

## EXTENSION OF OPTION TO PURCHASE AGREEMENT

THIS EXTENSION OF OPTION TO PURCHASE AGREEMENT, made and dated this 1st day of June, 2007, by and between the CITY OF LYNCHBURG, a municipal corporation of the Commonwealth of Virginia, hereinafter referred to as the "Owner" and INVEST LYNCHBURG, LLC, a Virginia Corporation, hereinafter referred to as the "Optionee".

### WITNESSETH:

WHEREAS, the Owner is the owner of certain parcels of real property located within the City limits and known as 1117, 1201, 1215 and 1221 Jefferson Street, Lynchburg, Virginia, designated on the Tax Valuation Map for the City of Lynchburg as Tax Parcel Nos. 045-18-004, 046-03-002, 046-03-003 and 046-03-007, together with all improvements thereon and all rights and appurtenances thereunto pertaining, all of which are hereinafter collectively referred to as the "Property," and,

WHEREAS, the Owner and the Optionee entered to an Option to Purchase Agreement dated October 12, 2005, wherein the Owner granted the Optionee an exclusive option to purchase the property for a period of eighteen months beginning on October 12, 2005; and,

WHEREAS, the Owner and the Optionee desire to extend the Option to Purchase Agreement for an additional 180 days.

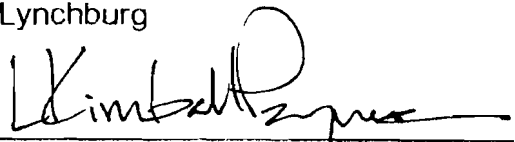
NOW, THEREFORE, WITNESSETH, that for and in consideration of the premises and the mutual covenants and agreements contained herein, the Owner and the Optionee do mutually agree to extend the October 12, 2005, Option to Purchase Agreement for an additional 180 days, beginning on June 1<sup>st</sup>, 2007.

Except as modified herein, all of the terms and conditions contained in the October 12, 2005, Option to Purchase Agreement between the Owner and the Optionee shall remain in full force and effect. However, the timelines contained in the original Option to Purchase shall be automatically adjusted in accordance with the 180 day extension of the Option granted herein.

IN WITNESS WHEREOF, the parties hereto have executed this Extension of Agreement of Lease as of the day and year above written.

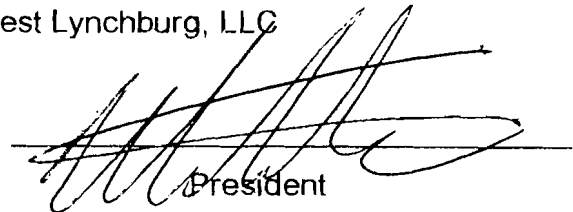
City of Lynchburg

By:

  
L. Kimball Payne, City Manager

Invest Lynchburg, LLC

By:

  
President

STATE OF VIRGINIA,  
CITY OF LYNCHBURG,

To-wit:

The foregoing instrument was acknowledged before me this 5 day  
of June 2007, by L. Kimball Payne, Lynchburg City  
Manager, on behalf of the City.

My commission expires 4.30.08


  
Notary Public

STATE OF VIRGINIA  
CITY OF LYNCHBURG,

To-wit:

The foregoing instrument was acknowledged before me this 1<sup>ST</sup> day  
of JUNE 2007, by Charles CATALANO, President, of  
Invest Lynchburg, LLC.

My commission expires 9/30/07

  
Notary Public



P O Box 146  
Lynchburg VA 24505  
P 434.846.6585  
F 434.528.0403  
mail@donpendleton.net

## Donald G. Pendleton

Certified General Appraiser • Broker • Consultant

November 28, 2007

Mr. L. Kimball Payne  
City Manager  
City of Lynchburg  
900 Church Street  
Lynchburg, VA 24504

RE: Option to Purchase Agreement dated October 12, 2005  
City of Lynchburg to Invest Lynchburg, LLC  
Property located at 1117, 1201-1207, 1215 and 1221 Jefferson Street  
Lynchburg, VA

Dear Mr. Payne:

Invest Lynchburg, LLC hereby provides notice of its intent to exercise its option to purchase the above referenced property for \$43,300 under the terms of the option. Paragraph 4 of the Agreement governs settlement.

