

A special meeting of the Board of Supervisors of Albemarle County, Virginia, was held on May 24, 2023 at 1:00 p.m. in Lane Auditorium and Room 241, Second Floor, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902. This meeting was called by the Chair, Ms. Price, to allow a quorum of Board members to convene an open meeting to consider, discuss, and take action on the following: conduct a closed meeting pursuant to Virginia Code § 3711(A), under subsection (3), to discuss or consider the acquisition of real property in the Rivanna Magisterial District, and under subsection (8), to consult with and be briefed by legal counsel regarding specific legal matters requiring legal advice relating to such acquisition; and to consider action on the acquisition of such real property, including approval of the acquisition and authorization of appropriate transaction documents; and to conduct a media briefing on any board action.

BOARD MEMBERS PRESENT: Mr. Jim Andrews, Mr. Ned Gallaway (left meeting at 2:12 p.m.), Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Ms. Donna P. Price.

ABSENT: Ms. Beatrice (Bea) J.S. LaPisto-Kirtley.

OFFICERS PRESENT: County Executive, Jeffrey B. Richardson; County Attorney, Steve Rosenberg; Clerk, Claudette Borgersen; and Senior Deputy Clerk, Travis Morris.

Agenda Item No. 1. Call to Order. The meeting was called to order at 1:00 p.m. by the Chair, Ms. Donna Price.

Ms. Price introduced the following Albemarle County Police Department Officers in attendance: Angela Jamerson and Andy Muncy.

Agenda Item No. 2. Closed Meeting.

At 1:02 p.m., Mr. Andrews **moved** that the Board go into a closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia:

- under subsection (3), to discuss or consider the acquisition of real property in the Rivanna Magisterial District for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County; and;
- under subsection (8), to consult with and be briefed by legal counsel regarding specific legal matters requiring legal advice relating to agreements concerning the acquisition of such real property.

Ms. McKeel **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. Mallek, Ms. McKeel, and Ms. Price.

NAYS: None.

ABSENT: Ms. LaPisto-Kirtley.

Agenda Item No. 3. Certify Closed Meeting.

At 1:37 p.m., Mr. Andrews **moved** that the Board of Supervisors certify by a recorded vote that, to the best of each supervisor's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting, were heard, discussed, or considered in the closed meeting.

Ms. McKeel **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. Mallek, Ms. McKeel, and Ms. Price.

NAYS: None.

ABSENT: Ms. LaPisto-Kirtley.

Agenda Item No. 4. **Action Item:** Resolution to Authorize the Acquisition of Real Property and Related Assets.

Ms. Price said that this afternoon, the Board met to take an action to take an action on what might be the most significant economic development opportunity for the County, which was to accept the assignment of a real estate contract for the purchase of approximately 462 acres of property along Route 29 North, adjacent to Rivanna Station, a sub-installation of Fort Belvoir and home to several substantial federal intelligence agencies, and the anchor to the defense industry in central Virginia. She said that at this time, she was pleased to turn the floor over to their County Executive, Mr. Richardson.

Mr. Jeff Richardson, County Executive, said that today, they were here to make a special economic development announcement regarding Project Falcons. He said that Project Falcons had undergone significant evolution over time. He said that on May 3, the Board received a Defense Sector Economic Impact Report from the Weldon Cooper Center, which revealed that the defense sector

generated \$1.2 billion of economic activity in their community each year, making it the second-largest sector in their local economy.

Mr. Richardson said that Rivanna Station, located along Route 29 North, accounted for over 50% of this impact. He said that the success of Rivanna Station was essential to their economic vibrancy. He said that this report built upon the County's ongoing work with the state, the Chamber of Commerce, and the Defense Affairs Committee (DAC), which aligned directly with Project ENABLE, their Board-adopted Economic Development Strategic Plan, and specifically, Goal 1, Business Retention and Expansion, and Goal 3, Partnering with the Chamber of Commerce through the DAC to retain and expand Department of Defense (DOD) facilities.

Mr. Richardson said that Rivanna Station was the sub-installation of Fort Belvoir on 29 North, that was home to several defense intelligence agencies. He said that through their engagement with the state and representatives of the Rivanna Station via the DAC, in 2018, the County became aware of concerns surrounding a proposed expansion of the National Ground Intelligence Center (NGIC), one of the two main facilities at Rivanna Station.

Mr. Richardson said that the expansion funding was at risk due to cost and requirements for securing sufficient parking for their site. He said that in order to meet their needs, staff from the Economic Development and County Executive's Office worked with stakeholders at the local, state, and federal levels to try to find a solution for the immediate concern of the addition project and to create a longer-term solution to better support Rivanna Station in its current and future state.

Mr. Richardson said that the Army was able to secure the necessary lease and funding to allow the expansion and parking project to move forward. He said that during this process, however, a question was raised about whether NGIC's future growth needs could be best served by a project in St. Louis, Missouri, the national headquarters of the National Geospatial-Intelligence Agency (NGA), which was in the planning stages of what was now a current under-construction 100-acre development. He said that thankfully, that did not happen, but it revealed a vulnerability that had driven the County's work effort from that time until today.

