

FITZGERALD & WALSH
Real Estate Corporation
6265 Franconia Road
Alexandria, Virginia 22310
Telephone: (703) 971-1800

SALES CONTRACT

This Agreement of Sale made in triplicate this 7th day of July, 1987, between REAL ESTATE GENERAL ASSOCIATES, INC. (hereinafter known as the Purchaser) and JEAN M. O'CONNELL * See Attachment (hereinafter known as the Seller) and FITZGERALD & WALSH R.E.C. (hereinafter known as the Agent) WITNESSETH: That for and in consideration of the sum of TWENTY THOUSAND AND NO HUNDREDS DOLLARS (\$20,000.00) by check in hand paid, receipt of which is hereby acknowledged, the Purchaser agrees to buy and the Seller agrees to sell for the sum of EIGHT HUNDRED FIFTY THOUSAND AND NO HUNDREDS DOLLARS (\$850,000.00) ~~SEVENTY FIVE THOUSAND AND NO HUNDREDS DOLLARS (\$75,000.00)~~, all that certain piece, parcel or lot of land described as follows, to-wit:

Parcel #17 and located on Cinderbed Road, Newington, Virginia, and identified on Fairfax County Tax Map page #90-4-001 and ~~99-2-01~~ As shown on attached tax map plat outlined in yellow and is part of this contract, said parcel containing approximately 15 acres more or less.

Terms of Sale:

Purchaser agrees to pay at settlement a down payment in the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) of which the above deposit is a part. The balance of purchase money in the

amount of SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) is to be a first deed of trust and note secured by

the property given by the Purchaser and held by the Seller for a period of eight years at TEN (10%) percent (8%) interest per annum.

Said Deed of Trust and Note of eight years is to be paid as

follows: The first three years the payments on the \$600,000.00 are

to be made in monthly payments of interest only in the amount of \$5,000.00 each month. The remaining five years (60 months) is to be paid in monthly installments of principal and interest payments

Handwritten initials and scribbles

\$5,790.18

in the amount of ~~\$1,500,000~~ which is amortized over a 20 year pay
schedule. The balance of Trust at the end of said latter five
years (60 months) of said Trust of _____ principal and accrued
interest is due and payable. Said Trust and Note are to have the
usual provision used in the State of Virginia Deeds of Trust and
Notes and to have a late payment penalty of five percent (5%) of
said payment amount if not paid by fifteenth day after due date.
The balance of said Trust Note can be paid in part or full at any
time without penalty.

This contract is contingent for a period of 30 calendar days
from date of acceptance by Purchaser and Seller of this contract
for a feasibility and economic or engineering study. Said study is
to be at Purchaser's cost and in the event said study is not to the
satisfaction of the Purchaser, then this contract at Purchaser's
option is null and void and of no effect and all parties to this
contract are released of any and all liabilities and the Ernest
Deposit is to be returned in full to the Purchaser. Seller will
allow Purchaser to enter the property during said study period for
such studies. The Purchaser will not cause any damage to said
property and will restore any change to the land back to its
original state.

In the event Purchaser has not notified the Seller that
studies are not at Purchaser's satisfaction prior to the 30th day
of study period, then the study period contingency is removed and
this contract is in full force as to the contract terms.

The Seller agrees to convey the above property with a
General Warranty Deed, same to be prepared at the expense of the
Seller. Examination of title, conveyancing, notary fees, and all
recording charges, including those for purchase money trust, if
any, are to be at the cost of the purchaser.

Where trustees are to be named in a deed of trust or trusts the said trustees are to be named by the party respectively secured thereby.

All taxes, insurance, rents, and interest are to be prorated as of Date of Settlement.

The purchaser agrees to comply with the terms of sale herein within 60 days from the date of acceptance by owner or the deposit will be forfeited, in which event one-half of said deposit shall be paid to Seller and half to Agent.

Settlement to be made at the offices of _____ to be selected by purchaser .

It is understood that the title is to be free and clear of all liens and indebtedness of every kind except the liens above mentioned. However, a reasonable time shall be allowed the Seller to correct any defects reported by the title examiner.

It is understood that the property to be conveyed subject to any restrictions now thereon.

Possession is to be given Settlement Date.

The Seller agrees to pay to the Agent cash for his services a commission on the sale price of the property at the following rate: Four percent (4%) of sales price and attorney handling this settlement is instructed to disburse to Fitzgerald and Walsh from proceeds of the settlement.

amt

WITNESS the following signatures and seals made this _____ day of _____, 19 _____.

