhite Fitness, LLC, as Tenant.

2.2 Credits to Purchase Price. The following amounts are in consideration of the hereinafter described lease agreements. The amounts to be paid for said lease agreements will be prepaid by Seller and credited toward the Purchase Price:

(a) Seller agrees to credit to Buyer the amount of Three Thousand, Eight Hundred Eighty-Eight Dollars (\$3,888.00) for Seller's rental after Closing of the racquetball facility for the months of March 2016 and April 2016.

(b) Seller agrees to credit to Buyer the amount of Six Hundred Forty-Six Thousand, Six Hundred Fifty-Four Dollars and Sixty Cents (\$646,654.60) for Seller's rental after Closing of the tennis facility from Closing until April 30, 2025, such rental to begin the day after the Closing Date.

2.3 Net Purchase Price. Pursuant to the above-mentioned Purchase Price, charges, and credits, Buyer agrees to pay to Seller the amount of Five Hundred Eighty Thousand, Seventy-Five Dollars and Forty Cents (\$580,075.40) ("Net Purchase Price").

### **3. PRORATION**

Buyer shall pay to Seller the Net Purchase Price, plus or minus the following items, which shall be prorated between Buyer and Seller as of 12:01 a.m. on the Closing Date:

3.1 Real Estate Taxes. All ad valorem real estate taxes, levies, and charges currently due, if any, shall be paid by Seller, or Seller shall provide Buyer with a credit for such unpaid taxes, levies, and charges at Closing. Real estate taxes and all other levies and charges that are assessed against or which are a lien on the property, but are not yet payable shall be prorated through the Closing Date based on one hundred percent (100%) of the most recently assessed valuation of the Property on record at the applicable Assessor's office. All real estate taxes, levies, and charges, if any, assessed against the Property subsequent to the Closing Date shall be paid by Buyer.

3.2 Utility Charges. Water, electric, and all other utility and fuel charges shall be prorated as of the Closing Date to the extent any utility provider thereof will not separately bill Buyer and Seller for charges incurred for the month in which the Closing Date occurs. In the event Seller has been required to make deposits with utility companies, Seller may assign its rights to such deposits to Buyer (together with such utility companies' consents to such assignments), and Seller shall be credited at Closing with the amount of such funds deposited.

3.3 State and Local Transfer Taxes. Seller shall pay any documentary stamp or other tax imposed upon the "Grantor" by state and local laws or ordinances on the transfer of title and shall furnish any real estate transfer tax documents as may be required under applicable state and local law or ordinance, signed by Seller or Seller's agent in the form required by applicable law or ordinance, and shall meet other requirements as established by state and local law or ordinance with respect to a transfer or transaction tax. Buyer shall pay any documentary stamp or other tax imposed upon the "Grantee" by state and local laws or ordinances on the transfer of title and shall furnish any real estate transfer tax

documents as may be required under applicable state and local law or ordinance, signed by Buyer or Buyer's agent in the form required by applicable law or ordinance, and shall meet other requirements as established by state and local law or ordinance with respect to a transfer or transaction tax.

#### **4. CLOSING**

4.1 Location and Date. The closing of the transaction contemplated by this Contract ("Closing") shall be held at Liberty University, 1971 University Blvd., Lynchburg, VA 24515, or at such other place as the parties shall agree, on or about the 29th day of February, 2016 ("Closing Date"). In the event that proof of marketable title has not been possible to confirm by the Closing Date, the parties agree to extend the Closing Date to a mutually convenient date and time.

4.2 Documents. Seller shall furnish to Buyer a copy or draft of each document, instrument, and commitment which Seller is required to deliver at Closing.

4.3 Transfer of Possession. Possession of the Property shall be delivered to Buyer at Closing.

4.4 Fees. Seller shall pay (a) the fees of any counsel representing it in connection with this transaction; (b) any "Grantor's" tax which becomes payable by reason of the transfer of the Property; (c) Seller's Broker's commission, if any; (d) the fees for Special Warranty Deed preparation; and (e) the fees associated with preparation of certificates of non-foreign status and Form 1099-S. Buyer shall pay (f) the title company fee for the title commitment and subsequently issued Owner's Policy; (g) Buyer's Broker's commission, if any; (h) any "Grantee's" tax or Recording Fees which become payable by reason of the transfer of the Property; (i) the fees of any counsel representing Buyer in connection with

this transaction; (j) the fees of any environmental or other consultant and inspecting engineer employed by Buyer; (k) the fees for recording the Special Warranty Deed conveying the Property to Buyer; and (l) the closing fees incident to the Closing of this transaction.

