

**WINCHESTER COMMON COUNCIL SPECIAL MEETING
TUESDAY, JUNE 25, 2013
AGENDA
6:00 p.m.**

1.0 CALL TO ORDER AND ROLL CALL

2.0 PUBLIC HEARING

- 2.1 O-2013-17:** Second Reading: AN ORDINANCE TO AUTHORIZE THE ACQUISITION OF PROPERTIES NECESSARY FOR THE REALIGNMENT OF NATIONAL AVENUE – PICCADILLY STREET – EAST LANE **(REQUIRES ROLL-CALL VOTE)(pages 2-70)**

3.0 AGENDA

- 3.1 Motion** to appoint Minh Le as a “Ward 3” member of the Winchester School Board to serve a four year term expiring June 30, 2017.

4.0 ADJOURNMENT

CITY OF WINCHESTER, VIRGINIA

PROPOSED CITY COUNCIL AGENDA ITEM

CITY COUNCIL/COMMITTEE MEETING OF: 6/11/13 CUT OFF DATE: _____

RESOLUTION ___ ORDINANCE x___ PUBLIC HEARING _x_

ITEM TITLE: An ordinance to authorize the acquisition of properties necessary for the realignment of National Avenue- Piccadilly Street- East Lane

STAFF RECOMMENDATION: Approve Ordinance

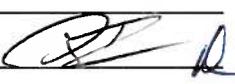
PUBLIC NOTICE AND HEARING: Required

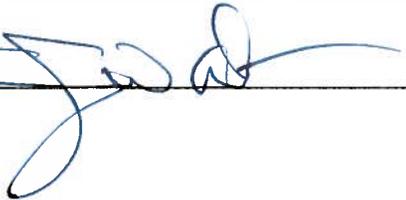
ADVISORY BOARD RECOMMENDATION: N/A

FUNDING DATA: Identified in CAM

INSURANCE: N/A

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The Director's initials for approval or disapproval address only the readiness of the issue for Council consideration. This does not address the Director's recommendation for approval or denial of the issue.

<u>DEPARTMENT</u>	<u>INITIALS FOR APPROVAL</u>	<u>INITIALS FOR DISAPPROVAL</u>	<u>DATE</u>
1. <u>Economic Development</u>	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. City Attorney	_____	_____	_____
6. City Manager		_____	6-6-13
7. Clerk of Council	_____	_____	_____

Initiating Department Director's Signature:  _____ Date: 6/6/13

APPROVED AS TO FORM:
 6/6/2013
CITY ATTORNEY

CITY COUNCIL ACTION MEMO

To: Honorable Mayor and Members of City Council
From: James Deskins, Economic Development Director
Date: 6/6/13
Re: National Avenue Realignment



THE ISSUE: Proposal to realign National Avenue to connect to Piccadilly Street in a manner that will create a safer and more efficient traffic pattern thereby enhancing traffic flow into, out of and/or through the Old Town area of the City of Winchester

RELATIONSHIP TO STRATEGIC PLAN:

Goal 2018 #4 - Creating a more livable City for all.

BACKGROUND: The Economic Development Authority has obtained preliminary design concepts for the realignment of National Avenue and has negotiated on behalf of the City to facilitate the voluntary acquisition of specified properties in furtherance of the proposed project. This Ordinance needs to be approved and adopted in order to proceed with acquisition of the identified properties. Additional acquisitions will require further action by Council which shall be proposed at a later time.

BUDGET IMPACT: Funds already identified in the current Budget Ordinance (O-2013-11) should be sufficient to cover the voluntary acquisitions.

OPTIONS: Approve the ordinance and authorize proceeding with the project or reject the ordinance and project.

RECOMMENDATIONS: Approval of the Ordinance.

**AN ORDINANCE TO AUTHORIZE THE ACQUISITION OF PROPERTIES NECESSARY FOR THE
REALIGNMENT OF NATIONAL AVENUE- PICCADILLY STREET- EAST LANE**

WHEREAS, Common Council for the City of Winchester desires to realign National Avenue to connect to Piccadilly Street in a manner that will create a safer and more efficient traffic pattern thereby enhancing traffic flow into, out of and/or through the Old Town area of the City of Winchester; and

WHEREAS, a preliminary design concept has been developed realigning National Avenue to connect with Piccadilly Street as further detailed in (Exhibit A) attached hereto; and

WHEREAS, City of Winchester will need to acquire 216 East Piccadilly St., 222 East Piccadilly St., 226 East Piccadilly St., 228 East Piccadilly St., 236 East Piccadilly St., 209 East Ln., 211-13 East Ln., 215 East Ln., 219 East Ln., 221 East Ln., and 247 East Fairfax Lane in order to complete this project; and

WHEREAS, the Economic Development Authority of the City of Winchester Virginia has negotiated to facilitate the voluntary acquisition of 216 East Piccadilly St., 222 East Piccadilly St., 226 East Piccadilly St., 209 East Ln., 211-13 East Ln., and 247 East Fairfax Ln. and entered into purchase contracts for the same contingent upon approval by Council and appropriation of funds, copies of which are included as (Exhibit B) attached hereto; and

WHEREAS, all funding necessary for the acquisitions of the properties for which purchase contracts have been obtained as identified in this Ordinance have been included in the Budget Ordinance for the Fiscal Year Ending June 30, 2014 (O-2013-11) which is being considered by Common Council concurrently with this Ordinance; and

WHEREAS, Council will be presented with an Ordinance for acquisition of the remaining properties for which contracts have not yet been secured as identified in this Ordinance at such time that the EDA has exhausted negotiations with the property owners.

NOW THEREFORE be it ORDAINED that upon Council's appropriation of funds as identified in the Budget Ordinance (O-2013-11), the Common Council of the City of Winchester hereby authorizes City Manager and City Attorney to take all necessary steps to acquire properties held under contract with the Economic Development Authority of the City of Winchester as listed above in furtherance of the realignment of National Avenue-Piccadilly Street-East Lane. BE IT further ORDAINED that Common Council hereby accepts said properties on behalf of the City of Winchester.

**AN ORDINANCE TO AUTHORIZE THE ACQUISITION OF PROPERTIES NECESSARY FOR THE
REALIGNMENT OF NATIONAL AVENUE- PICCADILLY STREET- EAST LANE**

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WHEREAS, a preliminary design concept has been developed realigning National Avenue to connect with Piccadilly Street as further detailed in (Exhibit A) attached hereto and titled "Proposed National-Piccadilly- North East Ln., and Realignment"; and

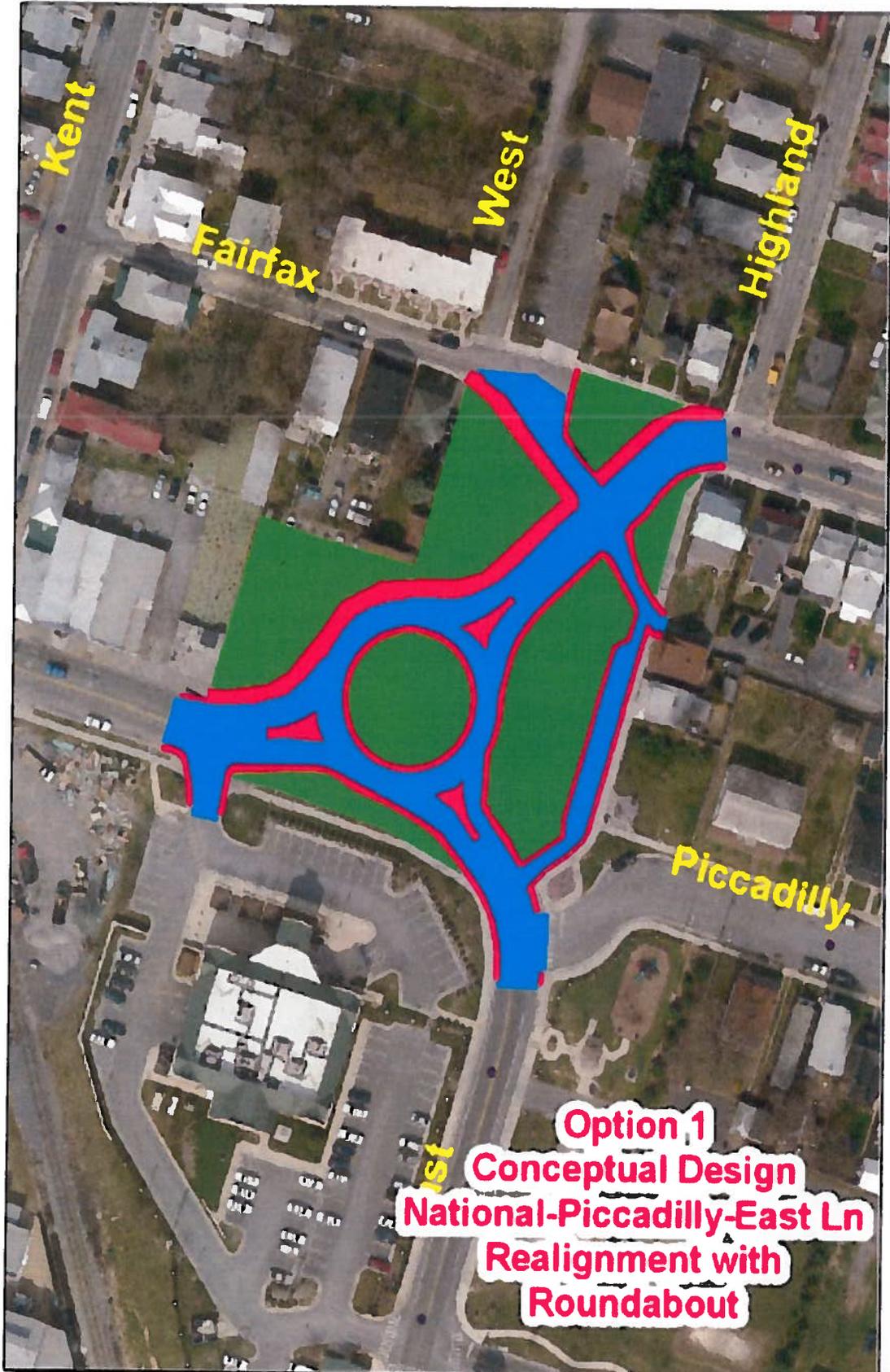
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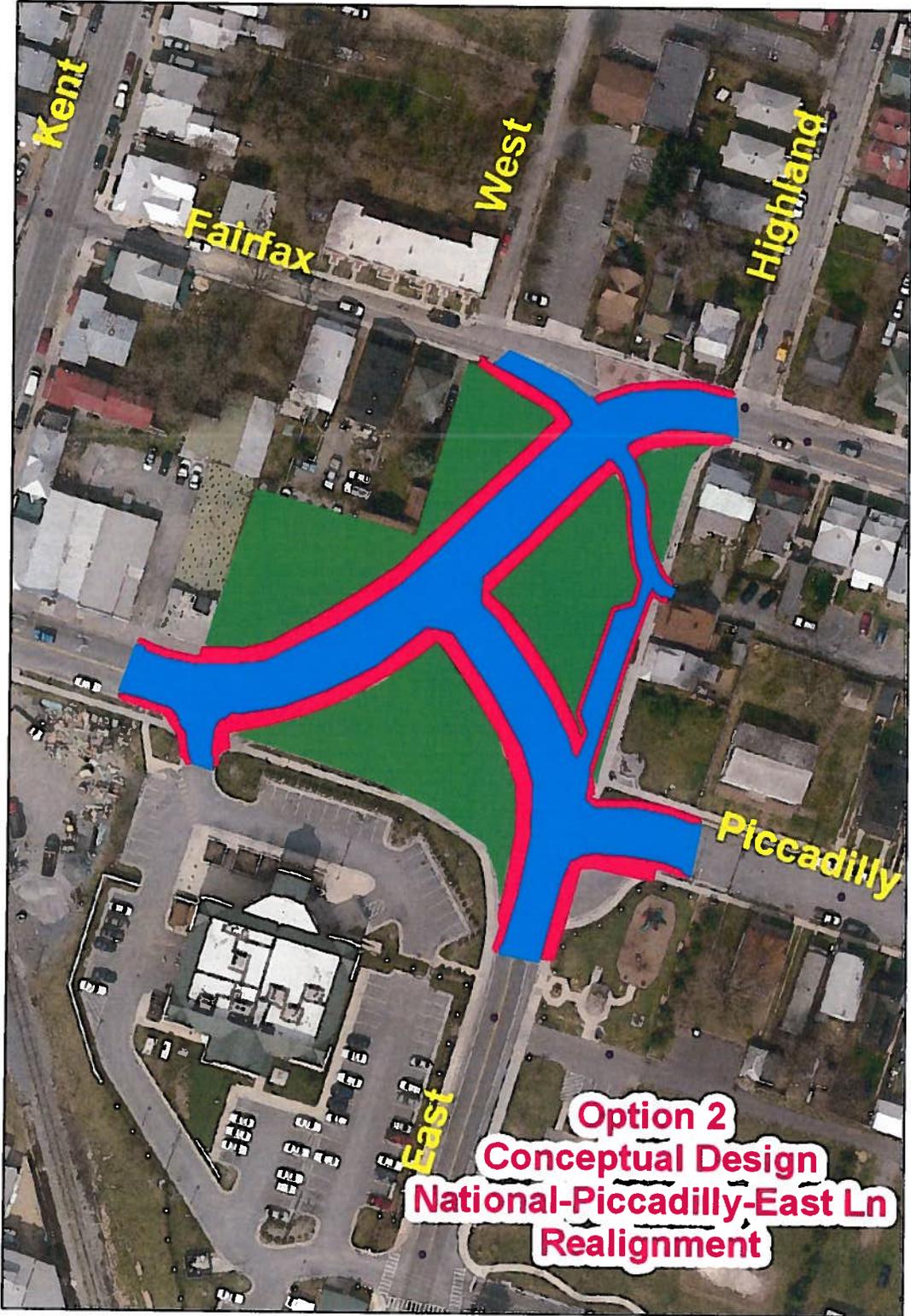
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VIRGINIA ASSOCIATION OF REALTORS®
Commercial Purchase Agreement

Each commercial transaction is different. This form may not address your specific purpose. This is a legally binding document. If not understood, seek competent advice before signing.

This Commercial Purchase Agreement (the "Agreement") is dated March 22, 2013, between Carlos Navarro Economic Development Authority of the City of Winchester, VA ("Purchaser"). The parties acknowledge that Adams Nelson & Associates ("Listing Broker") represents Seller and that Oakcrest Commercial Real Estate ("Selling Broker") represents [select one]: Seller Purchaser. The parties further acknowledge that disclosure of the brokerage relationships was made to them by the real estate licensees involved in this transaction when specific assistance was first rendered and confirmed in writing.