Mr. Richardson said that today they were here to discuss the work the County was doing to support both the current state of Rivanna Station and the future in this area. He said that in 2017, the State Secretary of Veterans and Defense Affairs, along with leadership from Rivanna Station, initiated a study to plan for its long-term future, envisioning an expansion beyond the existing land holdings of the DOD. He said that to retain the station and support its long-term vibrancy here in Albemarle, they began negotiations in earnest to purchase some portion of the land surrounding Rivanna Station.

Mr. Richardson said that the land was held by a single owner, and the County's objective was to secure as much property as they could within an affordability cap. He said that there were several reasons for this decision. Firstly, the DOD had a strong preference to have as large a buffer from neighbors as practical, as this enhances base security. He said that secondly, they knew the layout of the envisioned Rivanna Station expansion could utilize approximately 100 acres, and they felt that there existed further opportunity for development there that would have adjacency benefits for the defense sector.

Mr. Richardson said that thirdly, securing this land would give the County site control of the land, allowing them to extend Boulders Road and create a second connection to Route 29 as envisioned in the Comprehensive Plan and the DOD planning. He said that finally, County site control would ensure that the DOD did not end up with incompatible uses or neighbors on adjacent parcels.

Mr. Richardson said that their negotiations focused on securing as much development area land holdings as possible to eliminate a lot of risk to Rivanna Station's future. He said that because it was one landowner, they felt they could get the best deal for the County by negotiating one large deal rather than piecemeal assemblage over a longer period of time. He said that site control provides certainty as they bring partners to the table to build together the best possible project.

Mr. Richardson said that after several rounds of anonymous negotiations through a real estate broker, they secured a final price of \$58 million for 462 acres of land. He said that the contract was negotiated through an LLC, Rivanna Station's Futures. He said that today, staff was requesting the Board of Supervisors to accept assignment of the real estate contract for this property.

Mr. Richardson said that he was now pleased to turn the presentation over to Deputy County Executive Trevor Henry and Economic Development Director JT Newberry, who would continue to walk them through the details of this proposal.

Mr. Trevor Henry, Deputy County Executive, said that Albemarle County had been home to Rivanna Station since 1997, when the DOD purchased property along Route 29 North at what was now Boulders Road. He said that the NGIC was the original mission housed there, and since that time, the NGA and the Defense Intelligence Agency (DIA), had also established operations there. He said that a current project was underway, a \$90 million expansion of the NGIC, which included a parking deck and additional lab space. The DOD had invested nearly \$312 million at this site over the past 26 years. Rivanna Station supported approximately 2,100 civilian and military personnel on 75 acres of land.

Mr. Henry said that the work of the NGIC, NGA, and DIA was to support the intelligence community, providing data and analytic insights necessary to advance national security interests both

here and abroad. He said that this work was important and was growing in complexity in the challenges facing the nation and the globe, including fields such as biotechnology, artificial intelligence, cybersecurity, aerospace, materials engineering, agriculture, and public health. These areas were significantly impacting the world today and were integral to the work of the intelligence community.

Mr. Henry said that as the Board may recall, the median salary for employees working at Rivanna Station was approximately \$100,000, and these individuals were not just employees at the site; they were also members of the community and integral to the fabric of the community.

Mr. Trevor noted that Mr. Richardson also mentioned the defense sector as the second-largest impact in the region. He said that the provided slide illustrated the scope of that impact, with Rivanna Station being the largest footprint. He said that Rivanna Station accounted for 52% of the \$1.2 billion in economic impact. He noted that this was a sample of contractors in the region, and it was not comprehensive of everyone in the region. He said that the DAC of the Charlottesville Regional Chamber of Commerce had been working to support this thriving ecosystem of defense and defense-related industries in the community.

Mr. Henry said that the Board of Supervisors had provided the majority of funding support for the Defense Affairs Program Manager position. He said that Colonel Lettie Bien had presented the regional impact and revenue impact just two meetings ago. He said that he would hand over to Mr. Newberry, and they would toggle back and forth for the next few minutes.

Mr. JT Newberry, Interim Director of Economic Development, said that over the next few slides, he would delve deeper into the history that Mr. Richardson and Mr. Henry had discussed. He said that as Mr. Richardson had explained, in 2018, the County was first approached by representatives of Rivanna Station regarding their growing space needs. He said that from an economic development perspective, this meant that he and his team had conducted a business retention and expansion (BRE) visit to better understand how the County could play a role in finding a customized solution to meet their growing needs.

Mr. Newberry said that a 2017 study commissioned by the Secretary of Veterans and Defense Affairs had provided a roadmap for them to follow to meet those growing needs. He said that a group of consultants had developed an "art of the possible" concept, which was on the screen. He said that this concept outlined how Rivanna Station could expand. He said that he would use the laser pointer to highlight the area on the screen.

Mr. Newberry indicated the existing fence line of Rivanna Station, outlined in red, and the proposed expansion was highlighted in green, comprising the orange, yellow, red, and blue structures on the concept plan. He said that these structures totaled approximately 600,000 square feet over about 100 additional acres. He said that the concept plan also included the extension of Boulders Road, as noted by Mr. Richardson, and this was also included in their Comprehensive Plan and in the DOD plan.

Mr. Newberry said that Rivanna Station had a strategic advantage over other installations in the state due to its vacant, adjacent land. However, control of the land itself was the main obstacle to Rivanna Station's growth. He said that by policy, the DOD did not seek to own land, and therefore, a willing set of partners needed to come together to solve this issue. He reiterated that this was the action being proposed for the County to take today.