## **5. SELLER FINANCING**

5.1 Seller Financing. Seller offers to finance the purchase of the Property at Five Hundred, Eighty Thousand Dollars (\$580,000.00) of the Purchase Price if Benjamin Crosswhite and/or a business entity controlled by Benjamin Crosswhite purchases the Property. If Buyer accepts Seller's financing, such amount financed shall be evidenced by a note made by Benjamin Crosswhite or by Benjamin Crosswhite individually and the business entity controlled by Benjamin Crosswhite payable to Seller bearing interest at a rate of 3.0% per annum, amortized over twenty (20) years, payable in monthly installments of Three Thousand, Two Hundred Sixteen Dollars and Sixty-Seven Cents (\$3,216.67) with a balloon payment due seven (7) years after the Closing Date, in a form of note acceptable to Seller. Such indebtedness shall be secured with a Deed of Trust on the Property. Such Seller financing shall be accepted at the sole discretion of Buyer, who is free to seek and obtain other financing.

(a) Payments shall be mailed or delivered to:

Liberty University, Inc.  
Accounting Department  
1971 University Blvd.  
1600 Green Hall  
Lynchburg, Virginia 24515.

(b) Each payment shall be received or postmarked on or before the 5th of each month. A 5% late fee will be assessed on each payment received or postmarked after the 5th of the month in which such payment is due.

5.2 Guarantee Obligation. In the event Buyer accepts Seller's offer of financing but does not desire Benjamin Crosswhite's name to appear on the deed, Benjamin Crosswhite must agree to personally guarantee the note made by a business entity controlled by Benjamin Crosswhite and payable to Seller and agree to remain personally liable on the note until such time as the note is paid in full with a form of guarantee acceptable to Seller.

## **6. CONVEYANCE OF PROPERTY**

At Closing, Seller shall convey to Buyer good and marketable fee simple title to the Property by Special Warranty Deed subject to the reservation by Seller of a leasehold estate as described below in Paragraph 7. Seller shall also convey the personal property and equipment located in or upon the Property to Buyer, if any, pursuant to a Bill of Sale to be delivered concurrently with the Special Warranty Deed. That personal property includes the equipment used to operate the Property as a tennis, racquetball and fitness center, such as a washing machine for towel service, pro shop trade fixtures, gym equipment owned by Seller, and the like. If a title defect is found which can be remedied by legal action within a reasonable time, Seller shall, at Seller's expense, promptly take such action as is necessary to cure the defect. If Seller, acting in good faith, is unable to have such defect corrected within sixty (60) days after notice of such defect is given to Seller, then this Contract may be terminated by either Seller or Buyer at the expiration of such sixty (60) day period.

Buyer may extend the date for Closing to the extent necessary for Seller to comply with this paragraph.

**7. SELLER'S LEASE OF FACILITIES AFTER THE CLOSING DATE**

7.1 Use of Racquetball Facilities. Buyer agrees to lease to Seller exclusive use of the racquetball facilities for periods during nineteen (19) days in March 2016 and eight (8) days in April 2016, the specific days and times to be mutually agreed upon by the parties at a later date and based on the reasonable needs of the Liberty University Racquetball Team, at three (3) courts per day at two (2) hours per court per day for the amount of Three Thousand Eight Hundred Eighty-Eight Dollars (\$3,888.00). Said rental amount shall be credited to Buyer in the Purchase Price, as stated above in Subparagraph 2.2(a).

7.2 Use of Tennis Facilities. Buyer agrees to lease to Seller exclusive use of certain tennis facilities for use by the Liberty University Tennis Team from Closing until April 30, 2025 for the amount of Six Hundred Forty-Two Thousand, Seven Hundred Sixty-Six Dollars and Sixty Cents (\$642,766.60), such lease to begin after the Closing Date. Said rental amount shall be credited to Buyer in the Purchase Price, as stated above in Subparagraph 2.2(b).