1. Sale of Property. Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon, and all rights and appurtenances thereto belonging, located in the City/County of Winchester, Virginia, with a tax parcel no. of * see below and a street address of 216 & 222 E. Piccadilly Street. Seller discloses that [select one]: there are no tenants or other parties in possession of the Property OR there are tenants or persons who are in possession of the Property as set forth on SCHEDULE A attached hereto. *1/4-1-J-17 and 1/4-1-J-16

2. Purchase Price. The purchase price for the Property is Four Hundred Thirty Two Thousand Dollars (\$432,000) (the "Purchase Price") and shall be paid to Seller at Settlement, subject to the prorations and adjustments described herein, as follows:

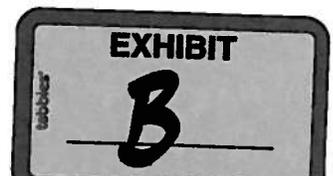
A. Deposit. Purchaser shall make a deposit of \$ 500.00 (the "Deposit") to be held by Oakcrest Commercial Real Estate (the "Escrow Agent"). Purchaser [select one]: has paid the Deposit to the Escrow Agent OR will pay the Deposit to the Escrow Agent within 5 days after this Agreement is fully executed by both parties. If Purchaser fails to pay the Deposit as set forth herein, then Seller may terminate this Agreement by written notice to Purchaser and neither party shall have any further obligation hereunder. The Deposit may be held in an interest bearing account and the parties waive claim to any such interest. The Deposit shall be applied towards the Purchase Price at Settlement. If Settlement does not occur, the Deposit shall be paid as provided herein.

B. Balance. The balance of the Purchase Price shall be paid by Purchaser at Settlement in certified funds or bank wire (inclusive of any loan obtained by Purchaser to purchase the Property).

3. Settlement.

A. Settlement of Property. Settlement of the purchase and sale of the Property shall be made at Michael L. Bryan's office 116 S. Braddock St. Winchester on 30 days after study period ("Settlement"). Possession of the Property shall be delivered to Purchaser at Settlement.

B. Deliveries by Seller at Settlement. At Settlement, Seller shall deliver to Purchaser the following:



(i) A general warranty deed with full English covenants of title (the "Deed") conveying to the Purchaser good and marketable fee simple title to the Property, free and clear of all liens, encumbrances, conditions and restrictions, except any lien for real estate taxes not yet due and payable, and any Title Objections for which Purchaser has no objection and/or has waived such objection pursuant to Paragraph 5;

(ii) An affidavit for the benefit of Purchaser and its title insurer, satisfactory to Purchaser's title company (the "Affidavit") stating that (i) no right to a mechanic's or materialman's lien has accrued with respect to the Property as a result of any act or omission by the Seller and (ii) there are no outstanding leases or agreements with regard to, or other parties in or entitled to possession of, the Property except as disclosed in **SCHEDULE A** attached hereto;

(iii) A Certificate of Non-Foreign Status as required by Section 1445 of the Internal Revenue Code of 1986 and any other certificates required by any governmental authority or agency;

(iv) If the Property is leased, a tenant estoppel certificate and an assignment of lease (including the transfer of the security deposit at Settlement) for each and every tenant of the Property, in forms acceptable to Purchaser; and

(v) Such other Seller certifications as Purchaser's lender or title company may reasonably require.

C. Costs and Prorations. Seller shall pay the costs of preparing the Deed, the Grantor's tax thereon and any other expenses incurred by Seller. Purchaser shall pay for the title search, title insurance premiums, survey expenses, lender fees, Grantee's tax and all other settlement expenses incurred by Purchaser. Real estate taxes, rent, CAM and assessments, as applicable, shall be prorated between Seller and Purchaser as of the date of the Settlement. Each party shall pay its own legal, accounting and other expenses incurred in connection with this Agreement or Settlement.

D. Condition of Property. Purchaser agrees to accept the Property at Settlement in its physical condition at the time this Agreement is fully executed by all parties, except as otherwise provided herein. Seller agrees to maintain the Property in good condition and repair until Settlement. At Settlement, Seller agrees to transfer to Purchaser all existing warranties, if any, on the Property's roof, structural components, HVAC, mechanical, electrical, security and plumbing systems.

4. Feasibility Period.

A. For a period of Ninety (90) days following execution of this Agreement by all parties (the "Feasibility Period"), Purchaser, its agents and contractors, shall have the right to: (i) enter the Property for the purpose of inspecting the Property and performing tests as are desirable to Purchaser in its sole and absolute discretion; (ii) seek zoning information from the local governing authority concerning Purchaser's intended use of the Property; and/or (iii) apply for lender financing to acquire the Property.

B. Within five (5) days after Seller's receipt of a fully executed copy of this Agreement, if not previously delivered, Seller shall deliver to Purchaser copies of the following materials related to the Property if in Seller's possession: (i) any Phase I or other environmental studies; (ii) a current survey; (iii) the most current owner's title insurance policy; and (iv) all leases and rent rolls for each tenant identified in **SCHEDULE A** (including without limitation, the base monthly rental and all taxes, insurance, and other pass-throughs paid by the tenant), and all

contracts affecting the Property that are not terminable at will. Items (i) through (iv) are collectively referred to as the "Materials".

C. If Purchaser is not satisfied in its sole and absolute discretion with all aspects of the Property (including zoning) or the Materials, or has not obtained financing upon terms and conditions satisfactory to Purchaser, then Purchaser shall have the right, upon written notice to Seller prior to the expiration of the Feasibility Period, to terminate this Agreement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11. Purchaser acknowledges that the Feasibility Period will not be extended for any reason, regardless of whether Purchaser has completed its inspections or zoning inquiry, or has obtained financing. *

D. If Purchaser fails to acquire the Property, Purchaser agrees: (i) to repair any damage arising as a result of its exercise of the right of access granted in this Paragraph 4; (ii) to indemnify and hold Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of Seller's negligence or misconduct or the negligence or misconduct of Seller's agents, employees or contractors; and (iii) upon demand to return the Materials to Seller.

5. Title and Survey Objections. Purchaser may, at its sole expense, obtain a title insurance commitment and a survey for the Property. Prior to the expiration of the Feasibility Period, Purchaser shall notify the Seller in writing as to any title or survey objections regarding the Property that the Purchaser is unwilling to accept (collectively the "Title Objections"). Seller shall advise Purchaser in writing within ten (10) days after receipt of such notice, which if any of the Title Objections will not be cured by Seller at or prior to Settlement. If Seller fails to respond to Purchaser within such ten (10) day period or if Seller's response indicates that it does not intend to cure one or more of the Title Objections, then Purchaser may, at its option either (i) terminate this Agreement by giving written notice to Seller; (ii) cure such Title Objections at its own expense and proceed to Settlement with no reduction in the Purchase Price; or (iii) waive such Title Objections and proceed to Settlement, with no reduction in the Purchase Price. If Purchaser elects to terminate this Agreement, the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

6. Conditions Precedent to Obligation of Purchaser. This Agreement and all of Purchaser's obligations hereunder are further subject to Purchaser determining in its sole and absolute discretion that all of the conditions set forth in this Paragraph 6 have been satisfied or waived in writing by Purchaser. In the event that any of the following conditions are not satisfied or waived by Purchaser, Purchaser may give written notice to Seller terminating this Agreement on or before Settlement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

A. Seller's Representations and Warranties. All the representations and warranties of Seller made herein shall have been true when made and shall be true and correct as of Settlement, with no material changes therein.

B. Seller's Deliveries. As of Settlement, Seller shall have taken all action and delivered all documents and materials required by this Agreement.

C. No Litigation. As of Settlement, there shall be no litigation, proceeding or investigation pending, or to the knowledge of Purchaser or Seller threatened, which might prevent or adversely affect the intended use of the Property or which questions the validity of any action

*The Purchaser may terminate this Agreement prior to the expiration of the Feasibility Period for any reason or for no reason in Purchaser's sole and absolute discretion.

INITIALS
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taken or to be taken by Seller or Purchaser hereunder, or which threatens the continued operation of the Property for commercial purposes.

7. Representations and Warranties of the Seller. Seller, jointly and severally (if more than one Seller), represents and warrants unto Purchaser as of the date hereof and on the Settlement date that:

A. Authority and Marketable Title. Seller is the owner of the Property, possesses the requisite authority to enter into and perform this Agreement, and has the absolute right to sell, assign, and transfer the Property to Purchaser at Settlement.

B. No Pending Litigation or Bankruptcy. There are no actions, suits or proceedings at law or in equity pending, threatened against, or affecting the Property before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality. No bankruptcy or similar action, whether voluntary or involuntary, is pending or is threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Settlement.

C. No Outstanding Purchase Option. No option, right of first refusal or other contractual opportunity to purchase the Property has been granted to, or executed with, a third-party that is enforceable against Seller and/or the Property giving such third-party a right to purchase an interest in the Property or any part thereof.

D. No Notice of Repairs. Seller has received no written notice from any governmental agency that repairs, alterations or corrections that must be made to the Property.

E. Utilities. The Property is connected to **[select one]**: a municipal water and sewer system and has utility meters installed within the Property **OR** a well and septic system located on the Property. Seller makes no representation on whether the capacities of such utilities are sufficient for Purchaser's intended use of the Property.

F. Hazardous Materials. To the best of Seller's actual knowledge, no toxic or hazardous materials (as said terms are defined in any applicable federal or state laws) have been used, discharged or stored on or about the Property in violation of said laws, and to the best of Seller's knowledge, no such toxic or hazardous materials are now or will be at Settlement located on or below the surface of the Property. There are no petroleum storage tanks located on or beneath the surface of the Property.

G. Parties in Possession. As of the Settlement date, there will be no adverse or other parties in possession of the Property or any part thereof, nor has any party been granted any license, lease or other right or interest relating to the use or possession of the Property or any part thereof, except for the Leases attached hereto and made a part hereof as **SCHEDULE A**.

H. Other Contracts. Seller is not a party to any contracts relating to the Property that is not terminable at will, except as disclosed on **SCHEDULE B**, which is attached hereto and made a part hereof. Between the date of this Agreement and the Settlement date, Seller will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, enter into any contract relating to the Property that is not terminable at will.

I. No Undisclosed Restrictions. Seller has not, nor to the best of Seller's knowledge or belief has any predecessor in title, executed or caused to be executed any document with or for the benefit of any governmental authority restricting the development, use or occupancy of the Property that has not specifically been disclosed to Purchaser or wouldn't be revealed by a title report.

8. **Risk of Loss.** The risk of loss or damage to the Property by fire or other casualty prior to Settlement shall be on the Seller. If such loss or damage materially and adversely affects the use of the Property as of Settlement, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

9. **Condemnation.** If, prior to Settlement, any taking pursuant to the power of eminent domain is proposed or occurs, as to all or any portion of the Property intended to be acquired at Settlement by the Purchaser, or sale occurs in lieu thereof, the Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

10. **Access/Cooperation.** During the term of this Agreement, Purchaser and his duly authorized agents shall be entitled to reasonable access to the Property for the purpose of surveying, appraising and making other findings related to the Property. Purchaser agrees to indemnify and hold the Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of the Seller's gross negligence or willful misconduct.

11. **Agents and Brokers.** Each party represents and warrants that it did not consult or deal with any broker or agent with regard to this Agreement or the transaction contemplated hereby, except for the Listing Broker and the Selling Broker, and each party hereto agrees to indemnify and hold harmless the other party from all liability, expense, loss, cost or damage, including reasonable attorneys' fees, that may arise by reason of any claim, demand or suit of any agent or broker arising out of facts constituting a breach of the foregoing representation and warranty. Listing Broker shall be paid a brokerage fee by Seller of **■ 3** % of the Purchase Price. Selling Broker shall be paid by Seller a fee of **■ 3** % of the Purchase Price.

12. **Notices.** Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if, delivered by hand or messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient, at the intended recipient's address set forth below, or at such other address as the intended recipient may have specified by written notice to the sender given in accordance with the requirements of this Paragraph. Any such notice, request or demand so given shall be deemed given on the day it is received by the recipient.

For the Seller: Carlos Navarro
222 E. Piccadilly Street
Winchester, VA 22601

For Purchaser: Economic Development Authority
of the City of Winchester, VA
15 N. Cameron St. Winchester, VA 22601

13. **Default.**

A. **Default by Purchaser.** If Purchaser defaults under this Agreement, the damages suffered by Seller would be difficult to ascertain. **Therefore, Seller and Purchaser agree that, in the event of a default by Purchaser, Seller's sole and exclusive remedy, in lieu of all other remedies, shall be to terminate this Agreement and retain the Deposit as full and**

~~complete liquidated damages. If the Deposit is retained as liquidated damages, Seller agrees to pay one-half of the Deposit to the Listing Broker to compensate Broker for his brokerage services in the transaction. Such payment shall have no effect on the payment due in any subsequent transaction. Seller hereby specifically waives the right to seek specific performance of this Agreement by Purchaser or any other remedy at law or in equity, provided that Seller reserves the right to all remedies available at law and in equity solely in order to enforce the indemnification obligations of Purchaser under Paragraphs 4D., 10 and 11 herein.~~



B. Default by Seller. If Seller defaults under this Agreement, Purchaser shall have the option to (i) seek specific performance of this Agreement, or (ii) terminate this Agreement, in which event the Deposit shall be promptly refunded to Purchaser. Seller shall be liable for Purchaser's expenses in the filing of any specific performance action, including reasonable attorney's fees and court costs.

C. Right to Cure Default. Prior to any termination of this Agreement as provided in Subparagraphs 13A. and 13B., the non-defaulting party shall provide written notice of any default(s) to the defaulting party (the "Default Notice") permitting the defaulting party ten (10) days to cure any such default(s). If defaulting party does not cure the default(s) or does not respond to the Default Notice, then the non-defaulting party may terminate the Agreement by written notice to the defaulting party. Nothing herein shall prevent either party from seeking a judicial determination regarding any default; provided however, the court shall award the expenses of attorney's fees and court costs to the prevailing party in any such action.

D. Brokerage Fees. ~~Notwithstanding the remedies set forth in Subparagraphs 13A., 13B, and 13C, if either Seller or Purchaser defaults under this Agreement, the defaulting party shall be liable for the full amount of the brokerage fees set forth in Paragraph 11 and any brokerage fees set forth in Seller's listing agreement with the Listing Broker for the Property (which document is hereby incorporated herein by this reference) as if this Agreement and Seller's listing agreement had been performed, and for any damages and all expenses incurred by the Listing Broker and the Selling Broker in connection with this transaction and the enforcement of this Agreement and Seller's listing agreement, including, without limitation, attorney's fees and court costs. Payment of a real estate broker's fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Agreement shall not relieve the defaulting party of liability for any brokerage fees due under this Agreement or Seller's listing agreement.~~



14. Miscellaneous.

A. Final Agreement. This Agreement contains the entire agreement between the parties hereto relating to the Property and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties hereto.

B. Virginia Law Applicable. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia and 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 Agreement.

C. Assignment. This Agreement shall not be assigned by one party without the written consent of the other party, except the assignment of this Agreement to an entity owned by Purchaser or the principals of Purchaser shall not require the consent of Seller, but Purchaser shall provide written notice to Seller of such assignment. This Agreement shall inure to the benefit of the parties hereto and their respective and permitted successors and assigns.

D. Counterparts. This Agreement may be signed in one or more counterparts, each of which is deemed to be an original and all of which shall together constitute the same instrument.

The parties agree that a fax of any signed original document shall have the same effect as an original.

E. Tax-Deferred Exchange. Either party may elect to include the conveyance of the Property in an IRS Section 1031 Like Kind Exchange (a tax-deferred exchange). In the event that a party makes such an election, the non-exchanging party agrees to execute such documents necessary to effectuate such an exchange (at no cost to the exchanging party), but in no event shall such exchange affect the terms of the transaction or a party's responsibilities to the other party under this Agreement. The exchanging party shall bear the sole costs of its exchange.

