

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF VIRGINIA  
HARRISONBURG DIVISION**

**IN RE:** : **Case No. 17-50630**  
: **NC DEVELOPMENT, L.L.C.** : **Chapter 11**  
: **Judge Rebecca B. Connelly**

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**NOTICE OF HEARING ON MOTION OF DEBTOR  
FOR (I) AUTHORITY TO SELL PROPERTY OF THE ESTATE AT  
PRIVATE SALE PURSUANT TO 11 U.S.C. § 363  
AND BANKRUPTCY RULE 6004; (II) AUTHORITY RELATED TO CLOSING AND  
DISTRIBUTION OF SALE PROCEEDS; (III) APPROVAL OF COMPENSATION OF  
DEBTOR'S REAL ESTATE PROFESSIONAL PURSUANT TO 11 U.S.C. § 330; AND  
(IV) RELATED RELIEF**

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**PLEASE TAKE NOTICE** that on November 8, 2017, NC Development, L.L.C. a filed the

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DEBTOR'S REAL ESTATE PROFESSIONAL PURSUANT TO 11 U.S.C. § 330; AND  
(IV) RELATED RELIEF**

**PLEASE TAKE FURTHER NOTICE** that the Court has scheduled the Hearing on the Motion on **November 15, 2017 at 11:00 A.M.** (prevailing Eastern time) before the Honorable Rebecca B. Connelly, at the U.S. Bankruptcy Court, 116 N. Main St., Harrisonburg, Virginia 22802.

**PLEASE TAKE FURTHER NOTICE** that your rights may be affected. You should read the Motion carefully and discuss them with your attorney, if you have one in the Chapter 11 case. (If you do not have an attorney, you may wish to consult one).

**PLEASE TAKE FURTHER NOTICE** that if you do not want the Court to grant the relief requested in the Motion, or if you want the Court to consider your views on the Motion, then you or your attorney must attend the Hearing.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter orders granting the relief requested in the Motion.

**Dated: November 8, 2017**

**Respectfully Submitted,**

**NC DEVELOPMENT, L.L.C.  
By Counsel**

By: /s/ Hannah W. Hutman  
Dale A. Davenport, Esquire (VSB #016268)  
*ddavenport@hooverpenrod.com*  
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HOOVER PENROD PLC  
342 South Main Street  
Harrisonburg, Virginia 22801  
540/433-2444  
540/433-3916 (Facsimile)  
Proposed Counsel for the Debtors/Movants

**CERTIFICATE OF SERVICE**

I hereby certify that on November 8, 2017 a copy of the foregoing *Notice* and *Motion* were served by ECF on all participants registered to receive notices in these cases and by first class mail to all the parties listed in the matrix maintained in this case.

**Dated: November 8, 2017**

**Respectfully Submitted,**

By: /s/ Hannah W. Hutman  
Hannah W. Hutman, Counsel

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(IV) RELATED RELIEF**

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Comes now NC Development, L.L.C. (the “Debtor”), by Counsel, and moves the Court to (i) authorize the sale of real property commonly known as 320 Hope Drive, Winchester, Virginia, Tax Map Identification Number 270-06--2 (the “Property”) pursuant to 11 U.S.C. §363 and Federal Rule of Bankruptcy Procedure (“Bankruptcy Rule”) 6004, (ii) grant the Debtor authority related to the closing and the distribution of the sale proceeds, (iii) grant approval of the compensation of the Debtor’s real estate professional, pursuant to 11 U.S.C. § 330, and (iv) grant related relief, as follows:

**Jurisdiction**

1. This is a core proceeding pursuant to 28 U.S.C. § 157. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory basis for the relief requested herein is 11 U.S.C §§ 105 and 363 and Bankruptcy Rules 2002, 6004 and 9006.

3. On June 29, 2017, the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

**The Proposed Sale of Property of the Estate**

4. The Debtor is the titled owner of the Property. The Property is the Debtor’s only significant asset. The Debtor has exercised its business judgment and determined that it is in its best interest to sell the Property.

5. The Court has previously entered an Order approving the employment of Oak Crest Commercial Real Estate (the “Real Estate Professional”) to market and attempt to sell the Property [Doc # 43]. The Property had been listed for sale prior to the Petition Date

6. The Debtor has obtained a contract with Sareena Corporation (the “Purchaser”) to purchase the Property and requests authority to sell the Property at private sale to the Purchaser for the sum of \$3,250,000.00 (the “Purchase Price”), pursuant to section 363 of the Bankruptcy Code, Bankruptcy Rule 6004, and the terms of a certain Commercial Purchase Agreement, a true and accurate copy of which attached hereto as **Exhibit A** (the “Proposed Sale Contract”).

7. The Proposed Sale Contract anticipates closing on December 15, 2017.

8. There are two recorded deeds of trust secured by the Property.

9. Main Street Bank is the holder and/or servicer of a note (the “MainStreet Note”) secured by the first deed of trust (the “Main Street Deed of Trust”) dated October 26, 2009 and recorded among the land record of the Clerk’s Office for the City of Winchester, Virginia as Instrument No. 090002864. A copy of the Main Street Deed of Trust is attached hereto as **Exhibit B**. The current balance on the Main Street Note is approximately \$2,806,589.16, as of November 3, 2017, inclusive of principal, interest at the non-default rate, and fees (including reasonable attorney fees).

10. United Bank is the holder of a note (the “United Note”) secured by a second deed of trust (the “United Deed of Trust”) dated March 30, 2012 and recorded among the land records of the Clerk’s Office for the City of Winchester, Virginia as Instrument No. 120000919 . A copy of the United Deed of Trust is attached hereto as **Exhibit C**. The United Deed of Trust was given to secure a loan between United Bank and Courthouse Plaza, LLC, an affiliate of the Debtor. The United Deed of Trust lien is limited to \$200,000.00. The Debtor is not obligated on the United Note, but the Property serves as collateral for the United Note.

11. With the exception of the City of Winchester, which has a claim for accrued but unpaid real estate taxes, no other creditor or party in interest has a lien against or an interest in the Property.

12. The sale proceeds will be sufficient to satisfy the Main Street Note, the Debtor’s obligation to United Bank pursuant to the United Deed of Trust, due and unpaid real estate taxes, real estate commissions, and other reasonable and customary costs of closing as set forth in the Proposed Sale Contract.

13. The Purchase Price is reasonable and is the best offer obtained after many months of effort to market and sell the Property.

14. The relief requested in this Motion is, therefore, in the best interest of the bankruptcy estate.

**Proposed Authority Related to Closing and Disposition of Sale Proceeds**

15. Pursuant to section 105(a) of the Bankruptcy Code, the Court may issue any order that is necessary or appropriate to carry out the provisions of Title 11. Furthermore, Bankruptcy Rule 6004(f)(2) provides that a debtor-in-possession shall execute any instrument necessary or ordered by the court to effectuate a transfer to a purchaser.

16. It is necessary for the closing of the proposed sale of the Property for the Debtor to execute and deliver a deed, sign other customary closing documents such as a mechanic's lien affidavit, and sign a settlement statement authorizing the payment of certain usual and customary closing costs from the proceeds of the sale of the Property. The Debtor requests authority to sign and deliver the deed, other usual and customary documents necessary for closing the sale and to pay, or authorize credits from the proceeds of the sale for such usual and customary costs of sale, including without limitation, recording costs and the compensation of the Real Estate Professional, to the extent such compensation is approved by the Court.

**Proposed Compensation and Reimbursement of Expenses of Real Estate Professional**

17. As set forth above, the Court previously has authorized the Debtor to employ the Real Estate Professional as the Debtor's agent, pursuant to section 327 of the Bankruptcy Code, to assist in the Debtor in the marketing of the Property, with proposed compensation of four percent (4.0%) of the sales price of the Property. As set forth in the Proposed Sale Contract the Real Estate Professional has agreed to reduce its compensation to \$50,000.00, with \$50,000.00 to be paid to the Purchaser's agent, which total amount is slight more three percent (3.0%) of the Purchase Price.

18. After notice and a hearing, pursuant to section 330 of the Bankruptcy Code, the Court may award a professional employed under section 327 of the Bankruptcy Code (a) reasonable compensation for actual, necessary services rendered to the Debtor, and (b) reimbursement for actual, necessary expenses.

19. The Debtor requests that the Court approve the compensation of the Real Estate Professional in the amount of \$50,000.00, with a like amount \$50,000 to be paid to the

Purchaser's agent, without further application to or order of the Court, and grant the Debtor or its closing agent the authority to pay the compensation approved by the Court.

20. The proposed compensation is reasonable compensation for actual, necessary services rendered by the Real Estate Professional on behalf of the estate, based on the consideration of the nature, the extent and the value of such services, taking into account all relevant factors.