7.3 Reservation of Leasehold Estate. Seller shall reserve a leasehold estate in the Property at Closing that shall expire on April 30, 2025. After expiration of the leasehold estate, fee simple absolute shall vest in Buyer. For the duration of the leasehold estate, Seller shall have exclusive right to possession and use of the racquetball facilities as described in paragraph 7.1 above and exclusive right to possession and use of certain indoor tennis courts as detailed below until the expiration of the leasehold estate on April 30, 2025. Seller shall have the right to possess and use the tennis courts in the following



manner, the specific days and times to be mutually agreed upon by the parties at later dates and based on the reasonable needs of the Liberty University Tennis Team:

(a) Seller shall, on Mondays, Wednesdays and Fridays during the months of January through April of each year of the leasehold estate, have the exclusive right to possession and use of five (5) tennis courts for as many as six (6) consecutive hours per court per day for up to but not to exceed forty (40) days per year.

(b) Seller shall, on Tuesdays and Thursdays during the months of January through April of each year of the leasehold estate, have the exclusive right to use and possession of five (5) tennis courts for as many as six (6) consecutive hours per court per day for up to but not to exceed thirty (30) days per year.

(c) Seller shall, for the purpose of hosting visiting teams for tennis matches, have the right to exclusive possession and use of five (5) tennis courts for as many as ten (10) consecutive hours per court per day for up to but not to exceed ten (10) days per year.

Additionally, during the duration of the leasehold estate, Seller's representatives, employees, agents and guests affiliated with Liberty University's Racquetball and Tennis Teams shall have non-exclusive access to the driveways, parking, sidewalks, locker room and common areas of the property necessary for Seller and its representatives, employees, agents and guests affiliated with Liberty University's Racquetball and Tennis Teams to enjoy its reserved leasehold estate.

7.4 Buyer to Maintain Facility. Buyer agrees to maintain the tennis and racquetball facilities to a reasonable standard necessary for use by the Liberty University Racquetball and Tennis Teams for the duration of the aforementioned lease agreements.



Buyer further agrees to keep those certain facilities available for exclusive use by the Liberty University Racquetball and Tennis and Racquetball Teams for the days and hours described above in subparagraph 7.3 for the duration of the aforementioned lease agreements.

7.5 Survival. This Paragraph 7 shall survive Closing and its terms shall also be incorporated in the Special Warranty Deed described in paragraph 6, above, in a form acceptable to Seller.

## 8. INSURANCE

8.1 Casualty Insurance. Buyer shall cause all buildings, structures, and fixtures in or on the Property to be insured to the extent of the full replacement value thereof against damage or destruction by fire, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, vehicle, and smoke ("Casualty"). If Buyer obtains financing from Seller, Seller shall be named as Lienholder on such policy issued.

8.2 General Liability Insurance. Buyer shall obtain and maintain general liability insurance covering the Property with companies and in a form satisfactory to Seller with an A.M. Best Rating or its equivalent of A-VIII or better, and with a minimum limit of One Million Dollars (\$1,000,000.00) on account of bodily injuries to or death or property damage for each occurrence and a minimum limit of Two Million Dollars (\$2,000,000.00) general aggregate. Seller shall be named as an additional insured party. Buyer shall acquire coverage that bears endorsements to the effect that the insurer notify all additional insured parties not less than Thirty (30) days in advance of any modification or cancellation thereof. Buyer shall maintain such general liability insurance, with Seller named as an additional insured party, for the entirety of Seller's leasehold reservation.

8.3 Survival. This Paragraph 8 shall survive Closing.

**9. PREPAID MEMBERSHIPS**

As a condition of Closing, Buyer agrees to honor any prepaid memberships entered into prior to the Closing Date. Seller agrees to assign all prepaid memberships that extend beyond the Closing Date to Buyer. Seller further agrees to credit to Buyer the prorated amount paid for such prepaid memberships that extend beyond the Closing Date, such amount to be calculated from the Closing Date. This Paragraph 9 shall survive Closing.