PURCHASER:

Real Estate General Assoc., Inc.

By J. H. Sills (SEAL)
J. H. Sills, Vice President

SELLER: * SEE ATTACHEMENT

(SEAL)

By _____
L. S. Fitzgerald, Agent
Fitzgerald & Walsh

A.C. [Signature]
Arthur [Signature] Director

amt

THIS CONTRACT OFFER REMAINS IN FORCE UNTIL MIDNIGHT JULY 31, 1987 AFTER WHICH TIME ITS VOID TO ALL PARTIES UNLESS ACCEPTED OR COUNTERED.

ADDENDUM

DEED OF TRUST

Said note or notes will be secured by a Deed of Trust whose trustees will be designated by the Sellerss.

FINANCIAL DATA

Within five (5) days of the signing of this Contract, Purchaser shall furnish to Sellers a financial statement upon the form provided and in addition shall furnish such other additional financial data as required by the sellers.

This contract is expressly contingent upon approval by the seller of the financial credit worthiness of the Buyer. Sellers shall have no more than five (5) days from the receipt of the requested data in which to reject this contract in the event of dissatisfaction with the financial information furnished. If at the end of the five (5) day period Sellers have not notified Buyer in writing of such a rejection, this contingency shall be automatically removed.

BREACH

In the event of breach, the party at fault shall pay costs and attorney's fees, plus damages incidental to the breach such as: moving and relocation expenses, loss of deposit money, increased interest rates and lost interest earning opportunities.

MISCELLANEOUS

The principals to this contract mutually agree that it shall be binding upon them, their and each of their respective heirs, executors, administrators, successors and assigns; that the provisions hereof shall survive the execution and delivery of the deed aforesaid and shall not be merged thereon; that this contract contains the final and entire agreement between the parties hereto and that neither they nor their agents shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained.

Neil Thomas
Michael O'Connell

ATTACHMENT TO CONTRACT

PARTIES

JEAN M. O'CONNELL and HERBERT ANDERSON HIGHAM and ANTHONY M. O'CONNELL, TRUSTEES OF THE RESIDUARY TRUST UNDER THE WILL OF HAROLD A. O'CONNELL.