Mr. Henry said that they saw enormous potential in the envisioned expansion of Rivanna Station. He said that displayed on the screen was an image of the St. Louis NGA project mentioned earlier by Mr. Richardson. He said that it was called N2W, and shown here was a 97-acre campus under development that would be the home to 700,000 square feet of office space and provide a modern headquarters.

Mr. Henry said that according to the agency, N2W would deliver a modern, flexible, and collaborative facility offering open and innovative partnering spaces, advanced technology solutions, and a sustainable environment that served the agency's mission and employees over the next 100 years. He said that this project came to be through a public-private partnership that involved DOD, City of St. Louis, the State of Missouri, and academic partners to support research, collaboration, and learning. He said that N2W was an example of what success looked like when the state and local government partnered with the federal government to grow a mission in place.

Mr. Henry said that that was what they were discussing today. He said that based on the discussions they had with their partners at the state and their consultants well-connected to the intelligence community, they believed there was a strong desire to replicate this model and concept on the east coast. He said that Albemarle County sat in an ideal location with the existing station present in the County, within driving distance from Washington, D.C., but outside of what was often referred to as the D.C. churn. He added that they were served by a nearby, very active airport and a world-class university.

Mr. Newberry explained that Virginia was an ideal location for the intelligence community, as evidenced by the state's consistently high accolades. He said that they consistently ranked as a top state for veterans, cybersecurity, and business in general. He said that as Mr. Henry mentioned, they were conveniently located just a short flight or ride from Washington, D.C. yet remained outside the daily churn of the D.C. area. He said that they were not far from the broader existing footprint of the intelligence community in Northern Virginia.

Mr. Newberry said that Albemarle County was specifically a prime location because it boasted a strong economic environment, with a unique town-and-gown dynamic that provided a pipeline of highly skilled talent who would become tomorrow's leaders. He said that the private sector businesses in their area were focused on technology, research, and development, and a range of industries ideally suited to the intelligence community, particularly in the R&D and technology transfer sectors.

Mr. Newberry said that he wanted to highlight Albemarle County's growing community, which was expanding across various areas. He said that their population grew by approximately 1.8% each year, driven in part by the growth of the University of Virginia and the Virginia Biotechnology Institute, a nationally recognized biomedical research facility.

Mr. Newberry said that they also had other economic activity centers, which the Board had visited, including R&D companies like Rivanna Medical, Bonumose, and AgroSpheres, as well as tech companies like WillowTree and Silverchair. He said that energy companies such as Apex Clean Energy, Hexagon Energy, and Lumen were also based in their community. He said that they were investing in their entrepreneurial ecosystem through programs like Venture Central and Catalyst.

Mr. Newberry said that with approximately 8,500 students graduating with degrees and certificates each year from UVA and PVCC, they had an opportunity to capture that talent if they could provide competitive jobs. He said that Project ENABLE and the Comprehensive Plan guided their growth, and the project being considered today aligned well with these plans.

Mr. Newberry said that Albemarle County was the right local government partner as a triple-AAA bond rated organization, their history of supporting Rivanna Station, and their workforce investments. He said that they understood this project was a generational investment in their community's vibrancy, and they believed their success in the areas mentioned as well as their successes in public-private partnerships would be what brought this vision to a reality.

Mr. Henry said that he would like to present a few slides to discuss the vision, or at least the first phase, of what this project might look like. He said that as they developed and scoped Project Falcons, they focused on two areas: the envisioned expansion of Rivanna Station and its mission, and the full 462-acre site for which the County would now have control, which they were referring to as Rivanna Station Futures. He said that this represented the future of Rivanna Station in their community.

Mr. Henry said that in their partnership development work around Rivanna Station Futures to date, they had developed a vision for what a future looked like in Albemarle, based on the work they had done through the state and their partners at the state, as well as prior work with Rivanna Station. He said that the Intelligence Community Innovation Acceleration Campus (ICIAC) was a place where the intelligence community, private sector, and academic partners would co-create solutions for tomorrow's big challenges and engage in powerful exchanges of knowledge, analytics, and research capacity.

Mr. Henry said that provided was a 3D video that had been created to show what the ICIAC could look like at full build out. He said that this animation was of the 2017 plan, and it provided a north-to-south perspective, traveling along the proposed Boulders Road extension, before rotating back to show portions of the existing Rivanna Station at the end.

Mr. Henry said that this animation helped to further understand how this project would contribute to the nation's security and improve the quality of life in Albemarle County. He said that this video was intended to convey the concepts they were working on today. He said that they had a few more slides to discuss the economic impacts before they concluded the presentation.

Mr. Newberry said that they had conducted a third-party independent economic analysis of what he had just seen on the screen. He said that the results indicated that approximately 600,000 square feet of space would generate 873 career ladder jobs with a median income of \$81,000. He said that this would result in approximately \$1 million in local tax revenue and about \$2 million in tax revenue each year for the state.

Mr. Newberry said that they believed this estimate was conservative, and there were opportunities to increase this impact within other areas of the project that could provide compatible adjacent sites for other development that would add to these figures. He said that the economic impact itself was exciting. He said that their work was far from done, though. He said that to bring this project to fruition, they would need partners.