**10. PROPERTY CONDITION**

Buyer agrees that Buyer will have the opportunity to inspect and become familiar with the Property and will acquire the Property in its as-is condition. Seller agrees to maintain the property in that same good condition and repair as it is this day until the Closing Date. Buyer understands and agrees that Seller has not made and makes no representations or warranties of any kind with respect to the condition of the Property or its fitness, suitability or acceptability for any particular use or purpose. Seller shall not be liable for any latent or patent defects therein. Seller shall have no obligation to repair or make any improvements arising from or out of any and all claims or conditions Buyer may discover after Closing that relate to the condition of the Property at any time, before or after Closing, including, without limitation, the presence of any hazardous substance, and any other matter pertaining to the Property.

**11. CONFIDENTIALITY**

Buyer agrees that the terms of this transaction shall be deemed confidential and shall not be disclosed, directly or indirectly, to any third party, without the prior written consent of Seller, except to the extent that the terms of the transaction are required to be disclosed

for the Buyer to secure financing, required to be disclosed pursuant to applicable corporate reporting requirements, required to be disclosed pursuant to state or local recording statutes, required to be disclosed pursuant to Federal or State tax laws or regulations, or required to be disclosed to enforce the rights of the parties.

**12. ASSIGNMENT**

Buyer may assign this Contract and its rights hereunder with the written consent of Seller. Such assignment shall not relieve Buyer of its obligations under this Contract in the absence of a written release from Seller.

**13. WAIVER**

No failure by Seller or Buyer to insist upon the strict performance of any covenant, duty, agreement or condition of this Contract, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any breach or of such covenant, agreement, term or condition.

**14. ACCEPTANCE OF THE DEED**

The acceptance of the Special Warranty Deed by Buyer shall be deemed to be the full performance and discharge of every agreement and obligation of Seller herein contained and expressed, with the exception of any paragraph which specifically states that it shall survive Closing.

**15. VIRGINIA LAW APPLICABLE**

This Contract shall be construed, performed, and enforced in accordance with the laws of the Commonwealth of Virginia. This Contract shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in a written instrument executed with the same formality as this Contract. Any action instituted by either party against the other arising out of this Contract shall be brought in the State circuit court of LYNCHBURG, Virginia.

**16. INTEGRATION**

The parties agree that this Contract shall be binding upon them, and their respective successors and assigns. The parties agree that this Contract contains the final agreement between the parties hereto, and that the parties shall not be bound by any terms, conditions, oral statements, warranties or representations not herein contained, unless this Contract is amended in writing by Seller and Buyer.

**17. TITLES**

The title given to the Paragraphs and Subparagraphs of this Contract are for ease of reference only and shall not be relied upon for or used in interpreting this Contract. The grouping of the articles in this Contract under the various titles is solely for the purpose of convenient organization and in no event shall the title or the use of paragraphs or headings be construed to limit or alter the meaning of any provision.

**18. SEVERABILITY**

If any provision of this Contract shall be held invalid, the other provisions hereof shall not be effected thereby and shall remain in full force and effect.

**19. FURTHER ACTIONS**

Each party hereto shall execute and deliver or cause to be executed and delivered any and all instruments reasonably required to convey the Property to Buyer and to vest in each party all rights, interest, and benefits intended to be confirmed by this Contract.

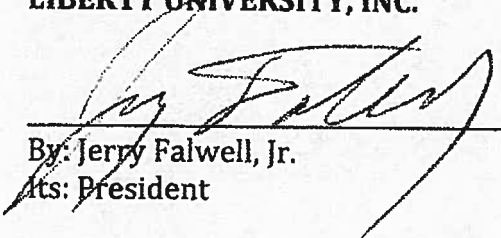
**20. AUTHORITY OF SIGNATORIES**

Each party to this Contract warrants to the other that the respective signatories have the full right and authority to enter into and consummate this Contract and all related documents.

**21. COUNTERPARTS; RECEIPT OF CONTRACT BY FAX**

This Contract may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document. Documents delivered by facsimile or e-mail shall be considered as originals. Unless otherwise specified herein, "days" shall mean calendar days. For the purpose of computing time periods, the first day shall be the day following the date this Contract is fully ratified.

**SELLER:  
LIBERTY UNIVERSITY, INC.**

  
By: Jerry Falwell, Jr.  
Its: President

**BUYER:  
Benjamin Crosswhite**

*[Handwritten signature]*