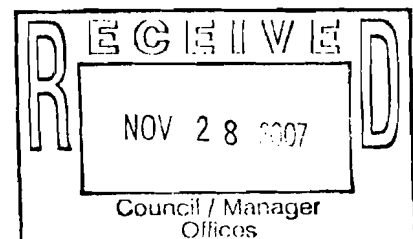
Invest Lynchburg, LLC looks forward to cooperating with you and the City of Lynchburg in the development of this exciting project.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "D. Pendleton", with a long horizontal line extending to the right.

Donald G. Pendleton  
Broker

cc: Charlene B. Montford  
Charles D. Grant  
Walter Erwin  
John Randolph Nelson  
Invest Lynchburg, LLC



**JOHN RANDOLPH NELSON, P.C.**

A PROFESSIONAL CORPORATION  
716 COURT STREET  
POST OFFICE BOX 1343  
LYNCHBURG, VIRGINIA 24505

JOHN RANDOLPH NELSON

September 2, 2008

TELEPHONE (434) 528-1078  
FACSIMILE (434) 845-0510

Mr. Walter C. Erwin, Esquire  
City Hall  
900 Church Street  
Lynchburg, Virginia 24504

**VIA FACSIMILE # 434-847-9049**

**Re: Conveyance of Properties to Invest Lynchburg, LLC**

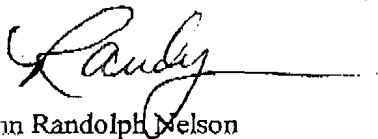
Dear Walter:

May I confirm your telephone message of today regarding the price to be paid for the property if Invest Lynchburg does not "start" the project within the specified time-period. While I think my last proposal encompassed the terms in your message, it may be worthwhile to more precisely fix the property's redemption price and not leave it to future negotiations or discussion as was prescribed by the terms of the option agreement. Therefore, if I understand your message, the preferred language would be to add something similar to the following at the end of paragraph numbered "8", to-wit:

Notwithstanding the foregoing, if Invest Lynchburg has not so "started" Phase 1 of the James River Place Condominium project by December 1, 2010, this right of first refusal shall otherwise expire and fully terminate if Invest Lynchburg pays to the City an amount equal to: (a) the assessed value of the unimproved land as set forth in the records of the Office of the Lynchburg City Assessor on the date this deed is recorded in the Office of the Clerk of the Circuit Court for the City of Lynchburg, Virginia, (b) minus the sum of \$43,300.00, being the consideration already paid to the City for this conveyance. If such payment is so made then within thirty days of its receipt thereof the City shall cause a certificate to be recorded in the land records of said Clerk's Office affirming receipt of that payment and acknowledging the expiration of this right of first refusal.

Please confirm your approval or provide me with your edits.

Very truly yours,  
**JOHN RANDOLPH NELSON, P.C.**



John Randolph Nelson

fc: Invest Lynchburg, LLC

**JOHN RANDOLPH NELSON, P.C.**

A PROFESSIONAL CORPORATION  
716 COURT STREET  
POST OFFICE BOX 1343  
LYNCHBURG, VIRGINIA 24505

JOHN RANDOLPH NELSON

August 28, 2008

TELEPHONE (434) 528-1078  
FACSIMILE (434) 845-0510

Mr. Walter C. Erwin, Esquire  
City Hall  
900 Church Street  
Lynchburg, Virginia 24504

**Re: Conveyance of Properties to Invest Lynchburg, LLC**

Dear Walter:

I wish to confirm our telephone conversation of today regarding the incorporation, by reference in the proposed deed, of the language in paragraph "2" of the Option Purchase Agreement. This would be accomplished by inserting another sentence into paragraph 8 as follows:

If Invest Lynchburg has not so "started" Phase 1 of the James River Place Condominium project by December 1, 2010, Invest Lynchburg may nevertheless elect to retain the above property and compensate the City according to the provisions set forth in paragraph "2" of the "Option To Purchase Agreement" made between the City and Invest Lynchburg, dated October 12, 2005, and the subsequent extensions thereof.