**Effective Date of Order**

21. Bankruptcy Rule 6004(h) provides that an order authorizing the sale of property is stayed until fourteen (14) days after entry of the order, unless the court orders otherwise. Under the circumstances of this proposed sale, and absent any objection to the proposed sale, cause exists for the Court to make its order granting this Motion to become effective immediately upon entry, as permitted by Bankruptcy Rule 6004(h), so that the closing may proceed without further delay.

WHEREFORE, the Debtor, by counsel, moves the Court to enter an order (a) adopting the foregoing as its findings of fact and conclusions of law, (b) granting the Motion in its entirety, (c) authorizing the Debtor to sell the Property at a private sale to the Purchaser on the terms set forth above and in the Proposed Sale Contract, (d) authorizing the Debtor to sign and deliver a Deed and other usual and customary documents necessary for closing the sale, and to pay or authorize credits from the proceeds of the sale to satisfy all liens and encumbrances against the property and such usual and customary costs of sale, including without limitation, recording costs and the compensation of the Real Estate Professional (e) approving the proposed compensation of the Real Estate Professional in the amount requested, (f) providing that the

order approving the proposed sale be effective immediately upon entry, and (g) granting such other relief as is just.

**Dated: November 8, 2017**

**Respectfully Submitted,**

**NC DEVELOPMENT, L.L.C.**

**By Counsel**

By: /S/ Hannah W. Hutman  
Dale A. Davenport, Esquire (VSB #016268)  
*ddavenport@hooverpenrod.com*  
Hannah W. Hutman, Esquire (VSB#79635)  
*hhutman@hooverpenrod.com*  
Beth C. Driver, Esquire (VSB#83838)  
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HOOVER PENROD PLC  
342 South Main Street  
Harrisonburg, Virginia 22801  
540/433-2444  
540/433-3916 (Facsimile)  
*Counsel for the Debtor*





**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 October 31, 2017, between N C Development LLC ("Seller") and Sareena Corporation ("Purchaser"). The parties acknowledge that OakCrest Commercial, Marie DiLorenzo ("Listing Broker") represents Seller and that Long & Foster, Rodrigo J. Cruz ("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 270-06--2 and a street address of 320 Hope Drive 2.68 AC. 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.

2. **Purchase Price.** The purchase price for the Property is Three Million, Two Hundred Fifty Thousand Dollars (\$ 3,250,000.00 ) (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 \$ 35,000.00 to be held by Nolan & Mroz, PLC (the "Escrow Agent") in the form of:  check  cash  other (the "Deposit"). Purchaser [select one]:  has paid the Deposit to the Escrow Agent OR  will pay the Deposit to the Escrow Agent within 2 days (the "Extended Deposit Date") after the date this Contract is fully executed by the parties. If Purchaser fails to pay the Deposit as set forth herein, then Purchaser shall be in breach of this Contract. At Seller's option and in lieu of all other remedies set forth in this Contract, Seller may terminate this Contract by written notice to Purchaser and neither party shall have any further obligation hereunder.

If the Escrow Agent is a Virginia Real Estate Board ("VREB") licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account by the end of the fifth business banking day following the latter of: (i) the date this Contract is fully executed by the parties, or (ii) the Extended Deposit Date. If the Escrow Agent is not a VREB licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account in conformance with applicable Federal or Virginia law and regulations. The Deposit may be held in an interest bearing account and the parties waive any claim to interest resulting from such Deposit. The Deposit shall not be released by the Escrow Agent until (i) credited toward the purchase price at settlement; (ii) Seller and Purchaser agree in writing as to its disposition; (iii) a court of competent jurisdiction orders a disbursement of the funds; or (iv) disbursed in such manner as authorized by the terms of this Contract or by Virginia law or regulations. Seller and Purchaser agree that Escrow Agent shall have no liability to any party for disbursing the Deposit in accordance with this paragraph, except in the event of Escrow Agent's negligence or willful misconduct.

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 Nolan & Mroz PLC Dunn Loring VA on December 15, 2017 ("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 Forty-Two ( 42 ) 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 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. Leases in Schedule A shall be assigned and assumed by the purchaser.

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 \$ 50,000  $\frac{1}{2}$ % of the Purchase Price. Selling Broker shall be paid by Seller a fee of \$ 50,000  $\frac{1}{2}$ % of the Purchase Price. The fees to the Listing Broker and Selling Broker shall be paid in cash at Settlement.

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: NC Development LLC  
PO Box 31  
Winchester, VA 22604

For Purchaser: Sareana Corporation RODRIGO CRUZ FRANK MROZ  
1372 Lancia Drive 10538 ASSEMBLY DR 1301 GALLOWAY RD  
McLean VA 22102 FAIRFAX, VA 22030 DUNN LORING, VA #200  
22027

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: This agreement includes the following contingencies:

1. Leases and Permits to be available within 2 days of contract ratification
2. Financing, appraisal, Title Search, Title Insurance, Fire & Hazard Insurance Professional Inspection, Survey and others
3. Commission to be paid by seller \$100,000 to be split evenly between OakCrest Commercial and Long & Foster.
4. Seller to pay Grantor's & Real Estate Tax, Deed of Conveyance & 20% of its recordation cost.

*5. REMAINING TO SELLER THAT PURCHASE AGREEMENT HAS BEEN LOAN APPROVAL AND/OR PURCHASE LEAD & ADDITIONAL.*

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 NOV 10, 2017, or this Purchase Agreement shall be deemed withdrawn.

5. Sale is contingent upon Bankruptcy Court approval in Case # 17-50830 currently pending in the Western District of Virginia, which seller will promptly seek and Purchaser shall cooperate reasonably in the approval process as requested by seller.

6. Full and complete release of Matthew and Patty Carroll by Mainstreet Bank or its assignee of all claims including but not limited judgement obtained by Mainstreet Bank in Frederick County - Court Case No CL11-603 on January 18, 2012

7. Sale contingent upon Mainstreet Bank accepting \$2,865,741.43 as of November 7, 2017 plus per diem of \$433.34 per day through the closing date in full and complete satisfaction of the promissory note secured by its Deed of Trust on the subject Property and releasing all guarantors upon the promissory note, and further releasing its lien upon the subject Property and any other collateral securing the promissory note.

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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.

Magsoud Ahmed (Sarema corp)  
Purchaser  
Printed Name: Magsoud Ahmed  
Title (if applicable): President  
Date: 11-1-17

[Signature]  
Seller  
Printed Name: NC Development LLC  
Title (if applicable): owner  
Date: 11/2/17

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

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

**Selling Company's Name and Address**

Long & Foster, Rodrigo J. Cruz  
LONG AND FOSTER REALTOR

**Listing Company's Name and Address**

OakCrest Commercial, Marie DiLorenzo

Agent's Name RODRIGO J. CRUZ  
Agent's tel. no. 540 533-8211  
Fax no.

Agent's Name MARIE DILORENZO  
Agent's tel. no. 540 533-7664  
Fax no.

Agent's email RODRIGO.CRUIZ@LONGANDFOSTER.COM

Agent's email MARIE.DILORENZO@OAKCRESTCOMMERCIAL.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.

- VALLEY HEALTH SYSTEM
- RESPIRATORY CARE ASSOCIATES LLC
- ACCESS INDEPENDENCE LLC
- EUKARYA FAMILY CENTER DBA EUKARYA KINGS CLUBS

**SCHEDULE B**

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

10/2

AFTER RECORDING RETURN TO  
FRANKLIN TITLE COMPANY, LLC  
1810 MICHAEL FARADAY DR., SUITE 100  
RESTON, VA 20190

**EXHIBIT**  
**B**

File No.: FT09-0106  
Tax ID No.: 270-06-2  
Title Ins.: Old Republic

090002864

Prepared by/Return to:  
Troutman Sanders LLP  
1660 International Drive, Suite 600  
McLean, Virginia 22102  
Attn: Edmund D. Harlee

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Tax Map No.: 270-06-2

**CREDIT LINE DEED OF TRUST**

THIS IS A CREDIT LINE DEED OF TRUST (as amended or supplemented from time to time, this "Deed of Trust") is made and entered into as of the 26th day of October 2009, by and among NC DEVELOPMENT, L.L.C., a Virginia limited liability company (the "Grantor"), having an address at Post Office Box 31, Winchester, Virginia 22604; and EDMUND D. HARLEE, TRUSTEE, and MARY C. ZINSNER, TRUSTEE, each having an address at 1660 International Drive, Suite 600, McLean, Virginia 22102, either one of whom may act (the "Grantee", hereinafter sometimes individually and collectively called the "Trustee" or "Trustees"); and MAINSTREET BANK, a Virginia banking corporation, its successors and assigns and any other person who may at any time be the holder of the Note, as hereinafter defined (the "Bank"). For the purposes of and to the extent required by Section 55-58.2 of the *Code of Virginia*, as amended, (a) the name of the noteholder secured by this Deed of Trust is MainStreet Bank, a Virginia banking corporation, (b) the address at which communications may be mailed or delivered to such noteholder is 727 Elden Street, Herndon, Virginia 20170, Attention: Mr. Daniel Baldwin, and (c) the maximum aggregate amount of principal to be secured at any one time is \$3,100,000.00.