ACCEPTED BY SELLERS

JEAN M. O'CONNELL

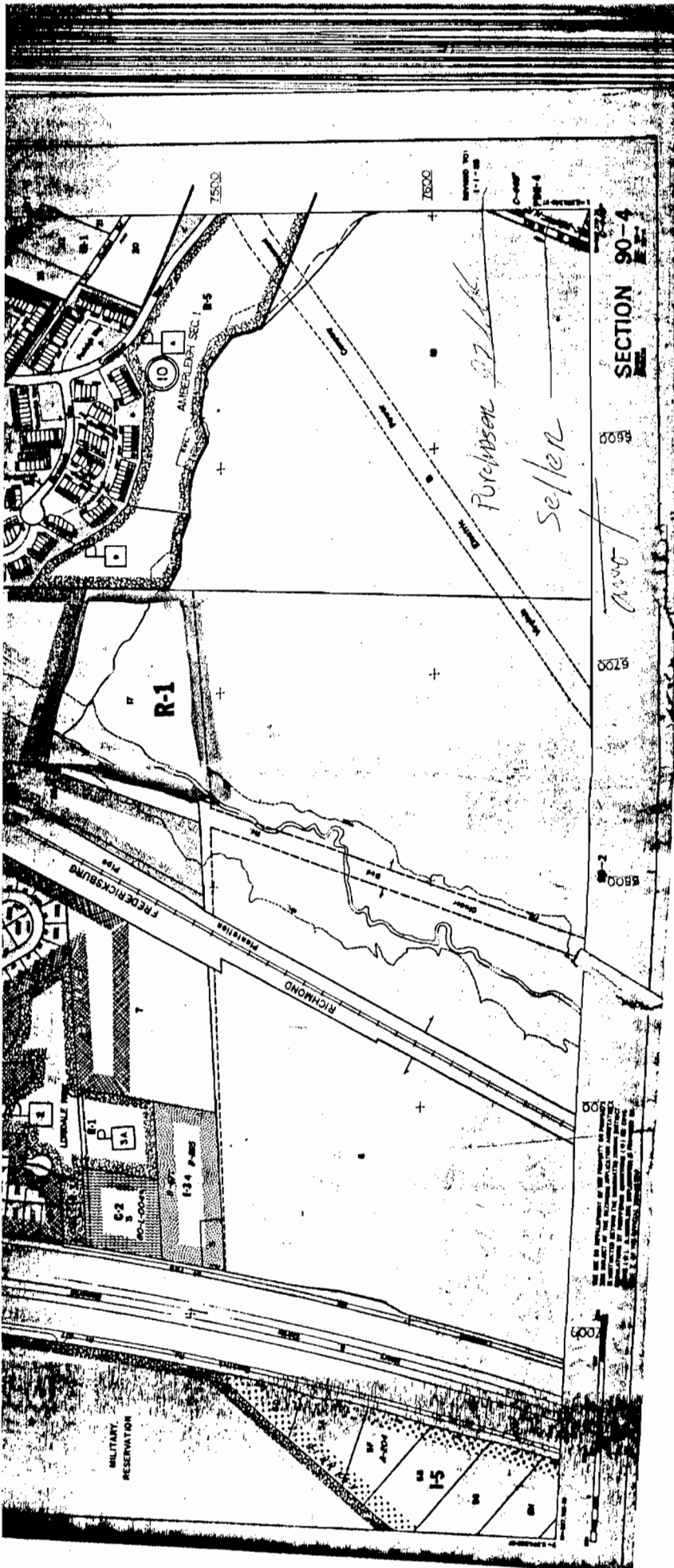
Herbert Anderson Higham

HERBERT ANDERSON HIGHAM, TRUSTEE

Anthony M. O'Connell

ANTHONY M. O'CONNELL, TRUSTEE

DATE: _____



SECTION 90-4

8500

8200

8800

8900

1000

MILITARY RESERVATION

R-1

AMBERLEY SEC. 1

Purvison Seller

FREDERICKSBURG

RICHMOND

15

1000

EDWARD J. WHITE
ATTORNEY AT LAW
118 SOUTH ROYAL STREET
ALEXANDRIA, VIRGINIA 22314
TELEPHONE 836-5444

COPY

July 17, 1987

Mrs. Harold A. O'Connell
6541 Franconia Road
Springfield, Va. 22150

Re: Accotink property offer

Dear Mrs. O'Connell,

I have reviewed the contract from Real Estate General Associates, Inc. and have enclosed as an Addendum some changes to it which are not terribly substantive.

I think since you and the Trust are being asked to carry quite a bit of debt that some financial data should be submitted to you. The buyer should be asked to fill in a standard bank loan application form which can be obtained from your (or any bank).

The breach clause should definitely be in the contract.

The miscellaneous additions are standard and should not have been omitted by the realtor.

Of course I can not give any opinion as to the correctness of the price, but it does seem to be in the range of Mr. Higham's earlier estimate. The fact that there is no request for subordination of your mortgage is a strong selling point for this offer.

I am concerned about the size of the commission which will amount to \$51,000.00 off the top. I really think this can be negotiated down to about 4%. Considering the amount of work involved for the realtor in this matter, I think \$34,000.00 is more than generous.

An additional money consideration is the fact that this property was inherited at a basis of \$37,000.00. As I understand it the capital gain would be the difference between the sales price and the inherited price adjusted for the mortgage. I would guess that of the \$250,000.00 cash received the tax might be about 40% or \$100,000.00. By my rough calculations I think your share (53.91%) might net \$53,370.00 at the settlement. You probably will wish to check this with Jo Ann Barnes.

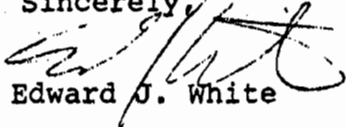
Page 2
Ltr to Mrs. Harold A. O'Connell
July 17, 1987

If the trust were larger the tax would be cut down but that would also cut your net share. Frankly I think the place to increase your share would be through the commission.

I have added an Attachment which reflects the actual sellers and a signature line for them.

Please show this to Andy and either of you feel free to call me.

Sincerely,



Edward J. White

EJW/e
Encl.