Mr. Newberry said that therefore it bore repeating that the proposed action today was to accept assignment of the contract to purchase 462 acres for \$58 million. He said that however, to develop the site to its full potential, they would need to partner with folks at the state level to bring this site to a higher level of readiness. He said that this meant not only acquiring the land but also ensuring the appropriate zoning was in place, completing due diligence and environmental analysis, and establishing necessary infrastructure.

Mr. Newberry said that the graphic on the screen attempted to show one way that these different roles for their partners might work. He said that the words on the right-hand side of the screen showed several different streams of work that could happen in parallel over the next several years. He said that site control, as they had discussed today, was the critical path forward as that first step.

Mr. Newberry said that with that underway now, they could meaningfully engage their partners

about how they could work together to create the necessary funding to achieve this vision. He said that they envisioned working with state and federal partners to fund infrastructure and site work, which would support further investment from federal, academic, and private partners on the site development, actually going vertical on the site to bring this vision to reality.

Mr. Newberry said that they had already been working to lay the groundwork for these partnerships over the past several years. He said that staff had met with the Secretary of Veterans and Defense Affairs, and they had also met with the Virginia Economic Development Partnership. He said that they would continue to work with those partners and others in the Commonwealth and at the federal level. He said that before they closed on the purchase contract, they conducted thorough due diligence steps at the local level to ensure that the future investment was sound.

Mr. Henry said that as they concluded, he would like to reiterate the vision for the ICIAC. He said that they believed this would serve as a cornerstone for the Rivanna Station's Future project. He said that they envisioned the ICIAC as an opportunity to leverage their community's entrepreneurial ecosystem, defense sector assets, and proximity to Washington, D.C. He said that at a minimum, County site control would prevent incompatible uses or encroachments on Rivanna Station by unwanted parties.

Mr. Henry said that this site control was a significant investment in Rivanna Station's Future, a campus where private sector academic partners would co-create solutions to tomorrow's challenges. He said that if the Board was willing to consider accepting a contract for the purchase of 462 acres of land at \$58 million, the staff's work over the next several months would be to conduct formal due diligence prior to closing and to establish partnerships. He said that a motion was available on the next slide, which they invited the Board to consider.

Ms. Price said that the floor was open for a motion.

Ms. Mallek **moved** to adopt the Resolution to Authorize the Acquisition of Real Property and Related Assets.

Ms. McKeel **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. Mallek, Ms. McKeel, and Ms. Price.
NAYS: None.
ABSENT: Ms. LaPisto-Kirtley.

**RESOLUTION TO AUTHORIZE
THE ACQUISITION OF REAL PROPERTY AND RELATED ASSETS**

WHEREAS, Next Generation, L.L.C. and Rivanna Station Futures, LLC have entered into a certain Purchase and Sale Agreement dated May 18, 2023 (the "Agreement"), a copy of which is attached to this Resolution as Exhibit A, concerning the conveyance of certain real property and related assets more particularly described in the Agreement, including Parcel ID Numbers 21-14C, 33-1, 33-2, 33-10, 32-5C, 33-1B, 33-1D, 33-14, 33-15, a portion of 33-13, and a portion of 33-16 within Albemarle County, Virginia; and

WHEREAS, the County is authorized to acquire title to real property, whether improved or unimproved, pursuant to Virginia Code § 15.2-1800, for any public use, including, without limitation, public facilities such as educational facilities and military installations; and

WHEREAS, the County is further authorized to acquire land within its boundaries pursuant to Virginia Code § 15.2-1802, for the development on such land of business and industry, after the conduct of a public hearing concerning such proposed acquisition; and

WHEREAS, the County is further authorized to acquire facility sites pursuant to Virginia Code § 15.2-4917; and

WHEREAS, the County is authorized to acquire title to personal property pursuant to Virginia Code § 15.2-951; and

WHEREAS, the County desires to acquire certain real property and personal property, as described in the Agreement, to facilitate the development of its proposed Intelligence Community Innovation Acceleration Campus, as presented conceptually to the Board of Supervisors at its meeting on May 24, 2023, which may include public, private and non-profit users; and

WHEREAS, capitalized terms not defined herein shall, unless otherwise indicated herein, have the meanings ascribed to such terms in the Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF
ALBEMARLE COUNTY, VIRGINIA:**

1. The acquisition of the Owned Assets by the County is approved, in accordance with the terms of the Agreement, at a Purchase Price of \$58 million, with such adjustments to the Purchase Price as are contemplated by the Agreement.

2. The Property or portions thereof, once acquired by the County on the Closing Date, may be used (a) for public use for purposes of Virginia Code § 15.2-1800, (b) as a facility site for purposes of Virginia Code § 15.2-4917, and/or (c) for the development of business and industry for purposes of Virginia Code § 15.2-1802; provided, that development of the Property or portions thereof under Virginia Code § 15.2-1802 is conditioned upon the conduct a public hearing as required therein and as authorized by paragraph 7 of this Resolution.

3. The Albemarle County Executive (the "County Executive") is authorized to execute on behalf of the County an Assignment and Assumption Agreement by and between Rivanna Station Futures, LLC and the County, in the form attached hereto as Exhibit B (the "Assignment"), pursuant to which the County will assume the obligations of Purchaser under the Agreement. As used in this Resolution, the term "County Executive" includes an individual to whom the Albemarle County Executive has delegated his powers and duties as county executive, including but not limited to a delegation pursuant to such individual's designation by the Board of Supervisors or the Albemarle County Executive as interim county executive or acting county executive.