15. Additional Provisions: See Addendum 1 of 1 attached.

16. Acceptance. To be effective this Agreement must be executed by Purchaser and Seller and an original copy of this Agreement returned to Purchaser no later than 5:00 p.m. on March 29, 2013, or this Purchase Agreement shall be deemed withdrawn.

**REMAINDER OF PAGE
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Each of the parties has executed this Agreement in its name pursuant to due authority as of the dates set forth below.

Purchaser 
Printed Name: James W. Deskins
Title (if applicable): Executive Director
Date: 3/26/13

Seller 
Printed Name: Carlos Navarre
Title (if applicable): _____
Date: 03-27-13

Purchaser _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Seller _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Listing Company's Name and Address

Adams Nelson & Associates Inc.
303 Loudoun Street
Winchester, VA 22601

Selling Company's Name and Address

Oakcrest Commercial Real Estate
126 North Kent Street
Winchester, VA 22601

Agent's Name Gary Adams
Agent's tel. no. 540-667-2424
Fax no. 540-667-2441
Agent's email garyadams@adamsnelson.com

Agent's Name Bill Wiley
Agent's tel. no. 540-532-6259
Fax no. 540-504-0795
Agent's email billwiley@mris.com

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SCHEDULE A

**LEASES, AGREEMENTS AND CONTRACTS
FOR TENANTS AND OTHER PARTIES
IN POSSESSION OF THE PROPERTY**

List below each such tenant or other party in possession of the Property, and provide Purchaser with a copy of each lease, license or other agreement. If verbal agreement, summarize terms below.

Also provide Purchaser with any contract affecting the Property that is not terminable at will.

SCHEDULE B
CONTRACTS RELATING TO THE PROPERTY
(Not terminable at will)

**ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #1 OF 1**

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made a part of contract of purchase (the “Contract”) dated March 22, 2013, between CARLOS NAVARRO (the “Seller”) and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the “Purchaser”) for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 216 AND 222 EAST PICCADILLY STREET, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-1-J-17 and 174-1-J-16, provides as follows:

- 1. This Agreement is contingent upon approval and appropriation of funds by the Common Council of the City of Winchester, Virginia for the purchase of the Property by Resolution adopted on or before June 19, 2013. If funds are not approved and appropriated on or before June 19, 2013, then this Agreement shall terminate, whereupon the Deposit shall be returned to the Purchaser.**
- 2. This Agreement is expressly contingent upon the approval by the Directors of the Economic Development Authority of the City of Winchester, Virginia (the “Authority”) by Resolution adopted on or before June 26, 2013. If such Resolution is not adopted by the Authority on or before June 26, 2013, then and in that event this Agreement shall terminate and be of no further binding force or effect, whereupon the Deposit shall be returned to the Purchaser.**
- 3. Time is of the essence as to all matters set forth in this Agreement.**
- 4. At Purchaser’s election, Purchaser shall have the right to have the Property appraised, at Purchaser’s sole cost and expense, during the Feasibility Period. In the event that the appraised value of the Property is less than the Purchase Price as set forth in Section 2 of the Agreement, or is otherwise deemed unacceptable to Purchaser, in Purchaser’s sole and absolute discretion, Purchaser shall have the right to terminate this Agreement upon notice to Seller given within ten (10) business days after receipt of the written appraisal by Purchaser or, at Purchaser’s election, to reduce the Purchase Price as set forth in Section 2 upon written notice to Seller, given within ten (10) business days after receipt of the written appraisal by Seller. Upon receipt of the reduced Purchase Price from Purchaser, Seller shall have the right, within five (5) business days after receipt of the reduced Purchase Price, to either accept the reduced Purchase Price or to terminate this Agreement upon written notice to Purchaser. In the event of termination of this Agreement by either Seller or Purchaser, the Deposit shall be returned to the Purchaser. In no event shall the Purchase Price be increased as a result of the market value as determined by any such appraisal commissioned by the Purchaser.**

5. Reference is made to that certain Deed dated May 10, 2006, of record in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia as Instrument No. 060002070 for a more particular description of the Property.

WITNESS the following duly authorized signatures and seals:

SELLER:

PURCHASER

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WINCHESTER, VIRGINIA



CARLOS NAVARRO

(Seal)

By:



(SEAL)

James W. Deskins, Executive Director

MLB/pmn
c:\Contracts\EDA - 216 - 222 East Piccadilly Addendum
3/22/13



VIRGINIA ASSOCIATION OF REALTORS®
Commercial Purchase Agreement

Each commercial transaction is different. This form may not address your specific purpose. This is a legally binding document. If not understood, seek competent advice before signing.

This Commercial Purchase Agreement (the "Agreement") is dated March 22, 2013, between Stan Brooks Jr., Economic Development Authority of the City of Winchester, VA ("Seller") and that N/A ("Purchaser"). The parties acknowledge Oakcrest Commercial Real Estate ("Listing Broker") represents Seller and that [select one] ("Selling Broker") represents [select one]: Seller Purchaser. The parties further acknowledge that disclosure of the brokerage relationships was made to them by the real estate licensees involved in this transaction when specific assistance was first rendered and confirmed in writing.

1. Sale of Property. Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon, and all rights and appurtenances thereto belonging, located in the City/County of Winchester, Virginia, with a tax parcel no. of * see below and a street address of 228 E. Piccadilly St & 247 E. Fairfax Ln. Seller discloses that [select one]: there are no tenants or other parties in possession of the Property OR there are tenants or persons who are in possession of the Property as set forth on SCHEDULE A attached hereto. *174-1-J-15 and 174-1-J-6

2. Purchase Price. The purchase price for the Property is One Hundred Ninety thousand Dollars (\$190,000) (the "Purchase Price") and shall be paid to Seller at Settlement, subject to the prorations and adjustments described herein, as follows:

SWBST
PA-DTB
STAN

A. Deposit. Purchaser shall make a deposit of \$500.00 (the "Deposit") to be held by Oakcrest Commercial Real Estate (the "Escrow Agent"). Purchaser [select one]: has paid the Deposit to the Escrow Agent OR will pay the Deposit to the Escrow Agent within 5 days after this Agreement is fully executed by both parties. If Purchaser fails to pay the Deposit as set forth herein, then Seller may terminate this Agreement by written notice to Purchaser and neither party shall have any further obligation hereunder. The Deposit may be held in an interest bearing account and the parties waive claim to any such interest. The Deposit shall be applied towards the Purchase Price at Settlement. If Settlement does not occur, the Deposit shall be paid as provided herein.

SWBST
4250.00
Stan Brooks

B. Balance. The balance of the Purchase Price shall be paid by Purchaser at Settlement in certified funds or bank wire (inclusive of any loan obtained by Purchaser to purchase the Property).

3. Settlement.

A. Settlement of Property. Settlement of the purchase and sale of the Property shall be made at Michael L. Bryan's office 116 S. Braddock St. Winchester on 30 days after study period ("Settlement"). Possession of the Property shall be delivered to Purchaser at Settlement.

B. Deliveries by Seller at Settlement. At Settlement, Seller shall deliver to Purchaser the following:

(i) A general warranty deed with full English covenants of title (the "Deed") conveying to the Purchaser good and marketable fee simple title to the Property, free and clear of all liens, encumbrances, conditions and restrictions, except any lien for real estate taxes not yet due and payable, and any Title Objections for which Purchaser has no objection and/or has waived such objection pursuant to Paragraph 5;

(ii) An affidavit for the benefit of Purchaser and its title insurer, satisfactory to Purchaser's title company (the "Affidavit") stating that (i) no right to a mechanic's or materialman's lien has accrued with respect to the Property as a result of any act or omission by the Seller and (ii) there are no outstanding leases or agreements with regard to, or other parties in or entitled to possession of, the Property except as disclosed in **SCHEDULE A** attached hereto;

(iii) A Certificate of Non-Foreign Status as required by Section 1445 of the Internal Revenue Code of 1986 and any other certificates required by any governmental authority or agency;

(iv) If the Property is leased, a tenant estoppel certificate and an assignment of lease (including the transfer of the security deposit at Settlement) for each and every tenant of the Property, in forms acceptable to Purchaser; and

(v) Such other Seller certifications as Purchaser's lender or title company may reasonably require.

C. Costs and Prorations. Seller shall pay the costs of preparing the Deed, the Grantor's tax thereon and any other expenses incurred by Seller. Purchaser shall pay for the title search, title insurance premiums, survey expenses, lender fees, Grantee's tax and all other settlement expenses incurred by Purchaser. Real estate taxes, rent, CAM and assessments, as applicable, shall be prorated between Seller and Purchaser as of the date of the Settlement. Each party shall pay its own legal, accounting and other expenses incurred in connection with this Agreement or Settlement.

D. Condition of Property. Purchaser agrees to accept the Property at Settlement in its physical condition at the time this Agreement is fully executed by all parties, except as otherwise provided herein. Seller agrees to maintain the Property in good condition and repair until Settlement. At Settlement, Seller agrees to transfer to Purchaser all existing warranties, if any, on the Property's roof, structural components, HVAC, mechanical, electrical, security and plumbing systems.

4. Feasibility Period.

A. For a period of Ninety (90) days following execution of this Agreement by all parties (the "Feasibility Period"), Purchaser, its agents and contractors, shall have the right to: (i) enter the Property for the purpose of inspecting the Property and performing tests as are desirable to Purchaser in its sole and absolute discretion; (ii) seek zoning information from the local governing authority concerning Purchaser's intended use of the Property; and/or (iii) apply for lender financing to acquire the Property. *Purchaser must be accompanied by seller to enter Property*

SUBJECT
B. Within five (5) days after Seller's receipt of a fully executed copy of this Agreement, if not previously delivered, Seller shall deliver to Purchaser copies of the following materials related to the Property if in Seller's possession: (i) any Phase I or other environmental studies; (ii) a current survey; (iii) the most current owner's title insurance policy; and (iv) all leases and rent rolls for each tenant identified in **SCHEDULE A** (including without limitation, the base monthly rental and all taxes, insurance, and other pass-throughs paid by the tenant), and all

*And not before
APRIL 13th 2013*

contracts affecting the Property that are not terminable at will. Items (i) through (iv) are collectively referred to as the "Materials".

C. If Purchaser is not satisfied in its sole and absolute discretion with all aspects of the Property (including zoning) or the Materials, or has not obtained financing upon terms and conditions satisfactory to Purchaser, then Purchaser shall have the right, upon written notice to Seller prior to the expiration of the Feasibility Period, to terminate this Agreement, in which event ~~the Deposit shall be refunded in full to Purchaser and~~ the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11. Purchaser acknowledges that the Feasibility Period will not be extended for any reason, regardless of whether Purchaser has completed its inspections or zoning inquiry, or has obtained financing. *

SUBST
✓

D. If Purchaser fails to acquire the Property, Purchaser agrees: (i) to repair any damage arising as a result of its exercise of the right of access granted in this Paragraph 4; (ii) to indemnify and hold Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of Seller's negligence or misconduct or the negligence or misconduct of Seller's agents, employees or contractors; and (iii) upon demand to return the Materials to Seller.

5. Title and Survey Objections. Purchaser may, at its sole expense, obtain a title insurance commitment and a survey for the Property. Prior to the expiration of the Feasibility Period, Purchaser shall notify the Seller in writing as to any title or survey objections regarding the Property that the Purchaser is unwilling to accept (collectively the "Title Objections"). Seller shall advise Purchaser in writing within ten (10) days after receipt of such notice, which if any of the Title Objections will not be cured by Seller at or prior to Settlement. If Seller fails to respond to Purchaser within such ten (10) day period or if Seller's response indicates that it does not intend to cure one or more of the Title Objections, then Purchaser may, at its option either (i) terminate this Agreement by giving written notice to Seller; (ii) cure such Title Objections at its own expense and proceed to Settlement with no reduction in the Purchase Price; or (iii) waive such Title Objections and proceed to Settlement, with no reduction in the Purchase Price. If Purchaser elects to terminate this Agreement, ~~the Deposit shall be refunded in full to Purchaser and~~ the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

SUBST

6. Conditions Precedent to Obligation of Purchaser. This Agreement and all of Purchaser's obligations hereunder are further subject to Purchaser determining in its sole and absolute discretion that all of the conditions set forth in this Paragraph 6 have been satisfied or waived in writing by Purchaser. In the event that any of the following conditions are not satisfied or waived by Purchaser, Purchaser may give written notice to Seller terminating this Agreement on or before Settlement, in which event ~~the Deposit shall be refunded in full to Purchaser and~~ the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

SUBST

A. Seller's Representations and Warranties. All the representations and warranties of Seller made herein shall have been true when made and shall be true and correct as of Settlement, with no material changes therein.

B. Seller's Deliveries. As of Settlement, Seller shall have taken all action and delivered all documents and materials required by this Agreement.

C. No Litigation. As of Settlement, there shall be no litigation, proceeding or investigation pending, or to the knowledge of Purchaser or Seller threatened, which might prevent or adversely affect the intended use of the Property or which questions the validity of any action

*The Purchaser may terminate this Agreement prior to the expiration of the Feasibility Period for any reason or for no reason in Purchaser's sole and absolute discretion.

INITIALS

taken or to be taken by Seller or Purchaser hereunder, or which threatens the continued operation of the Property for commercial purposes.

7. Representations and Warranties of the Seller. Seller, jointly and severally (if more than one Seller), represents and warrants unto Purchaser as of the date hereof and on the Settlement date that:

A. Authority and Marketable Title. Seller is the owner of the Property, possesses the requisite authority to enter into and perform this Agreement, and has the absolute right to sell, assign, and transfer the Property to Purchaser at Settlement.

B. No Pending Litigation or Bankruptcy. There are no actions, suits or proceedings at law or in equity pending, threatened against, or affecting the Property before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality. No bankruptcy or similar action, whether voluntary or involuntary, is pending or is threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Settlement.

C. No Outstanding Purchase Option. No option, right of first refusal or other contractual opportunity to purchase the Property has been granted to, or executed with, a third-party that is enforceable against Seller and/or the Property giving such third-party a right to purchase an interest in the Property or any party thereof.

D. No Notice of Repairs. Seller has received no written notice from any governmental agency that repairs, alterations or corrections that must be made to the Property.

E. Utilities. The Property is connected to [**select one**]: a municipal water and sewer system and has utility meters installed within the Property **OR** a well and septic system located on the Property. Seller makes no representation on whether the capacities of such utilities are sufficient for Purchaser's intended use of the Property.

F. Hazardous Materials. To the best of Seller's actual knowledge, no toxic or hazardous materials (as said terms are defined in any applicable federal or state laws) have been used, discharged or stored on or about the Property in violation of said laws, and to the best of Seller's knowledge, no such toxic or hazardous materials are now or will be at Settlement located on or below the surface of the Property. There are no petroleum storage tanks located on or beneath the surface of the Property.

G. Parties in Possession. As of the Settlement date, there will be no adverse or other parties in possession of the Property or any part thereof, nor has any party been granted any license, lease or other right or interest relating to the use or possession of the Property or any part thereof, except for the Leases attached hereto and made a part hereof as **SCHEDULE A**.