COPY

A G R E E M E N T

THIS AGREEMENT, made this 15th day of March, 1988,
by and between Robert A. Newbill, Trustee, party of the First
Part (hereinafter called Purchaser), and Mrs. H.A. O'Connell,
Anthony O'Connell, Co-Trustee and H.A. Highman, Co-Trustee
parties of the Second Part (hereinafter called Seller), and
SHANNON & LUCHS COMPANY, party of the Third Part (hereinafter
called Agent):

W I T N E S S E T H:

That for and in consideration of a deposit in the amount of
TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) in the form of a check
to be held in escrow (in an interest bearing account) by Shannon
& Luchs, with interest to accrue to Purchaser, the Sellers agree
to sell, and the Purchaser agrees to purchase approximately
fifteen (15) acres of R-1 ground, Master Planned PDH 3-4 known as
Fairfax County Tax Map Number 90-4-((1)) Lot 17 and shown on the
attached tax map which shall become a part of this Agreement.

\$53,333 / month

1. SALE PRICE. Purchaser shall pay EIGHT HUNDRED
THOUSAND DOLLARS (\$800,000.00) for the subject property.

2. TERMS OF SALE. Purchaser is to pay ONE HUNDRED THOUSAND
DOLLARS (\$100,000.00) in cash at settlement, including the above
mentioned deposit.

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3. For the balance of the purchase price, the Purchaser
agrees to execute and deliver to the Sellers, one negotiable
promissory note in the sum of SEVEN HUNDRED THOUSAND DOLLARS
(\$700,000.00) with interest thereon at the rate of nine percent
(9%) per annum. The Purchaser shall make quarterly interest only
payments for three years and then the Purchaser shall make
quarterly interest and principal payments based on a fifteen (15)
year amortization schedule and a principal amount of SEVEN
HUNDRED THOUSAND DOLLARS (\$700,000.00) for an additional three
(3) year period. The promissory note shall balloon at the
expiration of six (6) years from execution thereof at which time

Year
0 100,000
1 14,000 } Int
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3 14,000 } Int
4 14,000 } Int
5 " }
6 " }
*with in 6
paid.*

7

copy to be submitted?

all accrued interest and the remaining unpaid principal balance shall be paid to the noteholder. The promissory note is to be secured by a deferred purchase money first deed of trust secured on the premises. There shall be no prepayment penalty for early prepayment in part or in whole. The noteholder shall permit the note to be assumed in the event of a sale or transfer. NO

4. CONTINGENCIES. This agreement is contingent upon the following: failure of any said contingency shall operate to make this Agreement null and void or Purchaser may waive the unfulfilled contingency and call for final settlement hereunder. If declared null and void, Purchaser's deposit shall be returned.

a. Engineering. The Purchaser shall have ninety (90) days after the acceptance of this Agreement by Sellers to conduct engineering studies and studies of the general feasibility of development of the subject property. The Purchaser may, at his sole option, at any time prior to the expiration of the ninety (90) day period, cancel this Agreement by notice of cancellation to Sellers, and, in such event, this Agreement shall thereupon become null and void and of no effect. *IN SUCH EVENT ALL STUDIES SELLER AT NO COST OR EXPENSE.*

PA

b. The parties are aware of the pending rezoning application (number R2 86-L-073) and procedure for the adjacent property consisting of approximately 261 acres known as Tax Map Numbers 90-4-((1)) 27, 99-2((1)) 39A, 39B, 39C and 39D, from R-1 to PDH-4. The outcome of this rezoning request directly impacts the subject property. Therefore:

1. The Purchaser shall have a contingency period for ninety (90) days (to run concurrently with the engineering study) from ratification of this Agreement. However, the ninety (90) day period may be extended at the option of the Purchaser if the rezoning application, currently scheduled to be heard by the County Planning Commission on May 11, 1988 is postponed, delayed or deferred for any reason or withdrawn temporarily by the applicant. In said event, the Contingency Period will extend until ten (10) days from the final rezoning of the adjacent above

mentioned property. Settlement would then take place no later than thirty (30) days from the final rezoning of the adjacent property. However, in the event the actual rezoning did not take place by December 15, 1988, the Purchaser shall have the option to either settle no later than December 30, 1988 or cancel this Agreement to purchase in which case the earnest money deposit will be returned to the Purchaser with accrued interest, and there shall be no further liability on either parties part.

5. TITLE. Title to all the property which is the subject of this Agreement is to be good of record, and, in fact, fully marketable and insurable at regular rates, free of rights-of-way, easements, leases, restrictions, covenants, conditions, litigations and encumbrances, except standard utility easements. Should the title be found defective, Sellers shall be allowed reasonable time to correct any defects. If the defects are of such nature that they cannot speedily be remedied by legal action, Purchaser may, at his option, declare the Agreement to be null and void. After the date of execution of this Agreement, Sellers shall not mortgage or encumber the property or execute any lease, easement, covenant, conditions, or restriction without obtaining Purchaser's written consent.