I apologize for not having addressed this in earlier drafts of that deed and trust that it will not present a problem to the expeditious settlement of this transaction.

With best regards, I remain

Very truly yours,  
**JOHN RANDOLPH NELSON, P.C.**



John Randolph Nelson



THE CITY OF LYNCHBURG, VIRGINIA

CITY HALL, 900 CHURCH STREET, LYNCHBURG, VIRGINIA 24504 • (434) 455-3930  
Fax: (434) 847-9049

OFFICE OF THE CITY ATTORNEY

WALTER D. FLEWELL III  
CITY ATTORNEY

ELEANOR A. PLTNAMOUNI  
DEPUTY CITY ATTORNEY

SUSAN L. HARTMAN  
ASSISTANT CITY ATTORNEY

ROSE H. HODGES  
ASSISTANT CITY ATTORNEY

September 5, 2008

J. Randolph Nelson, Esq.  
Attorney at Law  
716 Court Street  
P.O. Box 1343  
Lynchburg, VA 24505

Re: Conveyance of Properties to Invest Lynchburg, LLC

Dear Randy:

I revised paragraph 8. of the proposed deed for the conveyance of City-owned property to Invest Lynchburg, LLC, for the James River Place Condominiums project. The revisions try to address the concerns raised by both your client and the City Manager. The October 12, 2005, "Option To Purchase Agreement" provides that if the improvements to the property "are not completed within three years after the exercise of this option, the purchase price will be re-negotiated." The City Manager and I do not have the authority to agree to a provision providing that the purchase price will be re-negotiated if the improvements are not "started" by December 1, 2010.

8. If Invest Lynchburg has not completed Phase 1 of the James River Place Condominium project by December 1, 2010, the purchase price for the property will be re-negotiated and Invest Lynchburg will pay to the City an amount equal to: (a) the assessed value of the unimproved land as set forth in the records of the Office of the Lynchburg City Assessor on the date this deed is recorded in the Office of the Clerk of the Circuit Court for the City of Lynchburg, Virginia, (b) minus the sum of \$43,300, being the consideration already paid to the City for this conveyance. Should Invest Lynchburg desire to transfer or sell all or any portion of any of the herein described parcels prior to starting the Phase 1 of the James River Place Condominium project, the City shall have a right of first refusal to purchase such parcel(s) upon the following terms: Invest Lynchburg shall notify the City, by personal delivery or certified mail, return receipt, addressed to the City Manager at City Hall, 900 Church Street, Lynchburg, Virginia 24504, in writing, of its desire to transfer or sell such parcel(s). Within thirty

(30) days of delivery or receipt of said notice from Invest Lynchburg, the City shall notify Invest Lynchburg in writing of its intention to exercise this right of first refusal and repurchase such parcel(s) for the same price at which the property was sold to Invest Lynchburg. If the City exercises its right of first refusal, Invest Lynchburg shall re-convey the parcel(s) to the City within sixty (60) days of the receipt of the notice from the City. If the City has not notified Invest Lynchburg of its desire to repurchase the parcels(s) within thirty (30) days following the date of its receipt of notice from Invest Lynchburg, the City's right of first refusal shall expire and terminate. This right of first refusal shall expire and terminate as to any and all of said parcels once Invest Lynchburg has started Phase 1 of the James River Place Condominium project. In order to be deemed to have "started" Phase 1 of the James River Place Condominiums by December 1, 2010, Invest Lynchburg must have obtained a financial commitment from a bona fide commercial lender for financing the Phase 1 improvements, must have obtained all necessary building and related permits needed for the Phase 1 improvements and must have executed a contract(s) for the full scope of said Phase 1 improvements with a licensed contractor(s). Once Invest Lynchburg has started Phase 1 of the James River Place Condominium project the City shall cause a certificate to be recorded in the land records of said Clerk's Office acknowledging the expiration of this right of first refusal.

Please let me know your thoughts concerning these proposed revisions. I will be out of the office from September 8-12. However, Susan P. Powers in our office has the original deed and can handle the closing if Invest Lynchburg wishes to close on the property during that period of time.

Sincerely yours,

Walter C. Erwin

Cc: Susan P. Powers