H. Other Contracts. Seller is not a party to any contracts relating to the Property that is not terminable at will, except as disclosed on **SCHEDULE B**, which is attached hereto and made a part hereof. Between the date of this Agreement and the Settlement date, Seller will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, enter into any contract relating to the Property that is not terminable at will.

I. No Undisclosed Restrictions. Seller has not, nor to the best of Seller's knowledge or belief has any predecessor in title, executed or caused to be executed any document with or for the benefit of any governmental authority restricting the development, use or occupancy of the Property that has not specifically been disclosed to Purchaser or wouldn't be revealed by a title report.

8. Risk of Loss. The risk of loss or damage to the Property by fire or other casualty prior to Settlement shall be on the Seller. If such loss or damage materially and adversely affects the use of the Property as of Settlement, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, ~~in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.~~ *subst*

9. Condemnation. If, prior to Settlement, any taking pursuant to the power of eminent domain is proposed or occurs, as to all or any portion of the Property intended to be acquired at Settlement by the Purchaser, or sale occurs in lieu thereof, the Purchaser shall be entitled to terminate this Agreement by written notice to Seller, ~~in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.~~ *subst*

10. Access/Cooperation. During the term of this Agreement, Purchaser and his duly authorized agents shall be entitled to reasonable access to the Property for the purpose of surveying, appraising and making other findings related to the Property. Purchaser agrees to indemnify and hold the Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of the Seller's gross negligence or willful misconduct.

subst
11. Agents and Brokers. Each party represents and warrants that it did not consult or deal with any broker or agent with regard to this Agreement or the transaction contemplated hereby, except for the Listing Broker and the Selling Broker, and each party hereto agrees to indemnify and hold harmless the other party from all liability, expense, loss, cost or damage, including reasonable attorneys' fees, that may arise by reason of any claim, demand or suit of any agent or broker arising out of facts constituting a breach of the foregoing representation and warranty. Listing Broker shall be paid a brokerage fee by Seller of _____% of the Purchase Price. Selling Broker shall be paid by Seller a fee of 3 _____% of the Purchase Price.

PURCHASER
12. Notices. Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if, delivered by hand or messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient, at the intended recipient's address set forth below, or at such other address as the intended recipient may have specified by written notice to the sender given in accordance with the requirements of this Paragraph. Any such notice, request or demand so given shall be deemed given on the day it is received by the recipient.

For the Seller: Stan Brooks

For Purchaser: Economic Development Authority
of the City of Winchester, VA
15 N. Cameron St. Winchester, VA 22601

13. Default.

A. Default by Purchaser. If Purchaser defaults under this Agreement, the damages suffered by Seller would be difficult to ascertain. **Therefore, Seller and Purchaser agree that, in the event of a default by Purchaser, Seller's sole and exclusive remedy, in lieu of all other remedies, shall be to terminate this Agreement and retain the Deposit as full and**

~~complete liquidated damages. If the Deposit is retained as liquidated damages, Seller agrees to pay one-half of the Deposit to the Listing Broker to compensate Broker for his brokerage services in the transaction. Such payment shall have no effect on the payment due in any subsequent transaction. Seller hereby specifically waives the right to seek specific performance of this Agreement by Purchaser or any other remedy at law or in equity, provided that Seller reserves the right to all remedies available at law and in equity solely in order to enforce the Indemnification obligations of Purchaser under Paragraphs 4D., 10 and 11 herein.~~



B. Default by Seller. If Seller defaults under this Agreement, Purchaser shall have the option to (i) seek specific performance of this Agreement, or (ii) terminate this Agreement, in which event the Deposit shall be promptly refunded to Purchaser. Seller shall be liable for Purchaser's expenses in the filing of any specific performance action, including reasonable attorney's fees and court costs.

C. Right to Cure Default. Prior to any termination of this Agreement as provided in Subparagraphs 13A. and 13B., the non-defaulting party shall provide written notice of any default(s) to the defaulting party (the "Default Notice") permitting the defaulting party ten (10) days to cure any such default(s). If defaulting party does not cure the default(s) or does not respond to the Default Notice, then the non-defaulting party may terminate the Agreement by written notice to the defaulting party. Nothing herein shall prevent either party from seeking a judicial determination regarding any default; provided however, the court shall award the expenses of attorney's fees and court costs to the prevailing party in any such action.

D. Brokerage Fees. ~~Notwithstanding the remedies set forth in Subparagraphs 13A., 13B, and 13C, if either Seller or Purchaser defaults under this Agreement, the defaulting party shall be liable for the full amount of the brokerage fees set forth in Paragraph 11 and any brokerage fees set forth in Seller's listing agreement with the Listing Broker for the Property (which document is hereby incorporated herein by this reference) as if this Agreement and Seller's listing agreement had been performed, and for any damages and all expenses incurred by the Listing Broker and the Selling Broker in connection with this transaction and the enforcement of this Agreement and Seller's listing agreement, including, without limitation, attorney's fees and court costs. Payment of a real estate broker's fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Agreement shall not relieve the defaulting party of liability for any brokerage fees due under this Agreement or Seller's listing agreement.~~



14. Miscellaneous.

A. Final Agreement. This Agreement contains the entire agreement between the parties hereto relating to the Property and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties hereto.

B. Virginia Law Applicable. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia and 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 Agreement.

C. Assignment. This Agreement shall not be assigned by one party without the written consent of the other party, except the assignment of this Agreement to an entity owned by Purchaser or the principals of Purchaser shall not require the consent of Seller, but Purchaser shall provide written notice to Seller of such assignment. This Agreement shall inure to the benefit of the parties hereto and their respective and permitted successors and assigns.

D. Counterparts. This Agreement may be signed in one or more counterparts, each of which is deemed to be an original and all of which shall together constitute the same instrument.

The parties agree that a fax of any signed original document shall have the same effect as an original.

E. Tax-Deferred Exchange. Either party may elect to include the conveyance of the Property in an IRS Section 1031 Like Kind Exchange (a tax-deferred exchange). In the event that a party makes such an election, the non-exchanging party agrees to execute such documents necessary to effectuate such an exchange (at no cost to the exchanging party), but in no event shall such exchange affect the terms of the transaction or a party's responsibilities to the other party under this Agreement. The exchanging party shall bear the sole costs of its exchange.

15. Additional Provisions: See Addendum 1 of 1 attached.

16. Acceptance. To be effective this Agreement must be executed by Purchaser and Seller and an original copy of this Agreement returned to Purchaser no later than 5:00 p.m. on March 29, 2013, or this Purchase Agreement shall be deemed withdrawn.

**REMAINDER OF PAGE
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Each of the parties has executed this Agreement in its name pursuant to due authority as of the dates set forth below.

James W. Deskins 4/17/2013
Purchaser _____
Printed Name: James W. Deskins
Title (if applicable): Executive Director
Date: 3/26/13

Stan Brooks Jr. 4/17/2013
Seller _____
Printed Name: Stan Brooks Jr.
Title (if applicable): _____
Date: 3-29-13

Purchaser _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Seller _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Listing Company's Name and Address

Selling Company's Name and Address
Oakcrest Commercial Real Estate
126 North Kent Street
Winchester, VA 22601

Agent's Name _____
Agent's tel. no. _____
Fax no. _____
Agent's email _____

Agent's Name Bill Wiley
Agent's tel. no. 540-532-6259
Fax no. 540-504-0795
Agent's email billwiley@mris.com

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SCHEDULE A

**LEASES, AGREEMENTS AND CONTRACTS
FOR TENANTS AND OTHER PARTIES
IN POSSESSION OF THE PROPERTY**

List below each such tenant or other party in possession of the Property, and provide Purchaser with a copy of each lease, license or other agreement. If verbal agreement, summarize terms below.

Also provide Purchaser with any contract affecting the Property that is not terminable at will.

SCHEDULE B

**CONTRACTS RELATING TO THE PROPERTY
(Not terminable at will)**

**ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #1 OF 1**

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made a part of contract of purchase (the "Contract") dated March 22, 2013, between STAN BROOKS (being one and the same Stanley W. Brooks, Jr.) (the "Seller") and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the "Purchaser") for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 226 EAST PICCADILLY STREET and 247 EAST FAIRFAX LANE, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-1-J-15 and 174-1-J-6, provides as follows:

1. This Agreement is contingent upon approval and appropriation of funds by the Common Council of the City of Winchester, Virginia for the purchase of the Property by Resolution adopted on or before June 19, 2013. If funds are not approved and appropriated on or before June 19, 2013, then this Agreement shall terminate, whereupon ~~the Deposit shall be returned to the Purchaser.~~ *SLB*
2. This Agreement is expressly contingent upon the approval by the Directors of the Economic Development Authority of the City of Winchester, Virginia (the "Authority") by Resolution adopted on or before June 26, 2013. If such Resolution is not adopted by the Authority on or before June 26, 2013, then and in that event this Agreement shall terminate and be of no further binding force or effect, whereupon ~~the Deposit shall be returned to the Purchaser.~~ *SLB*
3. Time is of the essence as to all matters set forth in this Agreement.
4. At Purchaser's election, Purchaser shall have the right to have the Property appraised, at Purchaser's sole cost and expense, during the Feasibility Period. In the event that the appraised value of the Property is less than the Purchase Price as set forth in Section 2 of the Agreement, or is otherwise deemed unacceptable to Purchaser, in Purchaser's sole and absolute discretion, Purchaser shall have the right to terminate this Agreement upon notice to Seller given within ten (10) business days after receipt of the written appraisal by Purchaser. In the event of termination of this Agreement by Purchaser, ~~the Deposit shall be returned to the Purchaser.~~ *SLB*
5. This Agreement is contingent upon acquisition of title to both Properties by Seller prior to expiration of the Feasibility Period as set forth in Section 4 of this Agreement. In the event that Seller fails to acquire title to both Properties prior to the expiration of the Feasibility Period, then and in that event this Agreement shall terminate on the date of expiration of the Feasibility Period and shall be of no further force or binding effect and ~~the Deposit shall be returned to the Purchaser.~~ *SLB*

WITNESS the following duly authorized signatures and seals:

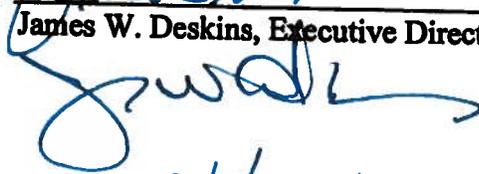
SELLER:

PURCHASER

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WINCHESTER, VIRGINIA

 (Seal) By:  (SEAL)
STAN BROOKS JR. James W. Deskins, Executive Director





April 17-2013

4/17/2013

MLB/pmn
c:\Contracts\EDA - 226 Piccadilly 247 Fairfax Addendum
3/22/13

IF Notice is given by May 30th
2013 Deposit will be rebated by
Seller to Buyer at a rate of

\$56.00 (Fifty six dollars) a day for
a period of time from the day following
notice thru June 30, 2013.

Notice to terminate sales contract
must be provided in writing by
Purchaser and delivered to buyer prior
to May 30, 2013

Deposit to be paid by April 26, 2013.

Seller *Sh. Brooks*
Purchaser *J. Walsh*



VIRGINIA ASSOCIATION OF REALTORS®
Commercial Purchase Agreement

Each commercial transaction is different. This form may not address your specific purpose. This is a legally binding document. If not understood, seek competent advice before signing.

This Commercial Purchase Agreement (the "Agreement") is dated March 22, 2013, between Yan Wei ("Seller") and Economic Development Authority of the City of Winchester, VA ("Purchaser"). The parties acknowledge that Classic Realty, N/A ("Listing Broker") represents Seller and that Oakcrest Commercial Real Estate ("Selling Broker") represents [select one]: [] Seller [X] Purchaser. The parties further acknowledge that disclosure of the brokerage relationships was made to them by the real estate licensees involved in this transaction when specific assistance was first rendered and confirmed in writing.

yu/D

1. Sale of Property. Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon, and all rights and appurtenances thereto belonging, located in the City/County of Winchester, Virginia, with a tax parcel no. of 174-07-C and a street address of 208 N. East Ln. Seller discloses that [select one]: [] there are no tenants or other parties in possession of the Property OR [] there are tenants or persons who are in possession of the Property as set forth on SCHEDULE A attached hereto. [X] Subject to change.

2. Purchase Price. The purchase price for the Property is ~~Forty Two Thousand~~ One hundred and Eighty thousand Dollars (\$~~42,000~~ 124,000) (the "Purchase Price") and shall be paid to Seller at Settlement, subject to the prorations and adjustments described herein, as follows: \$5,000.00

yu/D
yu/D
3,000.00
yu/D

A. Deposit. Purchaser shall make a deposit of \$ 500.00 (the "Deposit") to be held by Oakcrest Commercial Real Estate (the "Escrow Agent"). Purchaser [select one]: [] has paid the Deposit to the Escrow Agent OR [X] will pay the Deposit to the Escrow Agent within 5 days after this Agreement is fully executed by both parties. If Purchaser fails to pay the Deposit as set forth herein, then Seller may terminate this Agreement by written notice to Purchaser and neither party shall have any further obligation hereunder. The Deposit may be held in an interest bearing account and the parties waive claim to any such interest. The Deposit shall be applied towards the Purchase Price at Settlement. If Settlement does not occur, the Deposit shall be paid as provided herein.

B. Balance. The balance of the Purchase Price shall be paid by Purchaser at Settlement in certified funds or bank wire (inclusive of any loan obtained by Purchaser to purchase the Property).

3. Settlement.

A. Settlement of Property. Settlement of the purchase and sale of the Property shall be made at Michael L. Bryan's office 116 S. Braddock St. Winchester on 30 days after study period ("Settlement"). Possession of the Property shall be delivered to Purchaser at Settlement.

Purchaser to pay Seller \$100 per day of settlement delay caused by Purchaser.

B. Deliveries by Seller at Settlement. At Settlement, Seller shall deliver to Purchaser the following:

yu/D

4w 10 Special insurable 4w 10
(I) A ~~general~~ warranty deed with full English covenants of title (the "Deed") conveying to the Purchaser good and marketable fee simple title to the Property, free and clear of all liens, encumbrances, conditions and restrictions, except any lien for real estate taxes not yet due and payable, and any Title Objections for which Purchaser has no objection and/or has waived such objection pursuant to Paragraph 5;

(II) An affidavit for the benefit of Purchaser and its title insurer, satisfactory to Purchaser's title company (the "Affidavit") stating that (i) no right to a mechanic's or materialman's lien has accrued with respect to the Property as a result of any act or omission by the Seller and (ii) there are no outstanding leases or agreements with regard to, or other parties in or entitled to possession of, the Property except as disclosed in **SCHEDULE A** attached hereto;

(III) A Certificate of Non-Foreign Status as required by Section 1445 of the Internal Revenue Code of 1986 and any other certificates required by any governmental authority or agency;

(IV) If the Property is leased, a tenant estoppel certificate and an assignment of lease (including the transfer of the security deposit at Settlement) for each and every tenant of the Property, in forms acceptable to Purchaser; and

(V) Such other Seller certifications as Purchaser's lender or title company may reasonably require.

C. Costs and Prorations. Seller shall pay the costs of preparing the Deed, the Grantor's tax thereon and any other expenses incurred by Seller. Purchaser shall pay for the title search, title insurance premiums, survey expenses, lender fees, Grantee's tax and all other settlement expenses incurred by Purchaser. Real estate taxes, rent, CAM and assessments, as applicable, shall be prorated between Seller and Purchaser as of the date of the Settlement. Each party shall pay its own legal, accounting and other expenses incurred in connection with this Agreement or Settlement.