4. The County Executive or his designee is authorized to execute on behalf of the County such other requisite documents in connection with the transaction contemplated by the Assignment and the Agreement. Such officer or his designee is authorized to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate in connection with the transaction authorized by this Resolution or contemplated by the Assignment and the Agreement, whether concerning the settlement of such transaction, the termination of the Agreement, the extension of the Feasibility Study Period, or any other matter related to such transaction; and all of the foregoing, previously done or performed by such officer or agents of the County are in all respects approved, ratified and confirmed.

5. The County is authorized to perform as required in connection with the Assignment and the Agreement and such other requisite documents, and to incur reasonable and customary expenses in connection with the settlement of the transaction contemplated by the Assignment and the Agreement.

6. Any agreement or instrument authorized to be executed by the County Executive or his designees pursuant to this Resolution is subject to the prior approval as to substance and form by the County Attorney.

7. The Clerk to the Board of Supervisors, in consultation with the Chair of the Board of Supervisors and the County Executive, is directed to schedule and notice the public hearing required under Virginia Code § 15.2-1802.

8. This Resolution shall take effect immediately upon its adoption.

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Exhibit A to Resolution

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is dated as of the 18th day of May, 2023 (the "Effective Date"), between NEXT GENERATION, L.L.C., a Virginia limited liability company ("Seller") and RIVANNA STATION FUTURES, LLC, a Virginia limited liability company ("Purchaser").

RECITALS:

A. Seller is the owner of real property and improvements located in the County of Albemarle, Virginia, on the easterly side of U.S. Route 29 north of Charlottesville, identified on the 2020 Tax Maps of the County of Albemarle, Virginia, as Parcel ID Numbers 21-14C, 33-1, 33-2, 33-10, 32-5C, 33-1B, 33-1D, 33-13, 33-14, 33-15, and 33-16.

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, Parcel ID Numbers 21-14C, 33-1, 33-2, 33-10, 32-5C, 33-1B, 33-1D, 33-13, 33-14, 33-15, a portion of 33-13, and a portion of 33-16, more particularly described on Exhibit A attached hereto and made a part hereof (the "Property").

Accordingly, in consideration of the foregoing recitals, the mutual benefits to the parties from entering into this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Seller and Purchaser covenant and agree as follows.

ARTICLE I PURCHASE AND SALE

1.1 Owned Assets. Subject to the terms and conditions of this Agreement, on the Closing Date, Seller will sell, transfer, assign, and convey to Purchaser, and Purchaser will purchase from Seller, all of Seller's right, title, and interest in and to the Property, and all tangible and intangible assets of Seller (except "Excluded Assets" identified in Section 1.2) used or useful in the operation of the Property. The "Owned Assets" include the following:

(a) **Real Property.** All Seller's interest in the Property, consisting of land ("Land") and all buildings, structures, fixtures, and other improvements ("Improvements") located on the Land, including but not limited to all permits, easements, leases, licenses, rights-of-way, and related appurtenances.

(b) **Personal Property.** All personal property (the "Personal Property") owned by the Seller, if any, located in any of the Improvements or leased to lessees of any of the Improvements, including without limitation, any appliances, furnishings, fixtures and equipment used in the operation of the Improvements except for the Excluded Assets as set forth in Section 1.2 below.

1.2 Excluded Assets. The Owned Assets do not include any of the following (collectively, the "Excluded Assets"):

(a) Other than any contracts that Purchaser may elect to assume as part of its purchase of the Property, all rights of Seller in, to and under all commercial contracts, equipment leases, agreements, commitments and other arrangements, used or useful in the operation of the Property as of the Effective Date or made or entered into by Seller between the Effective Date and the Closing Date.

(b) All cash, bank deposits and other cash equivalents, certificates of deposits, marketable securities, and cash deposits made by or on behalf of Seller to secure contract obligations.

(c) All prepaid expenses (and rights arising therefrom or related thereto) except to the extent such prepaid expenses are accounted for in determining the adjustments under Section 1.5.

(d) All loan agreements and other instruments evidencing indebtedness for borrowed money.

(e) All contracts of insurance, all coverages and (subject to Article 12 below) proceeds thereunder and all rights in connection therewith, including, without limitation, rights arising from any refunds due with respect to insurance premium payments to the extent they relate to such insurance policies.

(f) All tangible personal property disposed of or consumed at or in connection with the Property in the regular course of business between the Effective Date and the Closing Date, except as otherwise provided in this Agreement.

(g) All other assets of Seller not located on or used in connection with the operation of the Property.

(h) All heavy equipment, earth moving equipment, trucks, snow and ice removal equipment, and other vehicles located on the Property and owned by the Seller, which shall be removed from the Property by Seller prior to Closing.

1.3 [Intentionally deleted.]

1.4 Assumption of Liabilities. Purchaser is assuming no liabilities of Seller because of, or as a part of, the purchase of the Property. Seller is obligated to fulfill and discharge all of its duties and obligations, and agrees to indemnify, defend, and hold Purchaser harmless from and against all liabilities, including, but not limited to, any claim, action, suit, or proceeding, with respect to the Property that is attributable to or arising out of matters that occur, or have occurred, prior to Closing, whether or not known or discovered, or should have been known or discovered, before Closing. In addition, Purchaser is not assuming any claim, action, suit, or proceeding pending as of the Closing Date or any subsequent claim, action, suit or proceeding arising out of or relating to any event occurring prior to the Closing Date, with respect to Seller's ownership and operation of the Property.