WHEREAS, the Grantor is indebted to the Bank in the principal sum of Three Million One Hundred Thousand and no/100 Dollars (\$3,100,000.00) (the "Loan"), which indebtedness is evidenced by a Commercial Note dated October 26, 2009, in the amount of the Loan (which promissory note, together with any modifications, extensions or renewals thereof or substitutions therefor, is hereinafter called the "Note"), the Loan and interest thereon to be payable at the time or times, in the manner and at the rate or rates stated in the Note, which is incorporated herein by this reference;

WHEREAS, the Grantor wishes and intends by the execution and delivery of this Deed of Trust to secure (a) the prompt payment of the principal, interest and all other sums due on the Note, this Deed of Trust and any other document or agreement evidencing, securing or otherwise relating to the indebtedness evidenced by the Note, including, without limitation, any loan agreement (the "Loan Documents"), (b) the performance of and compliance with all of the terms, covenants, conditions, stipulations and agreements contained in the Note, this Deed of Trust and the other Loan Documents, and (c) certain other indebtedness as hereinafter set forth.

NOW, THEREFORE, the Grantor agrees as follows:

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**ARTICLE I  
DEFINITIONS**

**Section 1.1. Definitions.** The following terms, as used herein, have the following meanings:

“Condemnation” means any taking of or damage to the Property or any interest therein under the exercise of the power of eminent domain, or any transfer of the Property or any interest therein by sale in lieu of the exercise of such power.

“Default” means any of the events set forth in Section 5.1 of this Deed of Trust.

“Equipment” means all equipment, machinery, furniture, furnishings, fixtures of every kind (whether affixed to the Property or not) and all other items of tangible personal property now or hereafter owned by the Grantor or in which the Grantor has or acquires any interest, which are placed in or upon and used in connection with the operation, occupancy or enjoyment of the Land or the Improvements, together with any substitutions, replacements or accessions thereto or therefor, any additions thereto and all proceeds of the foregoing.

“Hazardous Materials” means any oil, hazardous materials, hazardous wastes, hazardous substances or toxic substances, as defined in 42 U.S.C. §§9601 et seq., 42 U.S.C. §§6901 et seq., 15 U.S.C. §§2601 et seq. and the regulations promulgated thereunder, and all applicable federal, state and local laws, rules and regulations relating to the environment, as any of the same may be amended from time to time.

“Impositions” shall mean all taxes, fees, assessments, levies, utility charges, ground rents, insurance premiums payable on any insurance the Grantor is required to maintain hereunder, amounts required to be paid to obtain or renew Permits and other similar charges (whether or not required by a governmental body) which are assessed, levied or imposed against the Property or the Grantor’s interest therein or incurred in the ownership, operation, occupancy, maintenance and use of the Property.

“Improvements” means all buildings, improvements and structures now or hereafter located on the Land and all replacements thereof and additions thereto.

“Income” means all of the rents, benefits, revenues, security deposits, profits and other sums now or hereafter due, or to which Grantor may now be or hereafter become entitled, arising from or issuing out of the Leases, whether or not yet earned by performance.

“Interest Rate” means the rate of interest which is from time to time applicable under the Note.

“Land” means the parcel or parcels of real estate described in Exhibit A attached hereto, together with all easements, rights-of-way and appurtenances belonging thereto, including, without  
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limitation, all reversionary interests therein and all right, title and interest of Grantor in and to the land lying in the bed of every street, road, avenue or alley, opened or proposed, which adjoins such real estate.

“Leases” means all leases, tenant contracts, rental agreements, franchise agreements, license agreements or other occupancy agreements, whether oral or written, now existing or hereafter entered into, for the use or occupancy of all or any part of the Property, together with all modifications or renewals thereof.

“Legal Requirements” means all existing and future laws, codes, ordinances, rules, regulations, orders and decrees of governmental authorities and courts having jurisdiction over the Property or the Grantor and all terms, conditions and requirements of all Permits.

“Obligations” means (i) the prompt payment of the principal, interest and all other sums due on the Note, this Deed of Trust and the Loan Documents, (ii) the performance of and compliance with all of the terms, covenants, conditions, stipulations and agreements contained in the Note, this Deed of Trust and the Loan Documents, and (iii) the payment of all costs and expenses, including attorneys’ fees incurred or paid by the Trustee or by the Bank on account of any litigation at law or in equity which may arise in respect to this Deed of Trust or the Property while this Deed of Trust continues, and of all moneys which may be advanced as herein provided for the protection of the lien and security interest of the Bank in and to the Property, with interest at the Interest Rate on all such costs and sums so advanced from the date of such advance.

“Permits” means all permits, licenses, registrations, certificates, authorizations and approvals now or hereafter issued or required to be issued by any governmental or quasi-governmental authority for the ownership, use or operation of the Property.

“Property” means the Land, the Improvements and the Equipment.

“Security Property” means any and all of the property of the Grantor referred to in Section 2.1.

“UCC” means at any time the Uniform Commercial Code as the same may from time to time be in effect in the Commonwealth of Virginia, provided that, if, by reason of mandatory provisions of law, the validity or perfection of any security interest granted herein is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Virginia then, as to the validity or perfection of such security interest, “UCC” shall mean the Uniform Commercial Code in effect in such other jurisdiction.

**Section 1.2. Interpretation.** For the purpose of construing this Deed of Trust, unless the context indicates otherwise, words in the singular number shall be deemed to include words in the plural number and vice versa, and words in one gender shall be deemed to include words in the other genders. The titles to articles and section headings are for convenience only and neither limit nor amplify the provisions of this Deed of Trust.

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ARTICLE II  
CONVEYANCE OF SECURITY PROPERTY

**Section 2.1. Grant to Trustees.** In trust to secure the Obligations, the Grantor hereby grants and conveys the Land and the Improvements to the Trustees with General Warranty and English Covenants of Title, subject to such easements, conditions and restrictions of record as may be applicable thereto and approved by the Bank, and further grants and conveys to the Trustees (i) any and all other, further, or additional right, title, or interest in, to or under the Property which may be acquired by the Grantor, including, without limitation, the direct or indirect acquisition of fee simple title to the Land; (ii) the Equipment; (iii) the Income; (iv) the Leases; (v) the Permits; and (vi) the proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, all proceeds payable under any policy of insurance with respect to the damage or destruction of all or any part of the Property and all proceeds from any Condemnation.

**Section 2.2. Security Agreement.** With respect to the Equipment and the other personal property included in the Security Property, this Deed of Trust shall be a security agreement between the Grantor and the Bank encumbering each and every item of the Equipment and other personal property to secure the Obligations. The Grantor agrees to execute and file in the appropriate office in the jurisdictions in which the Property is located, and in such other offices or jurisdictions as the Bank may require, financing or continuation statements meeting the requirements of the UCC to perfect the security interests hereby granted. The remedies for any violation of this security agreement shall be, at the option of the Bank, (i) those hereinafter set forth in this Deed of Trust, (ii) those prescribed by general law, (iii) those contained in the UCC or (iv) any combination of the foregoing, it being the understanding of the parties that upon the occurrence of a Default, the Bank may proceed as to both real and personal property in accordance with the rights and remedies granted herein with respect to real property. All substitutions for, replacements of and additions to the Equipment and other personal property shall immediately be subject to the security interest hereinabove granted, and the Grantor agrees to maintain such property free and clear of liens, encumbrances and security interests of others.

**Section 2.3. Assignment of Leases and Income.** As additional security for the Obligations, the Grantor hereby assigns to the Bank the Grantor's interest in the Leases and the Income. The Grantor agrees to execute and deliver to the Bank such additional instruments, in form and substance satisfactory to the Bank, as may hereafter be requested by the Bank from time to time further to evidence and confirm such assignment. The foregoing assignment constitutes an absolute, present and irrevocable assignment and shall be fully operative in accordance with its terms without any further action by the parties hereto. It is expressly understood, however, that the Grantor may collect the amounts hereby assigned until the occurrence of a Default and until the election of the Bank to exercise or have the Trustees exercise any of the available remedies under this Deed of Trust. Nothing contained in this Section 2.3 shall be deemed to interfere in any way with the ability of the Trustees to sell any of the Security Property at foreclosure under the Deed of Trust or to prevent the Bank or the Trustees from exercising any of the other remedies afforded them under this Deed of Trust.

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**ARTICLE III  
COVENANTS OF GRANTOR**

**Section 3.1. Payment and Performance.** The Grantor shall pay all amounts owed and perform all other obligations secured by any other lien now or hereafter placed on the Property.