6. ADJUSTMENTS AND POSSESSION. All taxes are to be adjusted and apportioned pro rata between Purchaser and the Sellers as of the date of settlement. Possession is to be given to Purchaser at settlement; provided, however, that at any time subsequent to the acceptance of this Agreement by Sellers, Purchaser and his engineers and agents shall have the right to enter and inspect property and make any desired studies or plans necessary to ascertain the feasibility of development of said property.

7. CONVEYANCE, ETC. The Sellers shall furnish a General Warranty Deed and shall pay the Grantor's tax imposed upon the transfer of the property. Conveyancing, notary fees, and all recording charges are to be paid by Purchaser.

8. SETTLEMENT. Settlement is to be made at the office of an attorney selected by Purchaser on or before December 30, 1988 or as outlined in Paragraph 4(b1).

9. FAILURE TO MAKE SETTLEMENT. If Purchaser shall fail to make full settlement, the deposit herein provided for may be retained as liquidated damages at the option of the Sellers, in which event Purchaser shall be released from further liability hereunder. In the event of the Seller's default, the Purchaser may avail himself to whatever legal remedies may exist. This agreement shall be construed under the laws of the Commonwealth of Virginia.

10. ASSIGNMENT. Purchaser shall have the right to assign this Agreement to another or a corporation or corporations.

11. SURVIVAL OF AGREEMENT. All representations, agreements, provisions, terms and conditions of this Agreement shall survive the delivery of the deed and shall not be merged therein.

12. NOTICES. Any notices to be sent pursuant to the terms of this Agreement shall be deemed properly sent when sent to:

As to Purchaser: Robert A. Newbill, Trustee
6052 Ramshorn Place
McLean, Virginia 22101

As to Sellers: H.A. Higham, Co-Trustee
6208 Higham Drive
Alexandria, Virginia 22310

or at such other addresses as either party ^{and} may from time to time designate to the other in writing. All notices shall be sent by certified mail.

13. SALES COMMISSION. If settlement is completed in accordance with the conditions of this contract, the Purchaser shall pay Robert H. Turner, Broker, of Shannon & Luchs Company a commission as per separate agreement. The settlement attorney is directed to collect the commission at settlement and to make payment thereof to Agent.


14. All the rights and duties hereunder shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

W. L. W. 12/27/87
FROM BOOK 1

15. For all purposes of this Agreement, the date of execution of this Agreement shall be the last date on which any of the parties hereto has executed this Agreement and has delivered a fully executed copy of same to the other party hereto. Sellers warrant and represent that the party or parties signing this agreement as Sellers are all of the parties having any interest in the subject property.

16. ENTIRE AGREEMENT. This Agreement, when accepted by the Sellers, contains the final and entire Agreement between the parties hereto and none of the parties shall be bound by any terms, conditions, statements or representations, oral or written, not herein contained.

AGREED TO:


Purchaser

16 MARCH 1988
Date

SHANNON & LUCHS COMPANY

Robert H. Turner
Vice President

Date

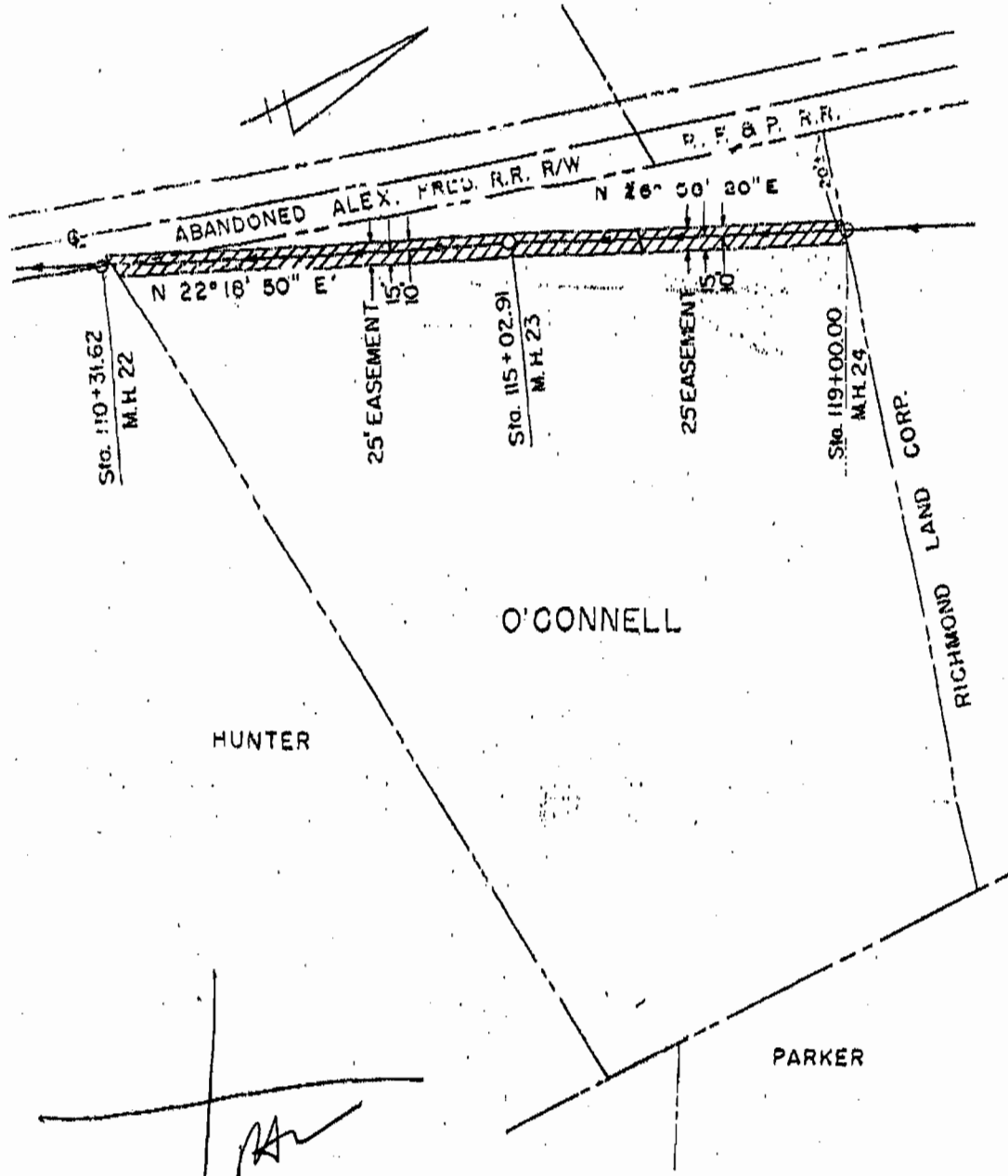
AGREED TO:

Seller

Seller

Seller

Date



O'CONNELL

HUNTER

PARKER

RICHMOND LAND CORP.

RA

Grid 90-4,1 PCL. 17
 INTEGRATED SEWERAGE SYSTEM
 FAIRFAX COUNTY, VIRGINIA
 SEWER EASEMENT
 PROPERTY OF
 HAROLD A. & JEAN M.
 O'CONNELL
 D.B. 831-216

SCALE: 1" = 150'

DATE: 9/65

CONTRACT 165-17

Robert A. Newbill 8-87
Alice P. Newbill
6052 Ramshorn Place, Ph. 703 893-9317
McLean, Va 22101

6/27/87 19 87 0589

68-514
580

PAY TO THE
ORDER OF

Manson & Co

\$ 25,000⁰⁰

Twenty five thousand only

DOLLARS

HERITAGE BANK
of Northern Virginia

CHARTER MEMBER

P.O. Box 7107 McLean, Virginia 22106-7107 (703) 316-6060

MEMO *Dep Council 1542*

Robert A. Newbill

⑆ 056005 143 ⑆ 0589 16002935 ⑆ 06

80-10000-12

**McGUIRE WOODS
BATTLE & BOOTHE**

LAW OFFICES IN ALEXANDRIA,
CHARLOTTESVILLE, FAIRFAX,
NORFOLK, RICHMOND,
TYSONS CORNER, WILLIAMSBURG
AND WASHINGTON, D.C.