1.5 Purchase Price.

(a) The purchase price ("Purchase Price") is approximately Fifty-Eight Million and No/100 Dollars (\$58,000,000.00), which is the sum of (i) 385, the total estimated acreage of the "solicited property," multiplied by \$142,649.35 per acre, plus (ii) 77, the total estimated acreage of the "unsolicited property," multiplied by \$40,000.00 per acre. Purchaser, at its sole cost and expense, will obtain from a surveyor licensed in the Commonwealth of Virginia a boundary survey of the Property certifying its acreage (the "Survey"). In the event that, based upon the Survey, the total acreage of the Property is greater or less than 462 acres, the Purchase Price will be adjusted accordingly based on the price per acre set forth above. Such adjustment will reflect, but not be limited to, the boundary line adjustments of Parcel ID Numbers 33-1B, 33-13 and 33-16, pursuant to Section 3.1 below. As used herein, the "solicited property" includes Parcel ID Numbers 32-5C, 33-1B, 33-1D, 33-14, 33-15, and that portion of 33-16 determined to be conveyed to Purchaser in accordance with Section 3.1 below, and the "unsolicited property" includes Parcel ID Numbers 21-14C, 33-1, 33-2, 33-10, and those portions of 33-13 determined to be conveyed to Purchaser in accordance with Section 3.1 below.

(b) Subject to Section 1.6 below, the Purchase Price will be paid by Purchaser to Seller, less any credits, deductions, prorations, or adjustments herein authorized, on the Closing Date by wire transfer of immediately available funds to Blue Ridge Title/Chicago Title Insurance Company ("Escrow Agent") at Closing, with disbursement to Seller upon recordation of a deed as described in Section 9.2(c) below.

(c) Within ten (10) days of the Effective Date, a deposit in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Deposit") will be deposited by Purchaser with Escrow Agent securing Purchaser's obligation under this Agreement. Escrow Agent will hold the

Deposit in escrow in an interest-bearing account, in accordance with the terms of this Agreement, and not co-mingled in such account with any other funds other than the Additional Deposits, if any. The Deposit, together with interest earned, will be credited against the Purchase Price at Closing. Except as expressly provided in this Agreement, upon termination of this Agreement, the Deposit will be fully refundable by Escrow Agent to Purchaser, together with interest earned. Seller and Purchaser acknowledge and agree that the Deposit and any Additional Deposits shall be held by Escrow Agent pursuant to the conditions set forth in Exhibit B attached hereto and made a part hereof, and that Seller and Purchaser shall be subject to such conditions to the extent permitted by law.

1.6 Adjustment of Purchase Price.

(a) All Property expenses (including prepaid expenses) will be prorated between Seller and Purchaser as of 11:59 p.m. on the Closing Date. Items to be prorated include:

(1) Utility charges. Seller will have readings of utility meters, including all dry and wet utilities, made as of the Closing Date and cause utilities to render final bills to Seller, which Seller will pay promptly. If final readings are not possible, utilities will be prorated based upon the most recent period for which costs are available and a final adjustment will be made within thirty (30) days after request by Purchaser or Seller after receipt of the final bills.

(2) Taxes. General real estate taxes and special assessments relating to the Property payable during the year in which Closing occurs will be prorated with respect to the Property as of the Closing Date. If Closing occurs before the actual taxes and special assessments payable during such year are known, the apportionment of taxes will be upon the basis of taxes for the Property payable during the immediately preceding year; provided that, if the taxes and special assessments ultimately due and payable during the year in which Closing occurs are determined to be more or less than the taxes payable during the preceding year (after any appeal of the assessed valuation is concluded), Seller and Purchaser will promptly adjust the proration of such taxes and special assessments, and Seller or Purchaser, as the case may be, will pay to the other any amount required as a result of such adjustment. Seller is responsible for all roll-back taxes and any other form of tax or assessment that is due or becomes due because of any change in use of the Property occurring before the Closing, whether the same are actually assessed prior or subsequent to the Closing. Purchaser will be responsible for any roll-back taxes assessed because of any change in use of the Property initiated by it after Closing. Consistent with Section 13.6, this provision will survive Closing and the delivery of any deed.

Seller will prepare a proposed schedule (the "Proration Schedule") and deliver it to Purchaser at least twenty (20) days prior to Closing, including: (i) the items listed above, (ii) any items that are customarily apportioned between a buyer and seller in the locality in which the Property is located, and (iii) any other items the parties determine necessary. Seller and Purchaser will use all reasonable efforts to finalize and agree upon the proration schedule at least five (5) business days prior to Closing.

(b) Amounts due under this Section 1.6 will be paid at Closing as can best be determined. A post-Closing reconciliation of pro-rated items will be made by the parties sixty (60) days after Closing and any amounts due at that time will be promptly paid to the respective party in a lump sum payment. Any additional amounts that may become due after such determination will be promptly paid to the respective party. Any amounts due under this Section 1.6 that cannot be determined within sixty (60) days after Closing will be reconciled as soon as such amounts can be determined.

