

FIRST AMENDMENT TO AGREEMENT OF SALE

This First Amendment to Agreement of Sale ("First Amendment") is made as of this _____ day of _____, 2002, by and between THE NAVY LEAGUE BUILDING, LLC, a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and authorized to do business in the Commonwealth of Virginia, (hereinafter referred to as "Purchaser"), and THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, hereinafter referred to as the "County Board," a body corporate and politic (hereinafter referred to as "Seller").

WITNESSETH

WHEREAS, Purchaser and Seller entered into an Agreement of Sale, effective August 3, 2001, (the "Agreement") by which Purchaser agreed to purchase from Seller certain parcels of real estate in accordance with the terms and conditions set forth in such Agreement; and,

WHEREAS, Purchaser has requested that certain amendments be made to the Agreement; and

WHEREAS, Seller has agreed to the amendments as provided hereinafter; and

WHEREAS, by this First Amendment, the Purchaser and Seller hereby amend the Agreement, including certain exhibits thereto, as provided hereinafter.

NOW, therefore, for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, the mutual promises of the parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser and Seller agree as follow:

1. Incorporation of Recitals.

The recitals hereinabove contained are hereby incorporated by reference as if more fully set forth herein.

2. Amendment to Paragraph 6 (c) of Agreement.

Paragraph 6 (c) of the Agreement is amended to read as follows:

(c) Purchaser shall have the right to examine the title to Parcels A, B, and C-2, from the date of the Title Commitment to the time of recording of the deed(s), and to object to any defects or encumbrances that have been placed of record on the Parcels A, B, and C-2 subsequent to the date of Purchaser's Title Commitment. If such defects or encumbrances have been placed in the time frame described above, then Purchaser in its sole discretion may:

- (i) waive the defects and/or encumbrances and proceed to Closing; or
- (ii) terminate this Agreement without liability to Seller or Purchaser.

After the Effective Date, Seller shall not subject Parcels A, B, and C-2 (without Purchaser's consent) to any deed of trust, liens, encumbrances or easements.

3. Amendment to Paragraph 7 of Agreement.

Paragraph 7 of the Agreement is amended to read as follows:

(a) Provided that all conditions precedent contained in this Agreement hereof have been satisfied (or waived by Purchaser in writing) and Purchaser or Seller have not first terminated this Agreement, closing shall occur at the office of McGuire Woods, L.L.P., on a date and at a time selected by Purchaser and accepted by Seller, in writing, (the "Closing," "Closing Date," or "Date of Closing"). Notwithstanding the foregoing, the Closing Date shall in no event be later than July 28, 2002. On or before Closing, Purchaser shall deliver good funds to the settlement attorney or agent for the Purchase Price and all settlement costs required to be paid by Purchaser hereunder.

(b) If Closing does not occur by midnight on July 28, 2002, then this Agreement shall terminate automatically without further action by, or notice from, the Seller, and without liability to Seller or further obligation of Seller whatsoever. Notwithstanding the foregoing, Seller shall have the right to exercise the remedies enumerated in paragraph 13 (b)(iii).

4. Amendment to Exhibit B, Option Agreement, Recital R-2.

Recital R-2 of Exhibit B, Option Agreement, to the Agreement is amended to read as follows:

R-2. At the request and for the benefit of Grantee, and as part of Grantor's obligations to purchase the Property under that certain Agreement of Sale between Grantor, as Purchaser, and Grantee, as Seller, effective August 3, 2001, as amended by the First Amendment thereto, effective _____, (the "Agreement of Sale" or the "Purchase Agreement"), and as part of the consideration therefor, Grantor does hereby grant to Grantee the right, at Grantee's sole option, to repurchase the Property in accordance with the following terms and conditions.

5. Amendment to Exhibit C, Deed of Ground Lease, Paragraph 2, Sentence 2.

Paragraph 2, ("Term") sentence 2, of Exhibit C, Deed of Ground Lease, to the Agreement is amended to read as follows:

Unless earlier terminated as provided herein, the Lease Term shall expire thirty (30) days after Lessee receives from Lessor written notice stating that:

6. Effect of Amendments on Other Paragraphs of Agreement.

All paragraphs and subparagraphs of the Agreement and exhibits thereto not specifically amended by this First Amendment shall remain as provided in the Agreement. Without limiting the foregoing, this First Amendment shall not alter or change any dates, provision or terms of the Agreement, except as specifically set forth herein.

7. Effective Date of First Amendment and Signatory Authority.

This First Amendment shall be first executed by the Purchaser. This First Amendment shall be binding and effective only after this First Amendment is approved by the County Board and upon the date when the First Amendment is signed by a duly authorized representative of the Seller (the "Effective Date"). The persons executing this First Amendment on behalf of the Seller and Purchaser each represent that they are duly authorized to execute this First Amendment and to bind the respective parties.

WITNESS the following signatures:

WITNESS:

PURCHASER:

THE NAVY LEAGUE BUILDING, L.L.C.

By: _____

By: _____

Print Name: Charles L. Robinson

Title: Manager

Date: _____

COMMONWEALTH OF VIRGINIA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2002, by Charles Robinson, Manager, The Navy League Building, L.L.C.

Notary Public

My Commission expires: _____

WITNESS:

SELLER:
COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

By: _____

By: _____

Print Name: _____

Title: _____

Date: _____

COMMONWEALTH OF VIRGINIA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of
_____, 2002, by _____,
_____.

Notary Public

My Commission expires: _____

Approved as to form:

County Attorney