

June 26, 2012

**VIA ELECTRONIC MAIL ([mayor@capecharles.org](mailto:mayor@capecharles.org))**  
**and FIRST CLASS MAIL**

Dora Sullivan, Mayor  
Town of Cape Charles  
635 Monroe Avenue  
Cape Charles, VA 23110

Re: Cape Charles School; Proposed Contract,  
Rezoning and Conditional Use Permit

Dear Mayor Sullivan:

As a follow up to the Town Council meeting and vote on June 14, 2012 regarding the Cape Charles School, I am writing on behalf of Old School Cape Charles, LLC (OSCC) in an effort to commence negotiations regarding a purchase of the school property. It is my understanding that on June 14, you were authorized to enter into a contract with a private developer intending to enter a review period for a possible purchase of the property for a nominal sum of money and potential development into private apartments/condos, but it is my further understanding that no contract has been executed yet. This letter will outline OSCC's proposed deal terms that should be far more attractive to the Town Council:

1. Purchase price: \$10,000.
2. Review/study period: none.
3. Taxes: OSCC will pay taxes applicable to any other non-profit landowner.
4. Water and utilities: OSCC will pay in the same manner applicable to any other non-profit organization acquiring property in Cape Charles.
5. Intended building use: OSCC will redevelop and rehabilitate the property for use as a functioning community center on the schedule outlined in the previously-submitted lease proposal (or on some other schedule to be agreed upon by the town and OSCC).

6. Financing: OSCC will pursue and obtain financing as outlined in the previously-submitted lease proposal, including pursuing tax incentives and opportunities through the Virginia Department of Historic Resources.
7. Historic preservation: OSCC will preserve both the interior and exterior of the building in accordance with generally accepted guidelines and standards applicable to this type of historic structure.
8. Earthquake insurance funds: OSCC will receive the earthquake insurance funds currently proposed to be delivered to the private developer as a part of the contract that was under discussion at the June 14, 2012 council meeting.
9. Asbestos abatement: OSCC will hire a qualified contractor to commence and complete asbestos abatement within one year of closing on a final contract and transfer of the property.
10. Liability insurance: OSCC will be responsible for implementing liability insurance on the subject property.

If you would please discuss this proposal with your staff and fellow Council members and then let me know what steps are appropriate to take next, I would appreciate it. In our view, this proposal is far superior to the current private development proposal that has been under consideration. This proposal has been developed as a result of the comments made by Council members and others at the June 14 Council meeting. It should resolve all of the concerns expressed at that time, and should further the stated goals of Council, as well as the goals expressed in the Comprehensive Plan.

Finally, please be advised that at the end of this week, I am leaving this firm with one of my law partners to establish a new firm, and my contact information will be changing to the following:

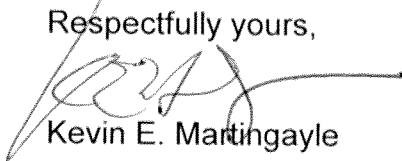
Bischoff Martingayle, P.C.  
3704 Pacific Avenue, Suite 200  
Virginia Beach, Virginia 23451  
(757) 233-9991 (main office)  
(757) 416-6009 (direct dial)  
(757) 428-6982 (facsimile)  
Email: [martingayle@bischoffmartingayle.com](mailto:martingayle@bischoffmartingayle.com)

Accordingly, please contact me at my new firm on Monday, July 2<sup>nd</sup> or thereafter using the new information. I look forward to hearing from you and hope that we will be

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able to reach a deal that is the most beneficial for Cape Charles. With kind regards, I am,

Respectfully yours,



Kevin E. Martingayle

KM/kls

cc: Members of the Cape Charles Town Council  
(Via Electronic Mail [towncouncil@capecharles.org](mailto:towncouncil@capecharles.org))  
Libby Hume, Town Clerk (Via Electronic Mail [clerk@capecharles.org](mailto:clerk@capecharles.org))  
Client