**ARTICLE II
FEASIBILITY STUDY PERIOD**

2.1 **Feasibility Study Period.** Purchaser will have ninety (90) days following the Effective Date to investigate the financial, legal, operational, environmental, physical, and all other aspects of the Property (the "Feasibility Study Period"). During the Feasibility Study Period, Purchaser will have the right to review and evaluate the Owned Assets and all rights and liabilities related to the Property. Purchaser, its counsel, accountants, agents, and other representatives will have full and continuing access

at all reasonable times to the Property, as well as to all other records and documents of Seller as they relate to the title, the physical aspects and condition, and the development and operation of the Property. Purchaser will also have the right to enter upon the Property at any reasonable times for any reasonable purpose, including surveying, engineering and building inspections, test borings, environmental tests and studies, including asbestos and radon audits, and such other work as Purchaser considers reasonably appropriate, and will have the further right to make inquiries of governmental bodies, utility companies, tenants and employees, and other like parties and to make feasibility studies and analyses as it considers reasonably appropriate. Purchaser will not exercise its right of access or conduct its inspections in such a manner as will unreasonably interfere with the operation of the Property or with the enjoyment of the Property by Seller's occupants and tenants.

2.2 Property Documents. Seller will furnish or make available to Purchaser or its representatives, at no cost to Purchaser, within ten (10) days of the Effective Date, the items listed on Exhibit C attached hereto and made a part hereof, to the extent they are in Seller's possession or control or are readily obtainable by Seller. If any such item is not in Seller's possession or control or readily obtainable by Seller, but Seller knows such item exists, Seller will notify Purchaser of the item's existence and location. If Seller fails to timely comply with this Section 2.2, Purchaser will be entitled to extend the Feasibility Study Period one day for each day by which such failure continues.

2.3 Extension of Feasibility Study Period.

(a) Prior to the expiration of the Feasibility Study Period or a Feasibility Study Period Extension (as defined herein), as applicable, and in its sole discretion, Purchaser may elect to extend the Feasibility Study Period for six (6) additional thirty (30)-day periods (each referred to herein as a "Feasibility Study Period Extension"). Purchaser will provide Seller written notice of Purchaser's election to extend or further extend the Feasibility Study Period.

(b) Subsequent to an election by Purchaser to extend the Feasibility Study Period and within five (5) days of receipt of an invoice from Seller, Purchaser will deposit with Escrow Agent an additional deposit (each referred to herein as an "Additional Deposit") to further secure Purchaser's obligation under this Agreement, according to the following schedule: (i) for each of the first, second, and third Feasibility Study Period Extensions, Fifty Thousand and No/100 Dollars (\$50,000.00), and (ii) for each of the fourth, fifth, and sixth Feasibility Study Period Extensions, One Hundred Thousand and No/100 Dollars (\$100,000.00).

(c) Escrow Agent will hold the Additional Deposits in escrow in an interest-bearing account with the Deposit, in accordance with the terms of this Agreement. The Additional Deposits, together with interest earned, will be credited against the Purchase Price at Closing. Except as expressly provided in this Agreement, upon termination of this Agreement, the Additional Deposits will be payable by Escrow Agent to Seller, together with interest earned.

2.4 Title Insurance and Survey.

(a) Purchaser will, as it deems necessary and at its sole cost and expense, order a commitment for an owner's title insurance policy (the "Title Commitment") issued by Escrow Agent, in which Escrow Agent will agree to insure, in such amount as Purchaser deems adequate, marketable title to the Property in the name of Purchaser, free from the Schedule B standard printed exceptions and all other exceptions except Permitted Exceptions (as defined below) with such endorsements as Purchaser will reasonably require and with insurance coverage over any "gap" period.

(b) If (i) the Title Commitment reflects any exceptions to title that are not acceptable to Purchaser in Purchaser's sole discretion, or (ii) the Survey, obtained by Purchaser under Section 1.5(a), discloses any state of fact not acceptable to Purchaser in Purchaser's sole discretion (any such exception or unacceptable state of fact being referred to as a "Title Defect"), then Purchaser may, on or before the end of the Feasibility Study Period, as the same may be extended by Feasibility Study Period Extensions, or within thirty (30) days from receipt of the Title Commitment or Survey, whichever is later, give Seller

written notice of such Title Defect (the "Title Notice"). Any exception to title that is (i) disclosed in the Title Commitment, or (ii) identified on a Survey, that, in either case, is not identified as a Title Defect in the Title Notice, will be deemed to be a "Permitted Exception." Seller will have the right, but not the obligation, within ten (10) days after receipt of a Title Notice, to notify Purchaser that Seller will take the action necessary to remove such Title Defect. If Seller elects to so notify Purchaser, then, on or before the Closing, Seller will provide Purchaser with reasonable evidence of such removal or provide title insurance over such Title Defect in form and terms satisfactory to Purchaser. Purchaser may elect to extend the Closing as necessary if additional time is needed to remove such Title Defect.

(c) If Seller does not notify Purchaser, within the 10-day period described in Section 2.4(b) above, that Seller will cure any Title Defect, Purchaser will have the option to (i) waive any Title Defect and proceed under the terms of this Agreement or (ii) terminate this Agreement by written notice to Seller. Upon such notice, the Deposit and any accrued interest will be returned by Escrow Agent to Purchaser and this Agreement will terminate and be of no further force and effect.