8280 GREENSBORO DRIVE
SUITE 900, TYSONS CORNER
P.O. BOX 9346
MCLEAN, VIRGINIA 22102
TELEPHONE: (703) 356-2200
TELECOPIER: (703) 356-3660
TELEX: 5J01010047 MWBB.RCH

EDGAR ALLEN PRICHARD
VIRGINIA AND DISTRICT
OF COLUMBIA BARS

March 22, 1988

Mr. Anthony M. O'Connell
Conservator
2337 South Thirteenth Street
St. Louis, Missouri 63104

Dear Mr. O'Connell:

I have your letter of March 18, 1988, enclosing a copy of a proposed contract of purchase for your property located near Cinder Bed Road.

1. Although I have not seen any appraisal of the property, I have the feeling that \$800,000 for 15 acres is a little low particularly in view of the contingencies of the contract.
2. \$100,000 stands in proportion to \$800,000 as an appropriate down payment where one has agreed to take back a purchase money deed of trust.
3. The paragraph describing the deed of trust leaves a number of things unsaid. Since the purchaser signs as trustees they may have in mind that they are not personally liable. I would want personal liability on the note. The deed of trust also does not contain any subordination clause. I would wish a provision that subordination would not be allowed. I would also want the usual waivers and default provisions in the note. There should be a provision in the note that in the event of default in paying any installment of interest or principal, the noteholder will have the option of calling the entire amount immediately due and payable. The contract provides that the deed of trust is assumable. If you were able to obtain personal liability on the part of the purchasers and they are substantial people, I probably would not object to such a provision. However, where we are not sure whether they would be personally liable, I would be unwilling to give them the unlimited right of assignment. There is no way of telling to whom they might sell the property. You might have a difficult time collecting your sales price from another owner.

Mr. Anthony M. O'Connell
March 22, 1988
Page 2

4. I find that paragraph 4 on contingencies is entirely too liberal as far as the seller is concerned. If, for some reason completely beyond your control, the rezoning is does not take place when expected the purchaser will not be required to close. The result is that you are asked to give a free option to the purchaser from this date until December 30, 1988. Although I am not opposed to a reasonable engineering and feasibility study period, I think that what the purchaser is proposed is unreasonable. They are asking you to give them a nine month's free option. During that period of time you might have many offers for the property and the value of the property might increase.

Paragraphs 5, 6, 7 and 8 are quite usual. Under paragraph 6 I would want copies of all engineering and feasibility studies.

Paragraph 9 limits your remedies to the deposit which I believe is quite small in comparison with an \$800,000 price. This brings me to another point. It is likely that the property has not been surveyed in recent times. If that is the case, then the purchaser should be required to choose whether the sale will be by the acre or by the foot, on the one hand, or in gross, on the other. The contract seems to be drawn for a gross selling price of \$800,000. If it turns out that there is more area than you suppose by the acre sale might give you an advantage. The same comment concerning the assignment of the contract that I have stated above for the assumption of the debt.

I believe that paragraph 13 should contain an indemnification so that you will be completely exculpated and held harmless from any commission payable to Turner.

My last comment is that the contract is not very artfully drawn. It lacks many clauses which most well drafted real estate contracts have. For example, it has no provision directing that the contract be construed in accordance with Virginia law. Secondly, I have no information as to the identify of the purchaser. I believe that before I would sign a contract of sale to a stranger, I would want some financial information.

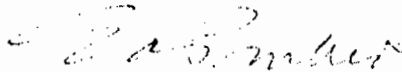
The forfeiture provision lacks mutuality. The purchaser has the right to walk away from the contract even after the December deadline by leaving a \$25,000 deposit in escrow. There is no right of specific performance to require the purchaser to close. If you are willing to accept the forfeiture of a deposit as a sole remedy on default by the purchaser then I believe that the deposit should be greater. I believe it should be at least \$75,000.

Mr. Anthony M. O'Connell
March 22, 1988
Page 3

My last comment has to do with the wisdom of selling the property now, at a time when the fate of the adjacent property has not been determined. Property has been rapidly appreciating in value in recent years. A number of factors influence value. Obviously, rezoning is one. Transportation is another. The scarcity of the product is the third. It occurs to me that you probably would be unwise to sell the property when the fate of the adjacent property has not been determined. The value of the property could well go up dramatically after the adjacent property is rezoned and construction is underway. I see no real advantage of selling at the present time and suggest that you would be better off supporting the rezoning application of your neighbor, trying to influence the Department of Environmental Management to extend a street to your property through the property now under consideration for rezoning and then sell it.

I do not know Mr. Newbill. I may have met Mr. Highman. I am not sure. At any rate, they are not well known developers. My guess is that they are speculators.

Sincerely yours,



E. A. Prichard

EAP:in