**Section 3.2. Maintenance of the Property.** The Grantor shall keep the Property in good condition and repair and shall not (i) commit or permit waste to be committed thereon, (ii) make or allow any alterations or additions thereto without the prior written consent of the Bank or (iii) do or suffer to be done any act which will or may decrease the value of the Property.

**Section 3.3. Use of Property; Compliance with Legal Requirements.** The Grantor shall cause the Property to be used and operated in the same manner as it is presently being used and operated, and shall comply with all Legal Requirements, whether now existing or later enacted, whether foreseen or unforeseen, and whether involving any change in governmental policy or requiring structural or other changes to the Property, irrespective of the cost of making the same. Without the prior consent of the Bank, the Grantor shall not (i) initiate, support or acquiesce in (A) any zoning reclassification of the Property, including, without limitation, a rezoning to a less intensive use than is currently permitted or (B) the issuance of a variance or conditional or special use permit for the Property, (ii) impose or consent to any restrictive covenant upon the Property, (iii) file or consent to the filing of any subdivision plat affecting the Property or (iv) consent to the annexation of the Property by any municipality. The Grantor shall promptly notify the Bank of any proposed zoning reclassification, variance, conditional or special use permit, restrictive covenant, subdivision or annexation affecting the Property.

**Section 3.4. Restrictive Covenants.** The Grantor shall at all times comply with its obligations under all recorded restrictions, conditions, easements and covenants ("Restrictive Covenants") encumbering the Property and shall duly enforce its rights under all Restrictive Covenants encumbering other property for the benefit of the Land and/or the Improvements. If the Grantor receives any notice (whether oral or written) that any Restrictive Covenant has been violated, the Grantor shall promptly notify the Bank and take such steps as the Bank may require to correct such violation.

**Section 3.5. Management of Property.** The Grantor shall not enter into a management agreement or otherwise permit any other party to manage the leasing and/or operation of the Property without the Bank's prior consent. If the Bank approves a management agreement or arrangement, the Grantor shall, at the Bank's request, assign its interest thereunder to the Bank as additional security for the Obligations.

**Section 3.6. Impositions.** The Grantor shall pay when due all Impositions. However, after giving the Bank ten days' notice of its intention to do so, the Grantor may, in good faith, at its own expense and in its own name, contest any Imposition other than an insurance premium. In the event of such a contest, the Grantor may permit the Imposition being contested to remain unpaid during the period of the contest and any subsequent appeal unless, in the reasonable opinion of the Bank, such action may impair the lien of this Deed of Trust or any security interest granted to the Bank by any of the Loan Documents, in

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which event the Grantor shall satisfy such Imposition promptly or the payment thereof shall be secured by posting with the Bank a bond with surety or a letter of credit, either of which must be issued by an institution approved by and in a form and amount approved by the Bank. Upon request, the Grantor shall furnish the Bank proof of payment of all Impositions.

**Section 3.7. Insurance.** The Grantor shall maintain at its expense and for the benefit of the Bank, such insurance policies with respect to the Property as the Bank may reasonably require, with such insurance companies and in such amounts as shall, at all times, be satisfactory to Bank, and with loss payable to the Bank, including, without limitation (i) insurance against all risks of physical loss and damage to the Improvements and the Equipment in the amount of the full replacement cost thereof without deduction for depreciation, (ii) insurance against liability for bodily injury (and death resulting therefrom), and (iii) insurance against liability for damage to property. Each policy shall provide that it may not be canceled, modified or allowed to lapse without at least 30 days' prior written notice to the Bank. The Grantor shall deliver to the Bank originals or certified copies of all policies of insurance it is required to maintain.

**Section 3.8. Insurance and Tax Escrow.** If required by the Bank, the Grantor shall pay the Bank monthly, together with and in addition to the payments of principal of and interest on the Note and any sums due under any of the other Loan Documents, an amount determined by the Bank to be necessary to enable the Bank to pay each Imposition one month before it becomes due. If the total payments made to the Bank pursuant to the preceding sentence are less than the amount required to pay any Imposition one month before it becomes due, the Grantor shall pay the Bank, on demand, the amount necessary to make up such deficiency. If there is an excess of such payments, the excess will reduce subsequent payments required under this Section 3.8. The Bank shall not be required to pay interest on any sums held pursuant to this Section 3.8. If a Default has occurred, the Bank may at its option apply any amounts received pursuant to this Section 3.8 to the payment of the Obligations in such order as the Bank may elect.

**Section 3.9. Sale or Encumbrance of the Property.** The Grantor shall not, without the prior written consent of the Bank, (i) lease, sell or transfer the Property or any portion thereof or any interest therein; (ii) encumber or pledge the Property or any interest therein, in whole or in part, (iii) grant a lien or security interest in the Property or any portion thereof or (iv) permit any mechanic's, materialman's, laborer's, statutory or other lien (whether or not junior to the liens created by this Deed of Trust) to be created, filed of record or remain outstanding upon all or any part of the Property. For purposes of this Section 3.9, any change, or any transaction which results or could result in any change, in the Control of the Grantor shall be deemed a transfer of the Property. As used in this Section 3.9, the term "Control" means (a) ownership, control, or power to vote 20% or more of any class of voting securities of the Grantor, directly or indirectly or acting through one or more other persons; (b) control in any manner over the election or appointment of a majority of the directors, trustees, managers or general partners (or individuals exercising similar functions) of the Grantor; (c) the direct or indirect power to exercise a controlling influence over the management or policies of the Grantor, whether through the ownership of voting securities, by contract, or otherwise; or (d) conditioning in any manner the transfer of 20% or more of any class of voting securities of the Grantor upon the transfer of 20% or more of any class of voting securities of another person. Solely for the purpose of complying with the provisions of section 6.1-330.88 of the 1950 Code of Virginia, as such section may be amended, and without modifying or limiting the foregoing, the Grantor is advised of the following:

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**NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.**

If the Property is comprised of one-to-four-family residential dwelling units, this Deed of Trust does not prohibit an encumbrance on the Property subordinate to this Deed of Trust.

**Section 3.10. Payment of Filing Fees and Taxes.** The Grantor will pay all fees, taxes and expenses incident to the execution, acknowledgment, recording and filing of any of the Loan Documents or any amendment or supplement hereto, any financing statement, continuation statement or security agreement with respect to the Equipment and any instrument of further assurance relating to its compliance with the terms, conditions and covenants contained in any of the Loan Documents.

**Section 3.11. Right of Inspection.** The Bank and the Trustees shall have the right to enter upon and inspect the Property at such reasonable time or times as they may desire, either in person or through their duly authorized agents or representatives.

**Section 3.12. Taxation of Deed of Trust.** In the event of the enactment after the date of this Deed of Trust of any Legal Requirement changing in any way the laws for the taxation of deeds of trust or debts secured thereby, or the manner of the collection of any such taxes, so as to adversely affect the Bank, the Grantor shall, upon 30 days' prior written request from the Bank assume and agree, in writing, to pay any additional amount which the Bank would otherwise be required to pay because of such change, and thereafter such amount shall be deemed an Imposition.

**Section 3.13. Environmental Compliance.**

(a) **Maintenance of the Property.** The Grantor shall maintain the Property at all times so that (i) there are no Hazardous Materials at the Property except those listed on an inventory furnished to and approved by the Bank, which shall be kept current at least annually and shall identify the type, quantity and location of each such Hazardous Material; (ii) there is no release or discharge to the environment or threat of such discharge or release of any Hazardous Materials; (iii) the Property shall not be subject to any Legal Requirement or subject to liability to any person because of the presence of (A) stored, leaked or spilled petroleum products, (B) underground storage tanks or (C) an accumulation of rubbish, debris or other solid waste, or because of the presence, release, threat of release, discharge, storage, treatment, generation or disposal of any Hazardous Materials, including but not limited to asbestos and items or equipment containing polychlorinated biphenyls (PCBs) in excess of 50 parts per million; and (iv) no condition exists which is or may be characterized by any governmental authority as an actual or potential danger to the environment or public health.

(b) **Notices of Violations, Etc.** The Grantor shall provide to the Bank, within five days after the Grantor's receipt thereof, copies of all notices from governmental authorities alleging any threat to the environment or violation of any environmental Legal Requirement or requesting information regarding the Property's compliance with the same or regarding environmental conditions of the Property or the Grantor's practices with respect to such conditions. The Grantor also shall promptly notify the Bank

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of any Default which exists with respect to the Grantor's obligations under Section 3.13(a). If any such Default exists or if the Bank has reason to believe that such a Default exists, the Bank shall have the right at any time thereafter to conduct an environmental audit and site inspection of the Property, and the Grantor shall cooperate with the Bank in conducting such audit and inspection. In addition, the Bank may undertake any voluntary remediation in response to the action or threat of action by any third party including a governmental authority with respect to the matters specified in Section 3.13(a). Any costs incurred by the Bank in conducting such audit and inspection or in such remediation efforts and interest thereon at the Interest Rate shall be payable on demand and shall be secured by this Deed of Trust.