D. Condition of Property. Purchaser agrees to accept the Property at Settlement in its physical condition at the time this Agreement is fully executed by all parties, except as otherwise provided herein. Seller agrees to maintain the Property in good condition and repair until Settlement. At Settlement, Seller agrees to transfer to Purchaser all existing warranties, if any, on the Property's roof, structural components, HVAC, mechanical, electrical, security and plumbing systems.

4. Feasibility Period.

A. For a period of Ninety (90) days following execution of this Agreement by all parties (the "Feasibility Period"), Purchaser, its agents and contractors, shall have the right to: (i) enter the Property for the purpose of inspecting the Property and performing tests as are desirable to Purchaser in its sole and absolute discretion; (ii) seek zoning information from the local governing authority concerning Purchaser's intended use of the Property; and/or (iii) apply for lender financing to acquire the Property.

B. Within five (5) days after Seller's receipt of a fully executed copy of this Agreement, if not previously delivered, Seller shall deliver to Purchaser copies of the following materials related to the Property if in Seller's possession: (i) any Phase I or other environmental studies; (ii) a current survey; (iii) the most current owner's title insurance policy; and (iv) all leases and rent rolls for each tenant identified in **SCHEDULE A** (including without limitation, the base monthly rental and all taxes, insurance, and other pass-throughs paid by the tenant), and all

contracts affecting the Property that are not terminable at will. Items (i) through (iv) are collectively referred to as the "Materials".

C. If Purchaser is not satisfied in its sole and absolute discretion with all aspects of the Property (including zoning) or the Materials, or has not obtained financing upon terms and conditions satisfactory to Purchaser, then Purchaser shall have the right, upon written notice to Seller prior to the expiration of the Feasibility Period, to terminate this Agreement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11. Purchaser acknowledges that the Feasibility Period will not be extended for any reason, regardless of whether Purchaser has completed its inspections or zoning inquiry, or has obtained financing. *

D. If Purchaser fails to acquire the Property, Purchaser agrees: (i) to repair any damage arising as a result of its exercise of the right of access granted in this Paragraph 4; (ii) to indemnify and hold Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of Seller's negligence or misconduct or the negligence or misconduct of Seller's agents, employees or contractors; and (iii) upon demand to return the Materials to Seller.

5. Title and Survey Objections. Purchaser may, at its sole expense, obtain a title insurance commitment and a survey for the Property. Prior to the expiration of the Feasibility Period, Purchaser shall notify the Seller in writing as to any title or survey objections regarding the Property that the Purchaser is unwilling to accept (collectively the "Title Objections"). Seller shall advise Purchaser in writing within ten (10) days after receipt of such notice, which if any of the Title Objections will not be cured by Seller at or prior to Settlement. If Seller fails to respond to Purchaser within such ten (10) day period or if Seller's response indicates that it does not intend to cure one or more of the Title Objections, then Purchaser may, at its option either (i) terminate this Agreement by giving written notice to Seller; (ii) cure such Title Objections at its own expense and proceed to Settlement with no reduction in the Purchase Price; or (iii) waive such Title Objections and proceed to Settlement, with no reduction in the Purchase Price. If Purchaser elects to terminate this Agreement, the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

6. Conditions Precedent to Obligation of Purchaser. This Agreement and all of Purchaser's obligations hereunder are further subject to Purchaser determining in its sole and absolute discretion that all of the conditions set forth in this Paragraph 6 have been satisfied or waived in writing by Purchaser. In the event that any of the following conditions are not satisfied or waived by Purchaser, Purchaser may give written notice to Seller terminating this Agreement on or before Settlement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

A. Seller's Representations and Warranties. All the representations and warranties of Seller made herein shall have been true when made and shall be true and correct as of Settlement, with no material changes therein.

B. Seller's Deliveries. As of Settlement, Seller shall have taken all action and delivered all documents and materials required by this Agreement.

C. No Litigation. As of Settlement, there shall be no litigation, proceeding or investigation pending, or to the knowledge of Purchaser or Seller threatened, which might prevent or adversely affect the intended use of the Property or which questions the validity of any action

*The Purchaser may terminate this Agreement prior to the expiration of the Feasibility Period for any reason or for no reason in Purchaser's sole and absolute discretion.



taken or to be taken by Seller or Purchaser hereunder, or which threatens the continued operation of the Property for commercial purposes.

7. Representations and Warranties of the Seller. Seller, jointly and severally (If more than one Seller), represents and warrants unto Purchaser ~~as of the date hereof and on the Settlement date that:~~

Insurable

yw LD A. Authority and Marketable Title. Seller is the owner of the Property, possesses the requisite authority to enter into and perform this Agreement, and has the absolute right to sell, assign, and transfer the Property to Purchaser at Settlement.

yw LD B. No Pending Litigation or Bankruptcy. ~~There are no actions, suits or proceedings at law or in equity pending, threatened against, or affecting the Property before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality. No bankruptcy or similar action, whether voluntary or involuntary, is pending or is threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Settlement.~~

yw LD C. No Outstanding Purchase Option. ~~No option, right of first refusal or other contractual opportunity to purchase the Property has been granted to, or executed with, a third-party that is enforceable against Seller and/or the Property giving such third-party a right to purchase an interest in the Property or any party thereof.~~

yw LD D. No Notice of Repairs. ~~At the time this Agreement is full excuted, Seller agency that repairs, alterations or corrections that must be made to the Property.~~

yw LD E. Utilities. ~~As is physical condition as of the Settlement date. The Property is connected to [select one] a municipal water and sewer system and has utility meters installed within the Property. OR a well and septic system located on the Property. Seller makes no representation on whether the capacities of such utilities are sufficient for Purchaser's intended use of the Property.~~

yw LD F. Hazardous Materials. ~~As is, where is condition as of the Settlement date. To the best of Seller's actual knowledge, no toxic or hazardous materials (as said terms are defined in any applicable federal or state laws) have been used, discharged or stored on or about the Property in violation of said laws, and to the best of Seller's knowledge, no such toxic or hazardous materials are now or will be at Settlement located on or below the surface of the Property. There are no petroleum storage tanks located on or beneath the surface of the Property.~~

G. Parties in Possession. As of the Settlement date, there will be no adverse or other parties in possession of the Property or any part thereof, nor has any party been granted any license, lease or other right or interest relating to the use or possession of the Property or any part thereof, except for the Leases attached hereto and made a part hereof as **SCHEDULE A**.

H. Other Contracts. Seller is not a party to any contracts relating to the Property that is not terminable at will, except as disclosed on **SCHEDULE B**, which is attached hereto and made a part hereof. Between the date of this Agreement and the Settlement date, Seller will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, enter into any contract relating to the Property that is not terminable at will.

I. No Undisclosed Restrictions. Seller has not, nor to the best of Seller's knowledge or belief has any predecessor in title, executed or caused to be executed any document with or for the benefit of any governmental authority restricting the development, use or occupancy of the Property that has not specifically been disclosed to Purchaser or wouldn't be revealed by a title report.

8. **Risk of Loss.** The risk of loss or damage to the Property by fire or other casualty prior to Settlement shall be on the Seller. If such loss or damage materially and adversely affects the use of the Property as of Settlement, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

9. **Condemnation.** If, prior to Settlement, any taking pursuant to the power of eminent domain is proposed or occurs, as to all or any portion of the Property intended to be acquired at Settlement by the Purchaser, or sale occurs in lieu thereof, the Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

10. **Access/Cooperation.** During the term of this Agreement, Purchaser and his duly authorized agents shall be entitled to reasonable access to the Property for the purpose of surveying, appraising and making other findings related to the Property. Purchaser agrees to indemnify and hold the Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of the Seller's gross negligence or willful misconduct.

11. **Agents and Brokers.** Each party represents and warrants that it did not consult or deal with any broker or agent with regard to this Agreement or the transaction contemplated hereby, except for the Listing Broker and the Selling Broker, and each party hereto agrees to indemnify and hold harmless the other party from all liability, expense, loss, cost or damage, including reasonable attorneys' fees, that may arise by reason of any claim, demand or suit of any agent or broker arising out of facts constituting a breach of the foregoing representation and warranty. Listing Broker shall be paid a brokerage fee by Seller of ■ \$N/A % of the Purchase Price. Selling Broker shall be paid by Seller a fee of ■ 3 % of the Purchase Price. YW / JD

JD YW
INITIALS

12. **Notices.** Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if, delivered by hand or messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient, at the intended recipient's address set forth below, or at such other address as the intended recipient may have specified by written notice to the sender given in accordance with the requirements of this Paragraph. Any such notice, request or demand so given shall be deemed given on the day it is received by the recipient.

For the Seller: Yan Wei, Global Realty
4200 Evergreen Ln #304 3013 McMaster Ct
Annandale, VA 22003 = Herndon, VA 20171 YW / JD

For Purchaser: Economic Development Authority
of the City of Winchester, VA
15 N. Cameron St Winchester, VA 22601

13. **Default.**

A. **Default by Purchaser.** If Purchaser defaults under this Agreement, the damages suffered by Seller would be difficult to ascertain. Therefore, Seller and Purchaser agree that, in the event of a default by Purchaser, Seller's sole and exclusive remedy, in lieu of all other remedies, shall be to terminate this Agreement and retain the Deposit as full and

complete liquidated damages. If the Deposit is retained as liquidated damages, Seller agrees to pay one-half of the Deposit to the Listing Broker to compensate Broker for his brokerage services in the transaction. Such payment shall have no effect on the payment due in any subsequent transaction. Seller hereby specifically waives the right to seek specific performance of this Agreement by Purchaser or any other remedy at law or in equity, provided that Seller reserves the right to all remedies available at law and in equity solely in order to enforce the indemnification obligations of Purchaser under Paragraphs 4D., 10 and 11 herein.

JDW
INITIALS

B. Default by Seller. If Seller defaults under this Agreement, Purchaser shall have the option to (i) seek specific performance of this Agreement, or (ii) terminate this Agreement, in which event the Deposit shall be promptly refunded to Purchaser. Seller shall be liable for Purchaser's expenses in the filing of any specific performance action, including reasonable attorney's fees and court costs.

C. Right to Cure Default. Prior to any termination of this Agreement as provided in Subparagraphs 13A. and 13B., the non-defaulting party shall provide written notice of any default(s) to the defaulting party (the "Default Notice") permitting the defaulting party ten (10) days to cure any such default(s). If defaulting party does not cure the default(s) or does not respond to the Default Notice, then the non-defaulting party may terminate the Agreement by written notice to the defaulting party. Nothing herein shall prevent either party from seeking a judicial determination regarding any default; provided however, the court shall award the expenses of attorney's fees and court costs to the prevailing party in any such action.

D. Brokerage Fees. Notwithstanding the remedies set forth in Subparagraphs 13A., 13B, and 13C, if either Seller or Purchaser defaults under this Agreement, the defaulting party shall be liable for the full amount of the brokerage fees set forth in Paragraph 11 and any brokerage fees set forth in Seller's listing agreement with the Listing Broker for the Property (which document is hereby incorporated herein by this reference) as if this Agreement and Seller's listing agreement had been performed, and for any damages and all expenses incurred by the Listing Broker and the Selling Broker in connection with this transaction and the enforcement of this Agreement and Seller's listing agreement, including, without limitation, attorney's fees and court costs. Payment of a real estate broker's fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Agreement shall not relieve the defaulting party of liability for any brokerage fees due under this Agreement or Seller's listing agreement.

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INITIALS

14. Miscellaneous.

A. Final Agreement. This Agreement contains the entire agreement between the parties hereto relating to the Property and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties hereto.

B. Virginia Law Applicable. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia and 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 Agreement.

C. Assignment. This Agreement shall not be assigned by one party without the written consent of the other party, except the assignment of this Agreement to an entity owned by Purchaser or the principals of Purchaser shall not require the consent of Seller, but Purchaser shall provide written notice to Seller of such assignment. This Agreement shall inure to the benefit of the parties hereto and their respective and permitted successors and assigns.

D. Counterparts. This Agreement may be signed in one or more counterparts, each of which is deemed to be an original and all of which shall together constitute the same instrument.

The parties agree that a fax of any signed original document shall have the same effect as an original.

E. Tax-Deferred Exchange. Either party may elect to include the conveyance of the Property in an IRS Section 1031 Like Kind Exchange (a tax-deferred exchange). In the event that a party makes such an election, the non-exchanging party agrees to execute such documents necessary to effectuate such an exchange (at no cost to the exchanging party), but in no event shall such exchange affect the terms of the transaction or a party's responsibilities to the other party under this Agreement. The exchanging party shall bear the sole costs of its exchange.

15. Additional Provisions: See Addendum 1 of 1 attached

yw
~~Seller reserves the right to modify SCHEDULE A anytime till 10 days before the Settlement date and Purchaser may terminate the Agreement with full deposit refund and release Seller from any further obligation and liability as the result of the SCHEDULE A modifications.~~

(To be continued below Provision 16)

16. Acceptance. To be effective this Agreement must be executed by Purchaser and Seller and an original copy of this Agreement returned to Purchaser no later than 5:00 p.m. on March 29, 2013, or this Purchase Agreement shall be deemed withdrawn.

Additional Provisions (continued)

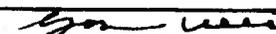
Within 10 business days after this Agreement is fully executed by both parties, Purchaser to provide Seller with

- 1) Copies of both sides of the cashed Deposit check.
- 2) the acceptable forms of tenant estoppel certificate and lease assignment to Purchaser, along with a full list of certifications Purchaser's lender or title company may require. Seller may terminate the Agreement within 10 business days after receiving the forms and certification list without any further obligation and liability to one another.

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Each of the parties has executed this Agreement in its name pursuant to due authority as of the dates set forth below.

Purchaser 
Printed Name: James W. Deskins
Title (if applicable): Executive Director
Date: 3/26/13

Seller 
Printed Name: Yan Wei
Title (if applicable): _____
Date: 3/28/2013

Purchaser _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Seller _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Listing Company's Name and Address

Selling Company's Name and Address

yw

Classic Realty N/A
4288 Evergreen Ln - #331
Annandale, VA 22008

Oakcrest Commercial Real Estate
126 North Kent Street
Winchester, VA 22601

Agent's Name Yan Wei
Agent's tel. no. 202-596-6906
Fax no. 815-366-8008
Agent's email yan_z_wei@yahoo.com

Agent's Name Bill Wiley
Agent's tel. no. 540-532-6259
Fax no. 540-504-0785
Agent's email billwiley@mrts.com

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SCHEDULE A

**LEASES, AGREEMENTS AND CONTRACTS
FOR TENANTS AND OTHER PARTIES
IN POSSESSION OF THE PROPERTY**

List below each such tenant or other party in possession of the Property, and provide Purchaser with a copy of each lease, license or other agreement. If verbal agreement, summarize terms below.

Also provide Purchaser with any contract affecting the Property that is not terminable at will.

