

## LETTER OF INTENT

February 25, 2015

William H. Lauer  
Lake Newport, LLC  
11450 Baron Cameron Avenue  
Reston, VA 20190

Dear Mr. Lauer:

As authorized by and on behalf of the Reston Association Board of Directors, this letter serves to express the interest of the Reston Association in purchasing the below-referenced property under the following terms and conditions:

<b>PURCHASER:</b>	RESTON ASSOCIATION, INC ("RA")
<b>SELLER:</b>	Lake Newport, LLC
<b>PROPERTY DESCRIPTION:</b>	Approximately 3.48 acres of land, identified as Fairfax County tax map # 0172-01-0022, improved with a free-standing, one-story office building with a footprint of approximately 3,128 sq. ft. and approximately 3,037 sq. ft. of gross floor area. The real and personal property interests proposed to be purchased shall also include the parking lot and all other site improvements, a bill of sale for - office related furniture (all chairs, desks, filing cabinets, full kitchen with all appliances), office cubicles, conference room furniture, and fixtures (excluding car collection as well as electronic equipment, computers, two small conference tables, artwork, certain office furniture and all personal effects of a non-office nature), and shall additionally include all right, title and interest in any warranties, development plans, site plans, building plans, PRC plans, and any other engineering studies and/or County permit applications relating to the property that currently exist or may exist at the time of settlement. The foregoing property description shall collectively be referred to as the "Property."
<b>ZONING:</b>	PRC
<b>PRICE:</b>	\$2,650,000

**DEPOSIT:** Within five (5) business days following execution of a contract of sale (the "Contract"), Purchaser shall deposit in escrow \$27,000.00 (the "Deposit") to be held by Stewart Title and Escrow, Inc. ("Title Company"), to be held in escrow until Settlement or earlier termination of the Contract. The Deposit and any interest accrued thereon shall be applied to the Purchase Price at Settlement.

**TERMS:** All Cash.

**CONTINGENCIES:** The proposed purchase of the Property outlined herein shall be fully contingent on the following: (a) a building inspection report that is performed by and satisfactory to the RA being completed on or before April 15, 2015; (b) approval by a referendum of the RA members to purchase the Property as additional common area, in conformance with the Reston Deed on or before June 1, 2015 and (c) Bank approval of revenue financing by the RA in conformance with Section 5.13 (E) of the Reston Deed on or before July 1, 2015.

**CONDITION OF THE PROPERTY:** As agreed to between the Purchaser and Seller, and as a condition of the proposed Purchase of the Property, the Seller shall either repair or replace the following items prior to settlement or allow a credit to the purchase price for Purchaser to do so: (a) building HVAC and (b) Roof and roof trusses. Additionally, the Seller shall have a pest inspection (including carpenter bee inspection) performed and its recommended treatment, if any, performed prior to settlement.

**TITLE:** At Settlement, title to the Property shall be good of record and in fact, marketable and insurable at regular rates, free and clear of all liens, mortgages and encumbrances, except as deemed to be Permitted Exceptions pursuant to the Contract.

**SETTLEMENT:** July 31, 2015

**LEASE:** The proposed Purchase of the Property shall include an agreement that, following the Purchase of the Property by RA, Seller shall lease back the one story office building premises and twenty reserved parking spaces from the RA from the date of Settlement through December 31, 2015, with two options to renew for 6 months each. The lease rent



shall be \$32 per sq. ft. net of utilities and cleaning for the entire lease term and optional renewal period (if exercised).

**ADJUSTMENTS/CLOSING COSTS:**

At Settlement, appropriate adjustments will be made for real estate taxes, utility bills and other items which are normally adjusted to the date of Settlement in similar transactions. In addition, the cost of the preparation of the deed, the cost of obtaining releases of all monetary liens encumbering the Property, the Virginia Grantor's tax, the Regional Congestion Relief Fee and Seller's attorneys' fees will be paid by Seller. Purchaser shall pay all expenses of examination of title, survey (if any), all reasonable fees, charges and expenses of the party conducting closing, the title insurance premium, if any, Purchaser's attorneys' fees and all other recording fees and closing expenses.

**COMMISSION:**

Seller and Buyer represent and warrant to each other that they employed no brokers or finders with respect to the transaction contemplated under this Letter of Intent and each part shall indemnify, defend and hold harmless the other party hereto from any loss or liability arising by reason of breach of such party's representation and warranty.

Until such time as a formal Contract to purchase the property is prepared and executed, it is understood that this is not an actual offer or contract to purchase, but rather an indication of the general terms, which should be included in a formal offer. This Letter of Intent is not binding on either party. This Letter of Intent is subject to modification or withdrawal by either party until a written Contract is signed, and this Letter of Intent shall not evidence or constitute a final agreement by the parties to the terms herein.

Sincerely,

  
Cate Fulkerson, CEO  
Reston Association

READ, AGREED and ACCEPTED:

Lake Newport, LLC

By:   
William H. Lauer, Managing Member