**Section 3.14. Payment of Costs.** In addition to such other amounts as it has agreed to pay pursuant to the provisions of this Deed of Trust, the Grantor shall pay all expenses, including attorneys' fees, incurred by the Bank or the Trustees in (i) the collection of any sum, the payment of which is secured hereby, (ii) preserving the Security Property or disposing of all or any part of the same, whether by foreclosure or otherwise, (iii) participating in any litigation or administrative proceeding involving the Property or the Loan Documents, whether as a plaintiff or a defendant, (iv) conducting any additional title examinations requested by the Trustees or the Bank, or (v) obtaining any appraisal of the Property the Bank may request from time to time. All of such expenses and fees and interest thereon at the Interest Rate shall be payable on demand and shall be secured by this Deed of Trust.

**Section 3.15. Further Assurances.** The Grantor shall, at its expense, perform such further acts and execute, acknowledge and deliver all such documents as the Bank shall, from time to time, reasonably require to assure the Bank that the Grantor is complying with all of the Obligations to be performed by it and that the liens and security interests granted by this Deed of Trust are perfected and preserved.

**Section 3.16. Notice of Foreclosure.** The Grantor shall promptly notify the Bank of the institution of any foreclosure sale of the Property or any other proceeding to enforce any lien on the Property.

**Section 3.17. Loan to Value.** If at any time (i) the applicable laws or regulations governing the Bank require a re-appraisal of the Property or (ii) it appears to the Bank that the Market Value of the Property is such that the Bank deems itself insecure, then the Bank may, at the Grantor's expense, obtain a current appraisal of the Property. If the appraisal indicates a Market Value of the Property such that the principal amount of the Loan, plus the principal amount of all other extensions of credit secured by the Property, exceeds 75.0% of the combined Market Value (as hereinafter defined) of the Property, and any other property then securing the Loan (the "Loan-to-Value Ratio"), then the Grantor will, within 30 days after the request by the Bank, either pay down the Loan with its own funds or provide additional collateral acceptable to the Bank such that the Loan-to-Value Ratio will not be exceeded. If the Grantor provides additional collateral, the Grantor will execute and deliver such documents as the Bank requires to pledge the same as security for the Loan and will furnish such other information and documentation as the Bank may require in connection therewith, all at the Grantor's cost. As used herein, "Market Value" will have the meaning provided in the applicable statutes and regulations of the Commonwealth of Virginia and the Federal Deposit Insurance Corporation relating to appraisals for real estate loans made by Virginia banking corporations which are not members of the Federal Reserve System, as such statutes and regulations may be amended from time to time.

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**ARTICLE IV**  
**DAMAGE, DESTRUCTION AND CONDEMNATION**

**Section 4.1. Notice.** In the case of (i) any damage to or destruction of all or any part of the Property, (ii) a Condemnation of all or any part of the Property, (iii) the loss of all or any part of the Property because of failure of title or (iv) the commencement of any proceeding or negotiation which might result in such a Condemnation or loss, the Grantor shall promptly give notice thereof to the Bank describing generally the nature and extent of such damage, destruction, Condemnation, loss, proceeding or negotiation.

**Section 4.2. Restoration of the Property.** If all or any part of the Property is destroyed or damaged and the Bank permits the available proceeds of insurance to be applied to such repair or restoration, the Grantor shall promptly repair or restore the Property to its condition immediately before such damage or destruction, with such alterations and additions as the Bank may approve.

**Section 4.3. Application of Insurance Proceeds.** If all or any part of the Property is destroyed or damaged, the Bank may, after deducting the reasonable expenses incurred in the collection and administration of the proceeds of any insurance paid because of such damage or destruction (including attorneys' fees), at its option (i) apply the remainder of such proceeds to the payment of such of the Obligations as then may be due in such order as the Bank may determine, (ii) hold the remainder of such proceeds as additional collateral for the Obligations or (iii) make the remainder of such proceeds available to the Grantor for the purpose of repairing or restoring the Property as required by Section 4.2 of this Deed of Trust subject to such terms and conditions as the Bank would customarily impose with respect to the disbursement of the proceeds of a real estate construction loan. If the insurance proceeds are applied to the cost of repairing or restoring the Property, any balance of such proceeds remaining after the completion of the repair or restoration work may, at the Bank's option, (i) be applied to the payment of such of the Obligations as may be then due in such order as the Bank may determine, (ii) be held by the Bank as additional Collateral for the Obligations and/or (iii) be released to the Grantor or to whomsoever may be lawfully entitled to receive the same.

**Section 4.4. Condemnation.** If all or any substantial portion of the Property shall be damaged, taken or transferred through Condemnation, then the entire amount of all compensation and other amounts payable as a result of such Condemnation shall, at the Bank's option, (i) be applied to the payment of such of the Obligations as may be then due in such order as the Bank may determine and/or (ii) be held by the Bank as additional collateral for the Obligations. The term "substantial portion of the Property" as used in this Section 4.4 shall mean so much of the Property as shall have, in the Bank's opinion, a material effect on the ability of the Grantor, as applicable, to use and operate the Property in the same manner as it is currently being used and operated, to make required payments of principal and interest on the Note or otherwise to pay and perform the Obligations. No settlement respecting any Condemnation shall be effected without the consent of the Bank. The Bank and the Trustees are each hereby authorized, at their option, to commence, appear in and prosecute, in their own names or in the name of the Grantor, any action or proceeding relating to any Condemnation, and to settle or compromise any claim in connection therewith. If less than a substantial portion of the Property is damaged, taken or transferred in a Condemnation, then the Bank, after deducting from the Condemnation proceeds all of its expenses incurred

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in the collection and administration of such sums, including attorneys' fees, may (i) apply the remainder of such proceeds to the payment of such of the Obligations as may then be due in such order as the Bank may determine, (ii) hold the remainder of such proceeds as additional collateral for the Obligations or (iii) require the Grantor to repair, restore or replace the Property or the affected portion thereof as nearly as practical to its condition immediately prior to the Condemnation, and in such event any proceeds of the Condemnation shall be applied to the costs of such repair, restoration or replacement on the same terms and conditions as are specified in Section 4.3 of this Deed of Trust regarding the application of insurance proceeds.

**ARTICLE V  
DEFAULT; REMEDIES**

**Section 5.1. Default.** Each of the following shall constitute a "Default" under this Deed of Trust:

(i) the failure to pay when due any principal of or interest on the Note, or to pay any other sum secured by this Deed of Trust, or any other sum due and payable under any of the Loan Documents;

(ii) the failure to maintain at all times the insurance required by Section 3.7 of this Deed of Trust, the failure to comply with the provisions of Section 3.9 of this Deed of Trust or the failure of the Grantor to notify the Bank of any default with respect to the Grantor's obligations under Section 3.13(a) of this Deed of Trust;

(iii) the occurrence of any default in the performance or observance of, or under the terms of, any other warranty, covenant, condition or provision contained in the Note, this Deed of Trust or any of the other Loan Documents;

(iv) the occurrence of any default under any of the documents evidencing any indebtedness secured by a lien against the Property or any part thereof which is subordinate or prior to the lien of this Deed of Trust;

(v) the death, incompetence, merger, consolidation, reorganization, dissolution, or termination of existence of the Grantor; or the pledge, lease or other disposition of all or substantially all of the assets of the Grantor;

(vi) the inability of the Grantor to pay its debts as they mature, the insolvency of the Grantor, the filing of a petition by or against the Grantor under the provisions of any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar law for relief of debtors, the appointment or application for appointment of any receiver for the Grantor or the property of the Grantor, the issuance or service of any attachment, levy, garnishment, tax lien or similar process against the Grantor or the property of the Grantor, the entry of a judgment against the Grantor, or an assignment for the benefit of creditors by the Grantor; or

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(vii) the determination by the Bank that (A) there has occurred an adverse change in the financial condition of the Grantor, (B) the value of the Property has been impaired, or (C) there has occurred or developed an event or condition which impairs the prospect of payment or performance of any of the Obligations.

**Section 5.2. Acceleration of Note.** Upon the occurrence of a Default, the entire unpaid principal amount of the Note, all accrued but unpaid interest thereon, if any, and all other sums now or hereafter secured by this Deed of Trust shall, at the option of the Bank, immediately become due and payable.

**Section 5.3. Surrender of Possession.** Upon the occurrence of a Default the Grantor shall, upon demand of the Bank, promptly surrender to the Bank or the Trustees, or their employees or agents, the actual possession of the Property (the term "Property" as hereinafter used in this Article V shall mean all of the Property or any part thereof, as the Bank shall select), and the Bank or the Trustees, or their employees or agents may enter and take possession of the Property, without the appointment of a receiver or filing an application therefor, and may exclude the Grantor and its employees and agents wholly therefrom. If the Grantor shall fail, upon demand, to surrender the Property, the Bank or the Trustees may obtain a judgment or decree requiring the Grantor to surrender immediate possession of the same.