SCHEDULE B

**CONTRACTS RELATING TO THE PROPERTY
(Not terminable at will)**

**ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #1 OF 1**

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made a part of contract of purchase (the "Contract") dated March 22, 2013, between YAN WEI (being one and the same Yanzhen Wei) (the "Seller") and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the "Purchaser") for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 209 NORTH EAST LANE, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-07-C, provides as follows:

1. This Agreement is contingent upon approval and appropriation of funds by the Common Council of the City of Winchester, Virginia for the purchase of the Property by Resolution adopted on or before June 19, 2013. If funds are not approved and appropriated on or before June 19, 2013, then this Agreement shall terminate, whereupon the Deposit shall be returned to the Purchaser.
2. This Agreement is expressly contingent upon the approval by the Directors of the Economic Development Authority of the City of Winchester, Virginia (the "Authority") by Resolution adopted on or before June 26, 2013. If such Resolution is not adopted by the Authority on or before June 26, 2013, then and in that event this Agreement shall terminate and be of no further binding force or effect, whereupon the Deposit shall be returned to the Purchaser.
3. Time is of the essence as to all matters set forth in this Agreement.
4. Seller is a licensed real estate agent in the Commonwealth of Virginia.

gw

5. ~~At Purchaser's election, Purchaser shall have the right to have the Property appraised, at Purchaser's sole cost and expense, during the Feasibility Period. In the event that the appraised value of the Property is less than the Purchase Price as set forth in Section 2 of the Agreement, or is otherwise deemed unacceptable to Purchaser, in Purchaser's sole and absolute discretion, Purchaser shall have the right to terminate this Agreement upon notice to Seller given within ten (10) business days after receipt of the written appraisal by Purchaser or, at Purchaser's election, to reduce the Purchase Price as set forth in Section 2 upon written notice to Seller, given within ten (10) business days after receipt of the written appraisal by Seller. Upon receipt of the reduced Purchase Price from Purchaser, Seller shall have the right, within five (5) business days after receipt of the reduced Purchase Price, to either accept the reduced Purchase Price or to terminate this Agreement upon written notice to Purchaser. In the event of termination of this Agreement by either Seller or Purchaser, the Deposit shall be returned to the Purchaser. In no event shall the Purchase Price be increased as a result of the market value as determined by any such appraisal commissioned by the Purchaser.~~

6. Reference is made to Special/Limited Warranty Deed dated March 8, 2013, of record in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia as Instrument No. 130000736 for a more particular description of the Property.

WITNESS the following duly authorized signatures and seals:

SELLER:

PURCHASER

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WINCHESTER, VIRGINIA



YAN WEI (Seal)

By: 

(SEAL)
James W. Deskins, Executive Director

MLB/pmn
c:\Contracts\EDA - 209 East Lane Addendum
3/22/13

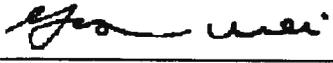
ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #2 OF 2

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made part of contract of purchase (the "Contract") dated March 22, 2013, between Yan Wei (being one and the same Yanzhen Wei) (the "Seller") and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the "Purchaser") for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 209 NORTH EAST LANE, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-07-C, provides as follows:

1. Seller and Purchaser agree that the ratified price is \$110,000. Ratification date is set on April 12, 2013.

WITNESS the following duly authorized signatures and seals:

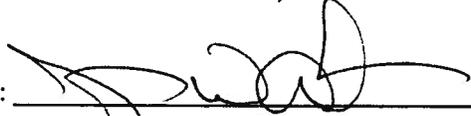
SELLER:


_____ (Seal)

YAN WEI 4/17/2013

PURCHASER:

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WINCHESTER, VIRGINIA

By: 
_____ (Seal)

James W. Deskins, Executive Director

4/16/13



VIRGINIA ASSOCIATION OF REALTORS®
Commercial Purchase Agreement

Each commercial transaction is different. This form may not address your specific purpose. This is a legally binding document. If not understood, seek competent advice before signing.

This Commercial Purchase Agreement (the "Agreement") is dated March 22, 2013, between FFC Properties LLC ("Seller") and Economic Development Authority of the City of Winchester, VA ("Purchaser"). The parties acknowledge that N/A ("Listing Broker") represents Seller and that Oakcrest Commercial Real Estate ("Selling Broker") represents [select one]: [] Seller [X] Purchaser. The parties further acknowledge that disclosure of the brokerage relationships was made to them by the real estate licensees involved in this transaction when specific assistance was first rendered and confirmed in writing.

1. Sale of Property. Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon, and all rights and appurtenances thereto belonging, located in the City/County of Winchester, Virginia, with a tax parcel no. of 174-07-D and a street address of 211 & 213 N. East Ln. Seller discloses that [select one]: [X] there are no tenants or other parties in possession of the Property OR [] there are tenants or persons who are in possession of the Property as set forth on SCHEDULE A attached hereto.

2. Purchase Price. The purchase price for the Property is 170,000 Dollars (\$170,000) (the "Purchase Price") and shall be paid to Seller at Settlement, subject to the prorations and adjustments described herein, as follows: One hundred thirty thousand

A. Deposit. Purchaser shall make a deposit of \$500.00 (the "Deposit") to be held by Oakcrest Commercial Real Estate (the "Escrow Agent"). Purchaser [select one]: [] has paid the Deposit to the Escrow Agent OR [X] will pay the Deposit to the Escrow Agent within 5 days after this Agreement is fully executed by both parties. If Purchaser fails to pay the Deposit as set forth herein, then Seller may terminate this Agreement by written notice to Purchaser and neither party shall have any further obligation hereunder. The Deposit may be held in an interest bearing account and the parties waive claim to any such interest. The Deposit shall be applied towards the Purchase Price at Settlement. If Settlement does not occur, the Deposit shall be paid as provided herein.

B. Balance. The balance of the Purchase Price shall be paid by Purchaser at Settlement in certified funds or bank wire (inclusive of any loan obtained by Purchaser to purchase the Property).

3. Settlement.

A. Settlement of Property. Settlement of the purchase and sale of the Property shall be made at Michael L. Bryan's office 118 S. Bradjack St. Winchester on 30 days after study period ("Settlement"). Possession of the Property shall be delivered to Purchaser at Settlement.

B. Deliveries by Seller at Settlement. At Settlement, Seller shall deliver to Purchaser the following:

(i) A general warranty deed with full English covenants of title (the "Deed") conveying to the Purchaser good and marketable fee simple title to the Property, free and clear of all liens, encumbrances, conditions and restrictions, except any lien for real estate taxes not yet due and payable, and any Title Objections for which Purchaser has no objection and/or has waived such objection pursuant to Paragraph 5;

(ii) An affidavit for the benefit of Purchaser and its title insurer, satisfactory to Purchaser's title company (the "Affidavit") stating that (i) no right to a mechanic's or materialman's lien has accrued with respect to the Property as a result of any act or omission by the Seller and (ii) there are no outstanding leases or agreements with regard to, or other parties in or entitled to possession of, the Property except as disclosed in SCHEDULE A attached hereto;

(iii) A Certificate of Non-Foreign Status as required by Section 1445 of the Internal Revenue Code of 1986 and any other certificates required by any governmental authority or agency;

(iv) If the Property is leased, a tenant estoppel certificate and an assignment of lease (including the transfer of the security deposit at Settlement) for each and every tenant of the Property, in forms acceptable to Purchaser; and

(v) Such other Seller certifications as Purchaser's lender or title company may reasonably require.

C. Costs and Prorations. Seller shall pay the costs of preparing the Deed, the Grantor's tax thereon and any other expenses incurred by Seller. Purchaser shall pay for the title search, title insurance premiums, survey expenses, lender fees, Grantee's tax and all other settlement expenses incurred by Purchaser. Real estate taxes, rent, CAM and assessments, as applicable, shall be prorated between Seller and Purchaser as of the date of the Settlement. Each party shall pay its own legal, accounting and other expenses incurred in connection with this Agreement or Settlement.

D. Condition of Property. Purchaser agrees to accept the Property at Settlement in its physical condition at the time this Agreement is fully executed by all parties, except as otherwise provided herein. Seller agrees to maintain the Property in good condition and repair until Settlement. At Settlement, Seller agrees to transfer to Purchaser all existing warranties, if any, on the Property's roof, structural components, HVAC, mechanical, electrical, security and plumbing systems.

4. Feasibility Period.

A. For a period of Ninety ⁹⁰ ~~(90)~~ days following execution of this Agreement by all parties (the "Feasibility Period"), Purchaser, its agents and contractors, shall have the right to: (i) enter the Property for the purpose of inspecting the Property and performing tests as are desirable to Purchaser in its sole and absolute discretion; (ii) seek zoning information from the local governing authority concerning Purchaser's intended use of the Property; and/or (iii) apply for lender financing to acquire the Property.

B. Within five (5) days after Seller's receipt of a fully executed copy of this Agreement, if not previously delivered, Seller shall deliver to Purchaser copies of the following materials related to the Property if in Seller's possession: (i) any Phase I or other environmental studies; (ii) a current survey; (iii) the most current owner's title insurance policy; and (iv) all leases and rent rolls for each tenant identified in SCHEDULE A (including without limitation, the base monthly rental and all taxes, insurance, and other pass-throughs paid by the tenant), and all

contracts affecting the Property that are not terminable at will. Items (i) through (iv) are collectively referred to as the "Materials".

C. If Purchaser is not satisfied in its sole and absolute discretion with all aspects of the Property (including zoning) or the Materials, or has not obtained financing upon terms and conditions satisfactory to Purchaser, then Purchaser shall have the right, upon written notice to Seller prior to the expiration of the Feasibility Period, to terminate this Agreement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11. Purchaser acknowledges that the Feasibility Period will not be extended for any reason, regardless of whether Purchaser has completed its inspections or zoning inquiry, or has obtained financing. *

D. If Purchaser fails to acquire the Property, Purchaser agrees: (i) to repair any damage arising as a result of its exercise of the right of access granted in this Paragraph 4; (ii) to indemnify and hold Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of Seller's negligence or misconduct or the negligence or misconduct of Seller's agents, employees or contractors; and (iii) upon demand to return the Materials to Seller.

5. Title and Survey Objections. Purchaser may, at its sole expense, obtain a title insurance commitment and a survey for the Property. Prior to the expiration of the Feasibility Period, Purchaser shall notify the Seller in writing as to any title or survey objections regarding the Property that the Purchaser is unwilling to accept (collectively the "Title Objections"). Seller shall advise Purchaser in writing within ten (10) days after receipt of such notice, which if any of the Title Objections will not be cured by Seller at or prior to Settlement. If Seller fails to respond to Purchaser within such ten (10) day period or if Seller's response indicates that it does not intend to cure one or more of the Title Objections, then Purchaser may, at its option either (i) terminate this Agreement by giving written notice to Seller; (ii) cure such Title Objections at its own expense and proceed to Settlement with no reduction in the Purchase Price; or (iii) waive such Title Objections and proceed to Settlement, with no reduction in the Purchase Price. If Purchaser elects to terminate this Agreement, the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

6. Conditions Precedent to Obligation of Purchaser. This Agreement and all of Purchaser's obligations hereunder are further subject to Purchaser determining in its sole and absolute discretion that all of the conditions set forth in this Paragraph 6 have been satisfied or waived in writing by Purchaser. In the event that any of the following conditions are not satisfied or waived by Purchaser, Purchaser may give written notice to Seller terminating this Agreement on or before Settlement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

A. Seller's Representations and Warranties. All the representations and warranties of Seller made herein shall have been true when made and shall be true and correct as of Settlement, with no material changes therein.

B. Seller's Deliveries. As of Settlement, Seller shall have taken all action and delivered all documents and materials required by this Agreement.

C. No Litigation. As of Settlement, there shall be no litigation, proceeding or investigation pending, or to the knowledge of Purchaser or Seller threatened, which might prevent or adversely affect the intended use of the Property or which questions the validity of any action

*The Purchaser may terminate this Agreement prior to the expiration of the Feasibility Period for any reason or for no reason in Purchaser's sole and absolute discretion.

taken or to be taken by Seller or Purchaser hereunder, or which threatens the continued operation of the Property for commercial purposes.

7. **Representations and Warranties of the Seller.** Seller, jointly and severally (if more than one Seller), represents and warrants unto Purchaser as of the date hereof and on the Settlement date that:

A. **Authority and Marketable Title.** Seller is the owner of the Property, possesses the requisite authority to enter into and perform this Agreement, and has the absolute right to sell, assign, and transfer the Property to Purchaser at Settlement.

B. **No Pending Litigation or Bankruptcy.** There are no actions, suits or proceedings at law or in equity pending, threatened against, or affecting the Property before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality. No bankruptcy or similar action, whether voluntary or involuntary, is pending or is threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Settlement.

C. **No Outstanding Purchase Option.** No option, right of first refusal or other contractual opportunity to purchase the Property has been granted to, or executed with, a third-party that is enforceable against Seller and/or the Property giving such third-party a right to purchase an interest in the Property or any party thereof.

D. **No Notice of Repairs.** Seller has received no written notice from any governmental agency that repairs, alterations or corrections that must be made to the Property.

E. **Utilities.** The Property is connected to [select one]: a municipal water and sewer system and has utility meters installed within the Property OR a well and septic system located on the Property. Seller makes no representation on whether the capacities of such utilities are sufficient for Purchaser's intended use of the Property.

F. **Hazardous Materials.** To the best of Seller's actual knowledge, no toxic or hazardous materials (as said terms are defined in any applicable federal or state laws) have been used, discharged or stored on or about the Property in violation of said laws, and to the best of Seller's knowledge, no such toxic or hazardous materials are now or will be at Settlement located on or below the surface of the Property. There are no petroleum storage tanks located on or beneath the surface of the Property.

G. **Parties in Possession.** As of the Settlement date, there will be no adverse or other parties in possession of the Property or any part thereof, nor has any party been granted any license, lease or other right or interest relating to the use or possession of the Property or any part thereof, except for the Leases attached hereto and made a part hereof as SCHEDULE A.

H. **Other Contracts.** Seller is not a party to any contracts relating to the Property that is not terminable at will, except as disclosed on SCHEDULE B, which is attached hereto and made a part hereof. Between the date of this Agreement and the Settlement date, Seller will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, enter into any contract relating to the Property that is not terminable at will.

I. **No Undisclosed Restrictions.** Seller has not, nor to the best of Seller's knowledge or belief has any predecessor in title, executed or caused to be executed any document with or for the benefit of any governmental authority restricting the development, use or occupancy of the Property that has not specifically been disclosed to Purchaser or wouldn't be revealed by a title report.

8. **Risk of Loss.** The risk of loss or damage to the Property by fire or other casualty prior to Settlement shall be on the Seller. If such loss or damage materially and adversely affects the use of the Property as of Settlement, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

9. **Condemnation.** If, prior to Settlement, any taking pursuant to the power of eminent domain is proposed or occurs, as to all or any portion of the Property intended to be acquired at Settlement by the Purchaser, or sale occurs in lieu thereof, the Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4D., 10 and 11.

10. **Access/Cooperation.** During the term of this Agreement, Purchaser and his duly authorized agents shall be entitled to reasonable access to the Property for the purpose of surveying, appraising and making other findings related to the Property. Purchaser agrees to indemnify and hold the Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of the Seller's gross negligence or willful misconduct.