**Section 5.4. Right to Manage Property.**

(a) **Right to Manage, Etc.** Upon any entering or taking possession of the Property pursuant to Section 5.3 of this Deed of Trust, the Bank or the Trustees may use, manage, operate and control the Property and, in so doing, shall have access to the books, papers and accounts of the Grantor relating to the Property and may collect all of the Income from the Property. In addition, the Bank or the Trustees may (i) complete any construction then in process on the Property; (ii) maintain and restore the Property and make such repairs, additions and improvements thereto and thereon, and purchase or otherwise acquire such additional fixtures, equipment and other property as they may deem necessary to facilitate the operation of the business of the Property; (iii) contest or compromise any claim or encumbrance against the Property (including, without limitation, any lien prior or subordinate to the lien of this Deed of Trust); (iv) employ such counsel, accountants, contractors and other persons as any of them shall deem necessary to assist it; (v) insure or keep the Property insured; (vi) perform all acts required of the Grantor with respect to the Property, including acts required of it under any Lease; and (vii) exercise all of the rights and powers which the Grantor possessed with respect to the Property to the same extent as the Grantor could have exercised the same. Any amounts collected from the Property shall, after deducting therefrom sums expended pursuant to the provisions of this Section 5.4(a), be, at the option of the Bank, (i) applied to the payment of such of the Obligations as may be then due in such order as the Bank may determine or (ii) held by the Bank as additional collateral for the Obligations.

(b) **Appointment of Attorney-in-Fact.** For the purpose of carrying out the provisions of Section 5.4(a) of this Deed of Trust, the Grantor hereby irrevocably appoints the Bank and the Trustees, any one of whom may act, the true and lawful attorneys-in-fact for the Grantor and authorizes them, or any one of them, to perform any act described in Section 5.4(a) and any and all actions necessary and incidental thereto. This power of attorney is a power coupled with an interest which cannot be revoked.

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**Section 5.5. Appointment of Receiver.** Upon the occurrence of a Default, the Bank, upon application to a court of competent jurisdiction, shall be entitled as a matter of right and without notice, to the appointment of a receiver to take possession of and to operate the Property and to collect all amounts assigned hereunder. The receiver shall have all of the rights and powers permitted under the laws of Virginia.

**Section 5.6. Environmental Audit.** Upon the occurrence of a Default, the Bank may undertake or direct to be undertaken a full or partial environmental audit and site inspection of the Property, taking all reasonable measures to determine the condition of the Property and the Grantor's compliance with applicable environmental Legal Requirements and the Grantor shall cooperate fully with such audit and inspection.

**Section 5.7. Right to Cure Defaults.** If any Default occurs hereunder or under any of the Loan Documents, the Bank or the Trustees, without prior notice to or demand upon the Grantor and without waiving or releasing such Default (in addition to any other rights and remedies they may have), may, but shall be under no obligation to, make any payment or take such action as may be necessary to cure the Default. If the Bank makes any payment or takes any action to satisfy the requirements of any instrument imposing a lien on the Property which is prior to the lien of this Deed of Trust, the Bank shall be subrogated to the rights of the holder of such prior lien.

**Section 5.8. Foreclosure.** Upon the occurrence of a Default, the Bank, at its option, may effect the foreclosure of this Deed of Trust by directing the Trustees to sell all of the Property, any one or more parcels of the Property (if more than one) or any portion or portions thereof, as the Bank may select, at public auction at such time and place and upon such terms and conditions as may be required or permitted by applicable law, after having first advertised the time, place and terms of sale not less than once a week for two successive weeks (the last day of which may be the day of sale) in a newspaper having general circulation in the city or county in which the Property lies. In the event of any such sale, the Bank may bid for and purchase the Property (or such portion thereof as may be offered for sale) and shall be entitled to apply all or any part of the amount secured by this Deed of Trust as a credit to the purchase price. At any foreclosure sale, such portion of the Property as is offered for sale may, at the Bank's option, be offered for sale for one total price, and the proceeds of such sale accounted for in one account without distinction between the items of security or without assigning to them any proportion of such proceeds, the Grantor hereby waiving the application of any doctrine of marshalling. If less than all of the Property is sold at foreclosure and any of the Obligations remain outstanding after the sale proceeds are applied thereto, this Deed of Trust shall continue as a lien on the Property remaining unsold, and the Bank may at any time thereafter direct the Trustees to sell the same as provided above.

**Section 5.9. No Reinstatement.** If a Default shall have occurred and the Bank or the Trustees shall have commenced to exercise any of the remedies permitted hereunder, then a tender of payment by the Grantor or by anyone on behalf of the Grantor of the amount necessary to satisfy all sums due hereunder, or the acceptance by the Bank of any such payment so tendered, shall not, without the prior consent of the Bank, constitute a reinstatement of the Note or this Deed of Trust.

**Section 5.10. Indemnification by Grantor.** The Grantor shall indemnify and save harmless the Bank and the Trustees from and against all liabilities, claims, damages, penalties, fines,  
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losses, costs and expenses (including, without limitation, attorneys' fees) arising from (i) any personal injury or damage to property occurring on or about the Property, (ii) the breach by the Grantor of any of its obligations under this Deed of Trust (including, without limitation, the Grantor's covenants in Section 3.13 of this Deed of Trust) and (iii) the exercise and performance by the Bank or the Trustees of their powers and duties under this Deed of Trust and the other Loan Documents and, in the case of the Trustees, as a result of their serving in such capacity hereunder; provided, however, that the Grantor shall not be required to indemnify the Bank or the Trustees against acts which are the result of their respective willful misconduct or gross negligence. If any action, suit or proceeding is brought against the Bank or the Trustees for which the Grantor is required to provide indemnification under this Section 5.10, the Grantor, upon request and at its expense, shall defend such action, suit or proceeding, or cause the same to be defended by counsel designated by the Grantor and approved by the Bank. Such approval shall not be withheld unreasonably and shall not be required in the case of defense by counsel designated by any insurance company undertaking such defense pursuant to any applicable policy of insurance. The obligations of the Grantor under this Section 5.10 shall survive payment of the Note and acquisition by the Bank of the Property or any portion thereof at foreclosure or by deed in lieu of foreclosure.

**Section 5.11. Remedies Cumulative.** No right, power or remedy conferred upon or reserved to the Bank or the Trustees by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the other Loan Documents or now or hereafter existing at law or in equity.

**Section 5.12. Waiver Relating to Remedies.** The Grantor (i) hereby waives, to the full extent provided by law, any requirement that the Bank or the Trustees present evidence or otherwise proceed before any court, clerk or other judicial or quasi-judicial body before exercising the power of sale contained in this Deed of Trust and (ii) agrees that upon the occurrence of a Default, neither the Grantor nor anyone claiming through or under the Grantor will seek to take advantage of any moratorium, reinstatement, forbearance, appraisalment, valuation, stay, extension, homestead exemption or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of the provisions of this Deed of Trust and hereby waives to the full extent that it may lawfully so do, the benefit of all such laws.

**Section 5.13. Costs Incurred by Bank and Trustees.** Any and all costs and fees (including attorneys' fees) incurred by the Bank or the Trustees in exercising their rights and remedies under this Article V, together with interest thereon at the Interest Rate, shall be payable by the Grantor on demand and shall be secured by this Deed of Trust.

**Section 5.14. Waiver of Jury Trial.** THE GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS DEED OF TRUST, WHETHER SUCH SUIT, ACTION, PROCEEDING, OR COUNTERCLAIM IS INSTITUTED BY THE BANK, THE GRANTOR, THE TRUSTEES OR ANY OTHER PARTY.

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**ARTICLE VI  
THE TRUSTEES**

**Section 6.1. Any Trustee May Act; Substitution Permitted.** The powers of the Trustees may be exercised by either Trustee or by any successor Trustee with the same effect as if exercised jointly by both of them. The Grantor hereby grants to the Bank, in its sole discretion, the right and power to appoint a substitute trustee or trustees for any reason whatsoever. Such substitution shall be made by an instrument duly executed and acknowledged and recorded where this Deed of Trust is recorded.

**Section 6.2. Compensation and Expenses.** The Grantor shall pay the Trustees just compensation for any and all services performed and all their reasonable expenses, charges, counsel fees and other obligations incurred in the administration and execution of the trusts hereby created and the performance of their duties and powers hereunder, which compensation, reasonable expenses, fees and disbursements shall constitute a part of the Obligations secured hereby.

**Section 6.3. Performance of Duties; Liability.** The Trustees shall perform and fulfill faithfully their obligations hereunder, but they shall be under no duty to act until they receive notice of the occurrence of a Default from the Bank and arrangements have been made which are satisfactory to them for the indemnification to which they are entitled, the payment of their compensation and the reimbursement of any expenses they may incur in the performance of their duties. They shall have no liability for their acts except willful misconduct or gross negligence.