11. **Agents and Brokers.** Each party represents and warrants that it did not consult or deal with any broker or agent with regard to this Agreement or the transaction contemplated hereby, except for the Listing Broker and the Selling Broker, and each party hereto agrees to indemnify and hold harmless the other party from all liability, expense, loss, cost or damage, including reasonable attorneys' fees, that may arise by reason of any claim, demand or suit of any agent or broker arising out of facts constituting a breach of the foregoing representation and warranty. Listing Broker shall be paid a brokerage fee by Seller of _____% of the Purchase Price. Selling Broker shall be paid by Seller a fee of 3 _____% of the Purchase Price.
Purchaser

NO
INITIALS

12. **Notices.** Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if, delivered by hand or messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient, at the intended recipient's address set forth below, or at such other address as the intended recipient may have specified by written notice to the sender given in accordance with the requirements of this Paragraph. Any such notice, request or demand so given shall be deemed given on the day it is received by the recipient.

For the Seller: FFC Properties LLC
17080 Quail Creek Circle
Hamilton, VA 20188

For Purchaser: Economic Development Authority
of the City of Winchester, VA
15 N. Cameron St. Winchester, VA 22601

13. **Default.**

A. **Default by Purchaser.** If Purchaser defaults under this Agreement, the damages suffered by Seller would be difficult to ascertain. Therefore, Seller and Purchaser agree that, in the event of a default by Purchaser, Seller's sole and exclusive remedy, in lieu of all other remedies, shall be to terminate this Agreement and retain the Deposit as full and

complete liquidated damages. If the Deposit is retained as liquidated damages, Seller agrees to pay one-half of the Deposit to the Listing Broker to compensate Broker for his brokerage services in the transaction. Such payment shall have no effect on the payment due in any subsequent transaction. Seller hereby specifically waives the right to seek specific performance of this Agreement by Purchaser or any other remedy at law or in equity, provided that Seller reserves the right to all remedies available at law and in equity solely in order to enforce the indemnification obligations of Purchaser under Paragraphs 4D., 10 and 11 herein.

10-11
INITIALS

B. Default by Seller. If Seller defaults under this Agreement, Purchaser shall have the option to (i) seek specific performance of this Agreement, or (ii) terminate this Agreement, in which event the Deposit shall be promptly refunded to Purchaser. Seller shall be liable for Purchaser's expenses in the filing of any specific performance action, including reasonable attorney's fees and court costs.

C. Right to Cure Default. Prior to any termination of this Agreement as provided in Subparagraphs 13A. and 13B., the non-defaulting party shall provide written notice of any default(s) to the defaulting party (the "Default Notice") permitting the defaulting party ten (10) days to cure any such default(s). If defaulting party does not cure the default(s) or does not respond to the Default Notice, then the non-defaulting party may terminate the Agreement by written notice to the defaulting party. Nothing herein shall prevent either party from seeking a judicial determination regarding any default; provided however, the court shall award the expenses of attorney's fees and court costs to the prevailing party in any such action.

D. Brokerage Fees. Notwithstanding the remedies set forth in Subparagraphs 13A., 13B. and 13C., if either Seller or Purchaser defaults under this Agreement, the defaulting party shall be liable for the full amount of the brokerage fees set forth in Paragraph 11 and any brokerage fees set forth in Seller's listing agreement with the Listing Broker for the Property (which document is hereby incorporated herein by this reference) as if this Agreement and Seller's listing agreement had been performed, and for any damages and all expenses incurred by the Listing Broker and the Selling Broker in connection with this transaction and the enforcement of this Agreement and Seller's listing agreement, including, without limitation, attorney's fees and court costs. Payment of a real estate broker's fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Agreement shall not relieve the defaulting party of liability for any brokerage fees due under this Agreement or Seller's listing agreement.

10-11
INITIALS

14. Miscellaneous.

A. Final Agreement. This Agreement contains the entire agreement between the parties hereto relating to the Property and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties hereto.

B. Virginia Law Applicable. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia and 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 Agreement.

C. Assignment. This Agreement shall not be assigned by one party without the written consent of the other party, except the assignment of this Agreement to an entity owned by Purchaser or the principals of Purchaser shall not require the consent of Seller, but Purchaser shall provide written notice to Seller of such assignment. This Agreement shall inure to the benefit of the parties hereto and their respective and permitted successors and assigns.

D. Counterparts. This Agreement may be signed in one or more counterparts, each of which is deemed to be an original and all of which shall together constitute the same instrument.

The parties agree that a fax of any signed original document shall have the same effect as an original.

E. Tax-Deferred Exchange. Either party may elect to include the conveyance of the Property in an IRS Section 1031 Like Kind Exchange (a tax-deferred exchange). In the event that a party makes such an election, the non-exchanging party agrees to execute such documents necessary to effectuate such an exchange (at no cost to the exchanging party), but in no event shall such exchange affect the terms of the transaction or a party's responsibilities to the other party under this Agreement. The exchanging party shall bear the sole costs of its exchange.

15. **Additional Provisions:** See Addendum 1 of 1 attached.

16. **Acceptance.** To be effective this Agreement must be executed by Purchaser and Seller and an original copy of this Agreement returned to Purchaser no later than 5:00 p.m. on March 28, 2013, or this Purchase Agreement shall be deemed withdrawn.

**REMAINDER OF PAGE
LEFT INTENTIONALLY BLANK**

Each of the parties has executed this Agreement in its name pursuant to due authority as of the dates set forth below.

Purchaser: _____
Printed Name: James V. Decker
Title (if applicable): Executive Director
Date: 3/26/13

Seller: _____
Printed Name: FFC Properties LLC
Title (if applicable): _____
Date: 4/18/13

Purchaser: _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Seller: _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Listing Company's Name and Address

Selling Company's Name and Address

Oxford Commercial Real Estate
128 North Kent Street
Winchester, VA 22601

Agent's Name _____
Agent's tel. no. _____
Fax no. _____
Agent's email _____

Agent's Name Bill Wiley
Agent's tel. no. 540-532-8288
Fax no. 540-504-0788
Agent's email billw@omre.com

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SCHEDULE A

**LEASES, AGREEMENTS AND CONTRACTS
FOR TENANTS AND OTHER PARTIES
IN POSSESSION OF THE PROPERTY**

List below each such tenant or other party in possession of the Property, and provide Purchaser with a copy of each lease, license or other agreement. If verbal agreement, summarize terms below.

Also provide Purchaser with any contract affecting the Property that is not terminable at will.

SCHEDULE B

**CONTRACTS RELATING TO THE PROPERTY
(Not terminable at will)**

**ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #1 OF 1**

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made a part of contract of purchase (the "Contract") dated March 22, 2013, between FFC PROPERTIES, LLC (the "Seller") and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the "Purchaser") for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 211 - 213 NORTH EAST LANE, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-7-D, provides as follows:

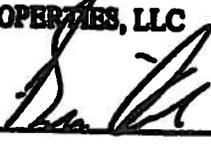
- 1. This Agreement is contingent upon approval and appropriation of funds by the Common Council of the City of Winchester, Virginia for the purchase of the Property by Resolution adopted on or before June 19, 2013. If funds are not approved and appropriated on or before June 19, 2013, then this Agreement shall terminate, whereupon the Deposit shall be returned to the Purchaser.**
- 2. This Agreement is expressly contingent upon the approval by the Directors of the Economic Development Authority of the City of Winchester, Virginia (the "Authority") by Resolution adopted on or before June 26, 2013. If such Resolution is not adopted by the Authority on or before June 26, 2013, then and in that event this Agreement shall terminate and be of no further binding force or effect, whereupon the Deposit shall be returned to the Purchaser.**
- 3. Time is of the essence as to all matters set forth in this Agreement.**
- 4. At Purchaser's election, Purchaser shall have the right to have the Property appraised, at Purchaser's sole cost and expense, during the Feasibility Period. In the event that the appraised value of the Property is less than the Purchase Price as set forth in Section 2 of the Agreement, or is otherwise deemed unacceptable to Purchaser, in Purchaser's sole and absolute discretion, Purchaser shall have the right to terminate this Agreement upon notice to Seller given within ten (10) business days after receipt of the written appraisal by Purchaser or, at Purchaser's election, to reduce the Purchase Price as set forth in Section 2 upon written notice to Seller, given within ten (10) business days after receipt of the written appraisal by Seller. Upon receipt of the reduced Purchase Price from Purchaser, Seller shall have the right, within five (5) business days after receipt of the reduced Purchase Price, to either accept the reduced Purchase Price or to terminate this Agreement upon written notice to Purchaser. In the event of termination of this Agreement by either Seller or Purchaser, the Deposit shall be returned to the Purchaser. In no event shall the Purchase Price be increased as a result of the market value as determined by any such appraisal commissioned by the Purchaser.**

5. Reference is made to that certain Trustee's Deed dated October 3, 2012, of record in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia as Instrument No. 120003306 for a more particular description of the Property.

WITNESS the following duly authorized signatures and seals:

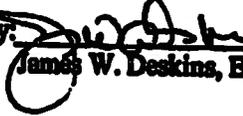
SELLER:

FFC PROPERTIES, LLC

By:  _____ (Seal)
Its: _____

PURCHASER

**ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WINCHESTER, VIRGINIA**

By:  _____ (SEAL)
James W. Deskins, Executive Director

MLB/pmm
City of Winchester - 211 - 213 East Lane Addendum
3/23/13

**ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #2 OF 2**

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made part of contract of purchase (the "Contract") dated March 22, 2013, between FFC PROPERTIES, LLC (the "Seller") and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the "Purchaser") for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 211-213 NORTH EAST LANE, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-07-D, provides as follows:

1. Seller and Purchaser agree that the ratified price is \$130,000.

WITNESS the following duly authorized signatures and seals:

SELLER:

FFC PROPERTIES, LLC

By:  (Seal)

Its: _____

PURCHASER:

**ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WINCHESTER, VIRGINIA**

By:  (Seal)

James W. Dackins, Executive Director

4/16/13



VIRGINIA ASSOCIATION OF REALTORS®
Commercial Purchase Agreement

Each commercial transaction is different. This form may not address your specific purpose. This is a legally binding document. If not understood, seek competent advice before signing.

Handwritten initials 'JPM'

This Commercial Purchase Agreement (the "Agreement") is dated April 9, 2013, between ~~Barthelme Enterprises - Ryan Morals~~ ("Seller") and Economic Development Authority of the City of Winchester, VA ("Purchaser"). The parties acknowledge that N/A ("Listing Broker") represents Seller and that ~~Outcast Commercial Real Estate~~ ("Selling Broker") represents [select one]:

[] Seller [X] Purchaser. The parties further acknowledge that disclosure of the brokerage relationships was made to them by the real estate licensees involved in this transaction when specific assistance was first rendered and confirmed in writing.

1. Sale of Property. Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon, and all rights and appurtenances thereto belonging, located in the City/County of Winchester, Virginia, with a tax parcel no. of 174-01-310 and a street address of 216 North East Ln. Seller discloses that [select one]: [X] there are no tenants or other parties in possession of the Property OR [] there are tenants or persons who are in possession of the Property as set forth on SCHEDULE A attached hereto.

Handwritten notes: 'SD JPM' and '\$88,000'

2. Purchase Price. The purchase price for the Property is one hundred two thousand Dollars (~~\$102,000~~) (the "Purchase Price") and shall be paid to Seller at Settlement, subject to the provisions and adjustments described herein, as follows:

Handwritten note: 'JPM' with a large 'X' over it

A. Deposit. Purchaser shall make a deposit of \$1000 (the "Deposit") to be held by ~~Outcast Commercial Real Estate~~ (the "Escrow Agent"). Purchaser [select one]: [] has paid the Deposit to the Escrow Agent OR [X] will pay the Deposit to the Escrow Agent within 5 days after this Agreement is fully executed by both parties. If Purchaser fails to pay the Deposit as set forth herein, then Seller may terminate this Agreement by written notice to Purchaser and neither party shall have any further obligation hereunder. The Deposit may be held in an interest bearing account and the parties waive claim to any such interest. The Deposit shall be applied towards the Purchase Price at Settlement. If Settlement does not occur, the Deposit shall be paid as provided herein.

B. Balance. The balance of the Purchase Price shall be paid by Purchaser at Settlement in certified funds or bank wire (inclusive of any loan obtained by Purchaser to purchase the Property).

3. Settlement.

A. Settlement of Property. Settlement of the purchase and sale of the Property shall be made at Michael L. Russo office 110 E. Bradley St. Winchester on 30 days after this period ("Settlement"). Possession of the Property shall be delivered to Purchaser at Settlement.

B. Deliveries by Seller at Settlement. At Settlement, Seller shall deliver to Purchaser the following:

(I) A general warranty deed with full English covenants of title (the "Deed") conveying to the Purchaser good and marketable fee simple title to the Property, free and clear of all liens, encumbrances, conditions and restrictions, except any lien for real estate taxes not yet due and payable, and any Title Objections for which Purchaser has no objection and/or has waived such objection pursuant to Paragraph 5;

(II) An affidavit for the benefit of Purchaser and its title insurer, satisfactory to Purchaser's title company (the "Affidavit") stating that (I) no right to a mechanic's or materialman's lien has accrued with respect to the Property as a result of any act or omission by the Seller and (II) there are no outstanding leases or agreements with regard to, or other parties in or entitled to possession of, the Property except as disclosed in SCHEDULE A attached hereto;

(III) A Certificate of Non-Foreign Status as required by Section 1445 of the Internal Revenue Code of 1986 and any other certificates required by any governmental authority or agency;

(IV) If the Property is leased, a tenant estoppel certificate and an assignment of lease (including the transfer of the security deposit at Settlement) for each and every tenant of the Property, in forms acceptable to Purchaser; and

(V) Such other Seller certifications as Purchaser's lender or title company may reasonably require.

C. Costs and Prorations. Seller shall pay the costs of preparing the Deed, the Grantor's tax thereon and any other expenses incurred by Seller. Purchaser shall pay for the title search, title insurance premiums, survey expenses, lender fees, Grantor's tax and all other settlement expenses incurred by Purchaser. Real estate taxes, rent, CAM and assessments, as applicable, shall be prorated between Seller and Purchaser as of the date of the Settlement. Each party shall pay its own legal, accounting and other expenses incurred in connection with this Agreement or Settlement.

D. Condition of Property. Purchaser agrees to accept the Property at Settlement in its physical condition at the time this Agreement is fully executed by all parties, except as otherwise provided herein. Seller agrees to maintain the Property in good condition and repair until Settlement. At Settlement, Seller agrees to transfer to Purchaser all existing warranties, if any, on the Property's roof, structural components, HVAC, mechanical, electrical, security and plumbing systems.

4. Feasibility Period.

A. For a period of Ninety (90) days following execution of this Agreement by all parties (the "Feasibility Period"), Purchaser, its agents and contractors, shall have the right to: (I) enter the Property for the purpose of inspecting the Property and performing tests as are desirable to Purchaser in its sole and absolute discretion; (II) seek zoning information from the local governing authority concerning Purchaser's intended use of the Property; and/or (III) apply for lender financing to acquire the Property.

B. Within five (5) days after Seller's receipt of a fully executed copy of this Agreement, if not previously delivered, Seller shall deliver to Purchaser copies of the following materials related to the Property if in Seller's possession: (I) any Phase I or other environmental studies; (II) a current survey; (III) the most current owner's title insurance policy; and (IV) all leases and rent rolls for each tenant identified in SCHEDULE A (including without limitation, the base monthly rental and all taxes, insurance, and other pass-throughs paid by the tenant), and all

contracts affecting the Property that are not terminable at will. Items (i) through (iv) are collectively referred to as the "Materials".

C. If Purchaser is not satisfied in its sole and absolute discretion with all aspects of the Property (including zoning) or the Materials, or has not obtained financing upon terms and conditions satisfactory to Purchaser, then Purchaser shall have the right, upon written notice to Seller prior to the expiration of the Feasibility Period, to terminate this Agreement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11. Purchaser acknowledges that the Feasibility Period will not be extended for any reason, regardless of whether Purchaser has completed its inspections or zoning inquiry, or has obtained financing. *

D. If Purchaser fails to acquire the Property, Purchaser agrees: (i) to repair any damage arising as a result of its exercise of the right of access granted in this Paragraph 4; (ii) to indemnify and hold Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of Seller's negligence or misconduct or the negligence or misconduct of Seller's agents, employees or contractors; and (iii) upon demand to return the Materials to Seller.

5. Title and Survey Objections. Purchaser may, at its sole expense, obtain a title insurance commitment and a survey for the Property. Prior to the expiration of the Feasibility Period, Purchaser shall notify the Seller in writing as to any title or survey objections regarding the Property that the Purchaser is unwilling to accept (collectively the "Title Objections"). Seller shall advise Purchaser in writing within ten (10) days after receipt of such notice, which if any of the Title Objections will not be cured by Seller at or prior to Settlement. If Seller fails to respond to Purchaser within such ten (10) day period or if Seller's response indicates that it does not intend to cure one or more of the Title Objections, then Purchaser may, at its option either (i) terminate this Agreement by giving written notice to Seller; (ii) cure such Title Objections at its own expense and proceed to Settlement with no reduction in the Purchase Price; or (iii) waive such Title Objections and proceed to Settlement, with no reduction in the Purchase Price. If Purchaser elects to terminate this Agreement, the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11.

6. Conditions Precedent to Obligation of Purchaser. This Agreement and all of Purchaser's obligations hereunder are further subject to Purchaser determining in its sole and absolute discretion that all of the conditions set forth in this Paragraph 6 have been satisfied or waived in writing by Purchaser. In the event that any of the following conditions are not satisfied or waived by Purchaser, Purchaser may give written notice to Seller terminating this Agreement on or before Settlement, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11.

A. Seller's Representations and Warranties. All the representations and warranties of Seller made herein shall have been true when made and shall be true and correct as of Settlement, with no material changes therein.

B. Seller's Deliveries. As of Settlement, Seller shall have taken all action and delivered all documents and materials required by this Agreement.

C. No Litigation. As of Settlement, there shall be no litigation, proceeding or investigation pending, or to the knowledge of Purchaser or Seller threatened, which might prevent or adversely affect the intended use of the Property or which questions the validity of any action

*The Purchaser may terminate this Agreement prior to the expiration of the Feasibility Period for any reason or for no reason in Purchaser's sole and absolute discretion.



taken or to be taken by Seller or Purchaser hereunder, or which threatens the continued operation of the Property for commercial purposes.

7. **Representations and Warranties of the Seller.** Seller, jointly and severally (if more than one Seller), represents and warrants unto Purchaser as of the date hereof and on the Settlement date that:

A. **Authority and Marketable Title.** Seller is the owner of the Property, possesses the requisite authority to enter into and perform this Agreement, and has the absolute right to sell, assign, and transfer the Property to Purchaser at Settlement.

B. **No Pending Litigation or Bankruptcy.** There are no actions, suits or proceedings at law or in equity pending, threatened against, or affecting the Property before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality. No bankruptcy or similar action, whether voluntary or involuntary, is pending or is threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Settlement.

C. **No Outstanding Purchase Option.** No option, right of first refusal or other contractual opportunity to purchase the Property has been granted to, or executed with, a third-party that is enforceable against Seller and/or the Property giving such third-party a right to purchase an interest in the Property or any party thereof.

D. **No Notice of Repairs.** Seller has received no written notice from any governmental agency that repairs, alterations or corrections that must be made to the Property.

E. **Utilities.** The Property is connected to [select one]: a municipal water and sewer system and has utility meters installed within the Property OR a well and septic system located on the Property. Seller makes no representation on whether the capacities of such utilities are sufficient for Purchaser's intended use of the Property.

F. **Hazardous Materials.** To the best of Seller's actual knowledge, no toxic or hazardous materials (as said terms are defined in any applicable federal or state laws) have been used, discharged or stored on or about the Property in violation of said laws, and to the best of Seller's knowledge, no such toxic or hazardous materials are now or will be at Settlement located on or below the surface of the Property. There are no petroleum storage tanks located on or beneath the surface of the Property.

G. **Parties in Possession.** As of the Settlement date, there will be no adverse or other parties in possession of the Property or any part thereof, nor has any party been granted any license, lease or other right or interest relating to the use or possession of the Property or any part thereof, except for the Leases attached hereto and made a part hereof as SCHEDULE A.

H. **Other Contracts.** Seller is not a party to any contracts relating to the Property that is not terminable at will, except as disclosed on SCHEDULE B, which is attached hereto and made a part hereof. Between the date of this Agreement and the Settlement date, Seller will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, enter into any contract relating to the Property that is not terminable at will.

I. **No Undisclosed Restrictions.** Seller has not, nor to the best of Seller's knowledge or belief has any predecessor in title, executed or caused to be executed any document with or for the benefit of any governmental authority restricting the development, use or occupancy of the Property that has not specifically been disclosed to Purchaser or wouldn't be revealed by a title report.

8. **Risk of Loss.** The risk of loss or damage to the Property by fire or other casualty prior to Settlement shall be on the Seller. If such loss or damage materially and adversely affects the use of the Property as of Settlement, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11.

9. **Condemnation.** If, prior to Settlement, any taking pursuant to the power of eminent domain is proposed or occurs, as to all or any portion of the Property intended to be acquired at Settlement by the Purchaser, or sale occurs in lieu thereof, the Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the Indemnity provisions of Paragraphs 4D., 10 and 11.

10. **Access/Cooperation.** During the term of this Agreement, Purchaser and his duly authorized agents shall be entitled to reasonable access to the Property for the purpose of surveying, appraising and making other findings related to the Property. Purchaser agrees to indemnify and hold the Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of the Seller's gross negligence or willful misconduct.

11. **Agents and Brokers.** Each party represents and warrants that it did not consult or deal with any broker or agent with regard to this Agreement or the transaction contemplated hereby, except for the Listing Broker and the Selling Broker, and each party hereto agrees to indemnify and hold harmless the other party from all liability, expense, loss, cost or damage, including reasonable attorneys' fees, that may arise by reason of any claim, demand or suit of any agent or broker arising out of facts constituting a breach of the foregoing representation and warranty. Listing Broker shall be paid a brokerage fee by Seller of _____ % of the Purchase Price. Selling Broker shall be paid by Seller a fee of 3 % of the Purchase Price.

12. **Notices.** Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if, delivered by hand or messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient, at the intended recipient's address set forth below, or at such other address as the intended recipient may have specified by written notice to the sender given in accordance with the requirements of this Paragraph. Any such notice, request or demand so given shall be deemed given on the day it is received by the recipient.

For the Seller:

~~Ben Mojalla~~ *Peyam Mojalla*
PO Box 641
Ashburn, VA 20148

For Purchaser:

Economic Development Authority
of the City of Winchester, VA
15 N. Cameron St. Winchester, VA 22601

13. **Default.**

A. **Default by Purchaser.** If Purchaser defaults under this Agreement, the damages suffered by Seller would be difficult to ascertain. Therefore, Seller and Purchaser agree that, in the event of a default by Purchaser, Seller's sole and exclusive remedy, in lieu of all other remedies, shall be to terminate this Agreement and retain the Deposit as full and

~~complete liquidated damages. If the Deposit is retained as liquidated damages, Seller agrees to pay one-half of the Deposit to the Listing Broker to compensate Broker for his brokerage services in the transaction. Such payment shall have no effect on the payment due in any subsequent transaction. Seller hereby specifically waives the right to seek specific performance of this Agreement by Purchaser or any other remedy at law or in equity, provided that Seller reserves the right to all remedies available at law and in equity solely in order to enforce the indemnification obligations of Purchaser under Paragraphs 4D., 10 and 11 herein.~~

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B. Default by Seller. If Seller defaults under this Agreement, Purchaser shall have the option to (i) seek specific performance of this Agreement, or (ii) terminate this Agreement, in which event the Deposit shall be promptly refunded to Purchaser. Seller shall be liable for Purchaser's expenses in the filing of any specific performance action, including reasonable attorney's fees and court costs.

C. Right to Cure Default. Prior to any termination of this Agreement as provided in Subparagraphs 13A. and 13B., the non-defaulting party shall provide written notice of any default(s) to the defaulting party (the "Default Notice") permitting the defaulting party ten (10) days to cure any such default(s). If defaulting party does not cure the default(s) or does not respond to the Default Notice, then the non-defaulting party may terminate the Agreement by written notice to the defaulting party. Nothing herein shall prevent either party from seeking a judicial determination regarding any default; provided however, the court shall award the expenses of attorney's fees and court costs to the prevailing party in any such action.

~~**D. Brokerage Fees.** Notwithstanding the remedies set forth in Subparagraphs 13A., 13B., and 13C, if either Seller or Purchaser defaults under this Agreement, the defaulting party shall be liable for the full amount of the brokerage fees set forth in Paragraph 11 and any brokerage fees set forth in Seller's listing agreement with the Listing Broker for the Property (which document is hereby incorporated herein by this reference) as if this Agreement and Seller's listing agreement had been performed, and for any damages and all expenses incurred by the Listing Broker and the Selling Broker in connection with this transaction and the enforcement of this Agreement and Seller's listing agreement, including, without limitation, attorney's fees and court costs. Payment of a real estate broker's fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Agreement shall not relieve the defaulting party of liability for any brokerage fees due under this Agreement or Seller's listing agreement.~~

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14. Miscellaneous.

A. Final Agreement. This Agreement contains the entire agreement between the parties hereto relating to the Property and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties hereto.

B. Virginia Law Applicable. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia and 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 Agreement.

C. Assignment. This Agreement shall not be assigned by one party without the written consent of the other party, except the assignment of this Agreement to an entity owned by Purchaser or the principals of Purchaser shall not require the consent of Seller, but Purchaser shall provide written notice to Seller of such assignment. This Agreement shall inure to the benefit of the parties hereto and their respective and permitted successors and assigns.

D. Counterparts. This Agreement may be signed in one or more counterparts, each of which is deemed to be an original and all of which shall together constitute the same instrument.

The parties agree that a fax of any signed original document shall have the same effect as an original.

E. Tax-Deferred Exchange. Either party may elect to include the conveyance of the Property in an IRS Section 1031 Like Kind Exchange (a tax-deferred exchange). In the event that a party makes such an election, the non-exchanging party agrees to execute such documents necessary to effectuate such an exchange (at no cost to the exchanging party), but in no event shall such exchange affect the terms of the transaction or a party's responsibilities to the other party under this Agreement. The exchanging party shall bear the sole costs of its exchange.

15. **Additional Provisions:** See Addendum 1 of 1 attached.

16. **Acceptance.** To be effective this Agreement must be executed by Purchaser and Seller and an original copy of this Agreement returned to Purchaser no later than 5:00 p.m. on April 24, 2013, or this Purchase Agreement shall be deemed withdrawn.

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Each of the parties has executed this Agreement in its name pursuant to due authority as of the dates set forth below.

Purchaser [Signature]
Printed Name: James W. Dodkins
Title (if applicable): Executive Director
Date: 4/16/2013

Seller [Signature]
Printed Name: Sardisjela - Peyam Hojalla JPM
Title (if applicable):
Date: 4/17/13 JD

Purchaser _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Seller _____
Printed Name: _____
Title (if applicable): _____
Date: _____

Listing Company's Name and Address

Selling Company's Name and Address

Oakcrest Commercial Real Estate
128 North Kent Street
Winchester, VA 22601

Agent's Name _____
Agent's tel. no. _____
Fax no. _____
Agent's email _____

Agent's Name Bill Wiley
Agent's tel. no. 540-532-8259
Fax no. 540-504-0785
Agent's email billwiley@mrts.com

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SCHEDULE A

**LEASES, AGREEMENTS AND CONTRACTS
FOR TENANTS AND OTHER PARTIES
IN POSSESSION OF THE PROPERTY**

List below each such tenant or other party in possession of the Property, and provide Purchaser with a copy of each lease, license or other agreement. If verbal agreement, summarize terms below.

Also provide Purchaser with any contract affecting the Property that is not terminable at will.

Sharon K Brown - Tenant *JOPM*

**ADDENDUM TO CONTRACT OF PURCHASE
ADDENDUM #1 OF 1**

This ADDENDUM TO CONTRACT OF PURCHASE, which is attached to and made a part of contract of purchase (the "Contract") dated April 9, 2013, between BEN MOJALLAL (the "Seller") and ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA (the "Purchaser") for the sale of that certain real property and all improvements thereon located in the City of Winchester, Virginia, and described in the Contract as 215 NORTH EAST LANE, CITY OF WINCHESTER, VIRGINIA, TAX MAP NO. 174-1-J-10, provides as follows:

*Ben
Mojallal
JOPM*

1. This Agreement is contingent upon approval and appropriation of funds by the Common Council of the City of Winchester, Virginia for the purchase of the Property by Resolution adopted on or before June 19, 2013. If funds are not approved and appropriated on or before June 19, 2013, then this Agreement shall terminate, whereupon the Deposit shall be returned to the Purchaser.
2. This Agreement is expressly contingent upon the approval by the Directors of the Economic Development Authority of the City of Winchester, Virginia (the "Authority") by Resolution adopted on or before June 26, 2013. If such Resolution is not adopted by the Authority on or before June 26, 2013, then and in that event this Agreement shall terminate and be of no further binding force or effect, whereupon the Deposit shall be returned to the Purchaser.
3. Time is of the essence as to all matters set forth in this Agreement.
4. At Purchaser's election, Purchaser shall have the right to have the Property appraised, at Purchaser's sole cost and expense, during the Feasibility Period. In the event that the appraised value of the Property is less than the Purchase Price as set forth in Section 2 of the Agreement, or is otherwise deemed unacceptable to Purchaser, in Purchaser's sole and absolute discretion, Purchaser shall have the right to terminate this Agreement upon notice to Seller given within ten (10) business days after receipt of the written appraisal by Purchaser or, at Purchaser's election, to reduce the Purchase Price as set forth in Section 2 upon written notice to Seller, given within ten (10) business days after receipt of the written appraisal by Seller. Upon receipt of the reduced Purchase Price from Purchaser, Seller shall have the right, within five (5) business days after receipt of the reduced Purchase Price, to either accept the reduced Purchase Price or to terminate this Agreement upon written notice to Purchaser. In the event of termination of this Agreement by either Seller or Purchaser, the Deposit shall be returned to the Purchaser. In no event shall the Purchase Price be increased as a result of the market value as determined by any such appraisal commissioned by the Purchaser.

SCHEDULE B

CONTRACTS RELATING TO THE PROPERTY
(Not Applicable at WR)

Tenant lease - Sharon K Brown