**ARTICLE VII  
MISCELLANEOUS**

**Section 7.1. Successors and Assigns.** This Deed of Trust shall inure to the benefit of and be binding on the parties hereto and their respective heirs, personal representatives, successors and assigns.

**Section 7.2. Severability.** If any provision of this Deed of Trust, or the application thereof in any circumstance, is deemed to be unenforceable, the remainder shall not be affected thereby and shall remain enforceable.

**Section 7.3. Applicable Law.** This Deed of Trust shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

**Section 7.4. Notices.** Any notice or demand required or permitted under this Deed of Trust shall be deemed given when actually received by the addressee, or deposited in the United States mail, postage prepaid, by registered or certified mail, addressed to the respective party at the address first set forth above (or addressed in such manner as the party being notified shall have requested by such written notice to the other parties).



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**Section 7.5. Approvals and Consents.** All approvals and consents required or permitted by this Deed of Trust shall be in writing, shall be signed by the party from whom the consent or approval is sought and, unless otherwise provided herein, may be withheld by such party in its sole discretion.

**Section 7.6. Amendments.** This Deed of Trust may only be amended, supplemented or terminated in writing, signed by all of the parties hereto.

**Section 7.7. No Partnership.** Nothing in this Deed of Trust shall be construed as making any party a partner or joint venturer with any other party.

**Section 7.8. Renewal or Extension, Etc.** The Grantor agrees that the rights of the Bank and the obligations of the Grantor hereunder are absolute and unconditional, and without in any way affecting such rights and obligations, and without notice to or further consent of the Grantor (a) advances may be made from time to time under the Note, (b) the Obligations, or any part thereof, may be renewed or extended beyond maturity, the interest rate may be adjusted, and the terms of the Obligations may otherwise be modified, as often as may be desired, all as agreed to between the Grantor and the Bank, (c) the Bank may release or discharge any party who is or may become liable for the Obligations, (d) the Bank may release or discharge any collateral which is or may become security for the Obligations and (e) the Bank may do, or fail to do, any other act which might, but for the provisions of this Section, constitute a legal or equitable discharge of the Grantor's obligations hereunder. The Grantor further waives any right it may have to require the Bank to proceed against any other party liable for the Obligations or any other collateral securing the Obligations before exercising any remedies herein granted to the Bank.

**Section 7.9. Failure to Exercise Rights.** No delay or failure to act by the Bank or the Trustees, however long continued, with respect to any right, power or remedy available to them shall be construed as a waiver of any such right, power or remedy or of any Default. No waiver of any right, power or remedy or of a Default shall be effective unless such waiver is in writing and signed by the Bank, and any such waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

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WITNESS the following signature and seal.

NC DEVELOPMENT, L.L.C. [SEAL]

By: [Signature]  
Name: Matthew Carroll  
Title: MEMBER

STATE OF VIRGINIA  
CITY/COUNTY OF FAIRFAX, to wit:

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of October 2009, by Matthew Carroll, as Managing Member of NC Development, L.L.C., a Virginia limited liability company, on behalf of the company.

My commission expires: 7/31/2013  
Notary Registration No.: 132897

[Signature] [SEAL]  
Notary Public

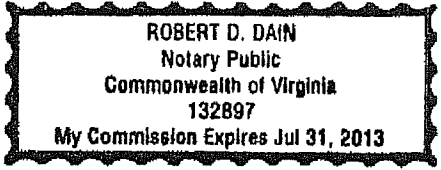


EXHIBIT A

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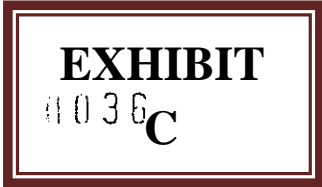
THE LAND

All that certain lot or parcel of land, lying and being situate on the northern side of Hope Drive, in the City of Winchester, Virginia, designated as Lot 2, containing 2.578 acres, more or less, as set forth on that certain plat titled "Boundary Survey Lots 1 & 2, Phase II-A, HOPE DRIVE SUBDIVISION" dated January 11, 2006, drawn by Thomas J. Stark, L.S., which plat is attached to and made a material part of that certain Amendment of Supplemental Subdivision Plat dated January 6, 2006, of record in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia, as Instrument No. 060000159.

AND BEING the same property conveyed to NC Development, L.L.C., a Virginia Limited Liability Company by Deed from Direct Partners, L.L.C. a Virginia Limited Liability Company dated August 20, 2007, or record in the Office of the Clerk of the Circuit Court for the City of Winchester, Virginia as Instrument Number 070003077. Reference is made to the aforesaid plat, deed and the references contained therein for a futher and more particular description of the property conveyed herein.

INSTRUMENT #0900032864  
RECORDED IN THE CLERK'S OFFICE OF  
WINCHESTER ON  
OCTOBER 28, 2009 AT 01:11PM

TERRY H. WHITTLE, CLERK  
RECORDED BY: DLP



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**THIS IS A SUPPLEMENTAL DEED OF TRUST**

THIS SUPPLEMENTAL DEED OF TRUST made and entered into this 30<sup>th</sup> day of March, 2012, by and between NC DEVELOPMENT, L.L.C., a Virginia limited liability company, party of the first part, hereinafter called Grantor, and KURT J. MARX of 2071 Chain Bridge Road, Vienna, Virginia 22182 and R. SCOTT RITTER of 2071 Chain Bridge Road, Vienna, Virginia 22182, Trustees, either one or both of whom may act, parties of the second part; and UNITED BANK, 4095 Valley Pike, Winchester, Virginia 22602, party of the third part, the Beneficiary.

**WITNESSETH:**

WHEREAS, United Bank (the "Lender"), whose mailing address is 2071 Chain Bridge Road, Vienna, Virginia 22182, is the beneficiary of a certain Deed of Trust dated October 5, 2007, recorded October 10, 2007 made by Courthouse Plaza, L.L.C., a West Virginia limited liability company, to secure United Bank in the amount of Nine Hundred Sixty Thousand Dollars (\$960,000.00) (the "Courthouse Plaza Indebtedness"), of record in Deed of Trust Book 2222 at Page 643; with Assignment of Rents dated October 5, 2007, recorded October 10, 2007, in Deed Book 881 at Page 44, as corrected and re-recorded in Deed Book 887 at Page 619 (the "Courthouse Plaza Deed of Trust"); and,

WHEREAS, United Bank (the "Lender"), whose mailing address is 2071 Chain Bridge Road, Vienna, Virginia 22182, is the beneficiary of a certain Deed of Trust dated October 9, 2007, recorded October 11, 2007 made by East Coast Capital Investments, L.L.C., a Virginia limited liability company, securing a Note in the amount of One Million One Hundred Sixty Thousand Dollars (\$1,160,000.00) (the "East Coast Capital Investments Indebtedness"), of record in Deed of Trust Book 2188 at Page 287; as modified by Modification of Deed of Trust dated April 8, 2008, recorded April 28, 2008, of record in Deed of Trust Book 2259 at Page 582; with Assignment of Rents dated April 8, 2008, recorded April 28, 2008, of record in the

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aforesaid Clerk's Office in Deed Book 897 at Page 0012 (the "East Coast Capital Investments Deed of Trust"); and

**WHEREAS**, the Courthouse Plaza Indebtedness and the East Coast Capital Investments Indebtedness collectively are referred to hereafter as the "Indebtedness;" and,

**WHEREAS**, the Grantor has requested that additional security be provided in order to better secure the Lender up to the amount of Two Hundred Thousand Dollars (\$200,000.00) of the Indebtedness to which the Borrowers, Courthouse Plaza, L.L.C., East Coast Capital Investments, L.L.C. and NC Developments, L.L.C., have agreed and the Grantor herein has agreed to place the additional collateral as described on Schedule A attached hereto to better secure the aforesaid Indebtedness and, further, to agree to the cross collateralization of the Courthouse Plaza Deed of Trust and the East Coast Capital Investments Deed of Trust with this Supplemental Deed of Trust.

**NOW, THEREFORE, THIS SUPPLEMENTAL DEED OF TRUST:**

That for and in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by the party of the first part, the said party of the first part does hereby grant and convey with General Warranty and with English Covenants of Title, unto the said KURT J. MARX and R. SCOTT RITTER, TRUSTEES, parties of the second part, the following described real estate: 320 Hope Drive, Winchester, Virginia 22601 - SEE SCHEDULE A ATTACHED HERETO.

In Trust, nevertheless to secure the payment in full, both principal and interest of said Indebtedness up to the amount of Two Hundred Thousand Dollars (\$200,000.00), which is secured by aforesaid Courthouse Plaza Deed of Trust and the East Coast Capital Investments Deed of Trust, which Indebtedness is payable to United Bank, together with interest as stated therein, and to this end to secure up to the amount of Two Hundred Thousand Dollars (\$200,000.00) of the Indebtedness evidenced by the aforesaid Note in whatsoever form it may

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hereafter assume, by renewal or renewals, in whole or in part, by change of parties, makers, endorsers or otherwise, until the full amount of said Indebtedness has been fully paid and discharged.

This Supplemental Deed of Trust expressly incorporates all provisions, conditions and covenants as set forth in the Deed of Trust dated October 5, 2007, of record in Deed of Trust Book 2188 at Page 125 in the Office of the Clerk of the County Commission for Berkeley County, West Virginia, as corrected and re-recorded in Deed Book 2222 at Page 643; and Assignment of Rents dated October 5, 2007, recorded October 10, 2007, in Deed Book 881 at Page 44, as corrected and re-recorded in Deed Book 887 at Page 619; and all provisions, conditions and covenants as set forth in the Deed of Trust dated October 9, 2007, recorded October 11, 2007, of record in Deed of Trust Book 2188 at Page 287, as modified by Modification of Deed of Trust dated April, 8, 2008, recorded April 28, 2008, of record in Deed of Trust Book 2259 at Page 582, with Assignment of Rents dated April 8, 2008, recorded April 28, 2008 of record in Deed Book 897 at Page 0012, and any supplements thereto, the same as if said provisions, conditions and covenants were fully set forth herein.

The Grantor herein agrees that in the event that this supplemental Deed of Trust contains any provision contrary to or in conflict with that certain Deed of Trust dated October 5, 2007, of record in Deed of Trust Book 2188 at Page 125 in the Office of the Clerk of the County Commission for Berkeley County, West Virginia, as corrected and re-recorded in Deed Book 2222 at Page 643; and Assignment of Rents dated October 5, 2007, recorded October 10, 2007, in Deed Book 881 at Page 44, as corrected and re-recorded in Deed Book 887 at Page 619, and all provisions, conditions and covenants as set forth in the Deed of Trust dated October 9, 2007, recorded October 11, 2007, of record in Deed of Trust Book 2188 at Page 287, as modified by Modification of Deed of Trust dated April, 8, 2008, recorded April 28, 2008, of record in Deed of Trust Book 2259 at Page 582, with Assignment of Rents dated April 8, 2008, recorded April 28, 2008 of record in Deed Book 897 at Page 0012, the terms of said Deeds of Trust and the supplements thereto shall govern.

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It is understood and agreed that a default under the terms of either the Courthouse Plaza Deed of Trust or the East Coast Capital Investments Deed of Trust shall constitute a default under the terms of this Supplemental Deed of Trust.

WITNESS the following signature and seal:

NC DEVELOPMENT, L.L.C.

By: *Matthew Carroll* (SEAL)  
*NC Development LLC MGR MBR*

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

COMMONWEALTH OF VIRGINIA,  
CITY OF WINCHESTER, TO-WIT:

The foregoing instrument was acknowledged before me this 30<sup>th</sup> March day of February, 2012, by Matthew Carroll, Member/Manager of NC Development, L.L.C.

My Commission expires 6/30/2014

Registration No. 138747

*Ronald W. Strosnider*  
NOTARY PUBLIC



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WITNESS the following signatures and seals:

EAST COAST CAPITAL INVESTMENTS, L.L.C.

By: *Matthew F. Carroll* (SEAL)  
Matthew F. Carroll, Member/Manager

By: *Claudio Buono* (SEAL)  
Claudio Buono, Member/Manager

COMMONWEALTH OF VIRGINIA,  
CITY OF WINCHESTER, TO-WIT:

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March, 2012, by Matthew F. Carroll and Claudio Buono, Members/Managers of East Coast Capital Investments, L.L.C.

My Commission expires 6/30/2014

Registration No. 138747

*Ronald W. Strosnider*  
NOTARY PUBLIC





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WITNESS the following signature and seal:

COURTHOUSE PLAZA, L.L.C.

By: *Matthew F. Carroll* (SEAL)  
Matthew F. Carroll, Manager

COMMONWEALTH OF VIRGINIA,  
CITY OF WINCHESTER, TO-WIT:

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March  
2012, by Matthew F. Carroll, Member/Manager of Courthouse Plaza, L.L.C.

My Commission expires 6/30/2014

Registration No. 138747

*Ronald W. Strosnider*  
NOTARY PUBLIC



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**SCHEDULE A**

All that certain lot or parcel of land, lying and being situate on the northern side of Hope Drive in the City of Winchester, Virginia, designated as Lot 2, containing 2.578 acres, more or less, as set forth on that certain plat titled "Boundary Survey Lots 1 & 2, Phase II-A, Hope Drive Subdivision" dated January 11, 2006, drawn by Thomas J. Stark, L.S., which plat is attached to and made a material part of that certain Amendment of Supplemental Subdivision Plat dated January 6, 2006, of record in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia, as Instrument No. 06-0000159; AND BEING the same property conveyed to NC Development, L.L.C., a Virginia limited liability company, by Deed from Direct Partners, L.L.C., a Virginia limited liability company, dated August 20, 2007 of record in the aforesaid Clerk's Office as Instrument No. 07-0003077. Reference is made to the aforesaid plat, deed and the references contained therein for a further and more particular description of the property conveyed herein.

**Tax Map No. 270-06-2**

**Property Address: 320 Hope Drive  
Winchester, VA 22601**

INSTRUMENT #120000919  
RECORDED IN THE CLERK'S OFFICE OF  
WINCHESTER ON  
APRIL 3, 2012 AT 10:37AM

TERRY H. WHITTLE, CLERK  
RECORDED BY: CMC

Label Matrix for local noticing  
0423-5  
Case 17-50630  
Western District of Virginia  
Harrisonburg  
Wed Nov 8 14:20:32 EST 2017

Hoover Penrod PLC  
342 SOUTH MAIN STREET  
Harrisonburg, VA 22801-3628

Mainstreet Bank  
c/o Law Offices of Dwayne L. Garrett, P.  
2568A Riva Road, Suite 301  
Annapolis, MD 21401-7449

NC Development, L.L.C.  
P.O. Box 31  
Winchester, VA 22604-0031

United Bank  
4095 Valley Pike  
Winchester, VA 22602-2475

Access Independence, LLC  
322 Hope Drive  
Winchester, VA 22601-6800

City of Winchester  
PO Box 263  
Winchester, VA 22604-0263

Commonwealth of VA, Dept of Tax  
P.O. Box 2156  
Richmond, VA 23218-2156

Courthouse Plaza, LLC  
115 Winterberry Court  
Winchester, VA 22602-6829

Dale A. Davenport, Esquire  
Hoover Penrod PLC  
342 South Main Street  
Harrisonburg, VA 22801-3628

Dwayne L. Garrett  
2568 A Riva Rd  
Suite 301  
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Dwayne L. Garrett, Esquire  
Counsel for Creditor, MainStreet Bank  
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2568A Riva Road, Suite 301  
Annapolis, MD 21401-7449

East Coast Capital Investments, LLC  
115 Winterberry Court  
Winchester, VA 22602-6829

Eukarya Family Center  
P.O. Box 664  
Winchester, VA 22604-0664

IRS  
PO Box 7346  
Philadelphia, PA 19101-7346

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2568A Riva Road, Suite 301  
Annapolis, MD 21401-7449

Mainstreet Bank  
10089 Fairfax Blvd  
Fairfax, VA 22030-1742

Mark B. Callahan, Esq.  
Clark & Bradshaw, P.C.  
92 N. Liberty Street  
Harrisonburg, VA 22802-3733

Respiratory Care Associates, L.C.  
304 Hope Drive  
Winchester, VA 22601-6800

UStTrustee  
Office of the United States Trustee  
210 First Street, Suite 505  
Roanoke, VA 24011-1620

Valley Health System  
220 Campus Blvd  
Suite 420  
Winchester, VA 22601-2889

B. Webb King  
Office of the United States Trustee  
210 First Street, Suite 505  
Roanoke, VA 24011-1620

Beth C Driver  
Hoover Penrod PLC  
342 S. Main Street  
Harrisonburg, VA 22801-3628

Dale A. Davenport  
342 South Main Street  
Harrisonburg, VA 22801-3628

Dwayne Garrett  
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2568A Riva Road, Suite 301  
Annapolis, MD 21401-7449

Hannah White Hutman  
Hoover Penrod, PLC  
342 South Main Street  
Harrisonburg, VA 22801-3628

(u)OakCrest Commercial Real Estate

(d)United Bank  
4095 Valley Pike  
Winchester, VA 22602-2475

|                     |    |
|---------------------|----|
| End of Label Matrix |    |
| Mailable recipients | 25 |
| Bypassed recipients | 2  |
| Total               | 27 |