2.5 Termination During Feasibility Study Period. At any time prior to expiration of the Feasibility Study Period, as the same may be extended by Feasibility Study Period Extensions, Purchaser will have the right, in its sole discretion and for any reason or no reason, to terminate this Agreement by written notice to Seller. Upon such notice, the Deposit and any accrued interest will be refunded by Escrow Agent to Purchaser, the Additional Deposits will be paid by Escrow Agent to Seller, and this Agreement will terminate and be of no further force and effect.

ARTICLE III CONTINGENCY

3.1 Approval of Boundary Line Adjustments. Purchaser's obligation to purchase the Property is expressly contingent (the "Approval Contingency") upon Purchaser receiving all final non-appealable approval of such boundary line adjustments to Parcel ID Numbers 33-1B, 33-13, and 33-16 as are necessary to establish the Property as one or more separate legal parcels under the subdivision ordinance of the County of Albemarle, Virginia (the "Approval"). Purchaser will promptly apply to the County of Albemarle for the Approval once Purchaser has obtained title examination of the Property, a plat of survey showing such boundary line adjustments, and any other information required by the County to be included in such an application. The further purpose of the boundary line adjustments is to ensure, to the greatest extent practicable, that the boundary lines between property acquired by Purchaser and property retained by Seller follow watersheds, water courses and other natural topographic features. On this basis, the parties anticipate the boundary lines between Parcel ID Number 33-1B and Parcel ID Number 33-13 and between Parcel ID Number 33-13 and Parcel ID Number 33-16, respectively, will be adjusted in the approximate locations shown as "Area 1" and "Area 2" on Schedule 1 to Exhibit A. The parties anticipate that the boundary line between Parcel ID Number 33-13 and 33-16 will be further adjusted in the approximate location shown as "Area 3" on Schedule 1 to Exhibit A to offset the adjustments described above so that the Property to be transferred and conveyed by Seller to Purchaser contains approximately 462 acres. The Approval is deemed to have been procured only upon final, irrevocable action of the agency that is empowered to issue the Approval. For purposes of the Albemarle County Code and the future development of all parcels which are the subject of this Agreement, all development rights now applicable to the parcels described above will remain with the parent tract in connection with the boundary line adjustments effected under this Section 3.1 and be unaffected by such boundary line adjustments.

3.2 Seller Cooperation. Seller will cooperate with Purchaser and use Seller's reasonable efforts in furtherance of and in connection with all applications of Purchaser relating in any manner whatsoever to the satisfaction of the Approval Contingency. Seller will promptly sign, execute, and deliver to Purchaser upon Purchaser's request all documents that may be reasonably necessary or appropriate in Purchaser's judgment to gain the Approval. In the event Seller disagrees with the boundary line adjustments as proposed by Purchaser or otherwise fails to cooperate as required by this Section 3.2, Purchaser, at its option, may (a) accept such boundary line adjustments as are proposed by Seller and proceed to Closing once the Approval of the same is issued, or (b) proceed to Closing of the acquisition of

those portions of the Property which are not the subject of the proposed boundary line adjustments, with a reduction of the Purchase Price based on the prices per acre set forth in Section 1.5(a).

3.3 **Termination of Agreement/Extension of Closing Date.** In the event the necessary boundary line adjustments have not been approved on or before the Closing Date (the "Contingency Period"), then Purchaser, at its option, may either (a) terminate this Agreement by written notice to Seller, in which event the Deposit and any accrued interest will be refunded by Escrow Agent to Purchaser, the Additional Deposits will be paid by Escrow Agent to Seller (provided Purchaser's inability to obtain the Approval is not the result of Seller's default of its obligations under this Agreement), and this Agreement will terminate and be of no further force and effect, (b) extend the Closing Date for up to ninety (90) days to permit additional time to obtain the Approval, without Purchaser waiving its right to exercise the option set forth in clause (a) above if the Approval has not been issued as of the extended Closing Date, or (c) proceed to Closing of the acquisition of those portions of the Property which are not the subject of the proposed boundary line adjustments, with a reduction of the Purchase Price based on the prices per acre set forth in Section 1.5(a).

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER

Subject to Section 13.6 below, Seller represents and warrants to Purchaser as follows as of the Effective Date and the Closing Date:

4.1 **Organization and Entity Authority.** Seller is a limited liability company, duly organized and validly existing under the laws of the Commonwealth of Virginia and authorized to transact business in the Commonwealth of Virginia and has all requisite authority to own and operate the Property and the Owned Assets, and to carry on its business.

4.2 **Authorization and Binding Effect of Documents.** Seller has all requisite power and authority to enter into this Agreement and the other Documents to which it is a party and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and each of the other Documents by Seller and the consummation by Seller of the transactions contemplated in this Agreement have been duly authorized by all necessary action on the part of Seller. This Agreement has been, and each of the other Documents at or prior to Closing will be, duly executed and delivered by Seller. This Agreement constitutes (and each of the other Documents, when executed and delivered, will constitute) the valid and binding obligation of Seller enforceable against Seller in accordance with its terms.

4.3 **Absence of Conflicts.** The execution, delivery, and performance by Seller of this Agreement and the other Documents, and consummation by Seller of the transactions contemplated in this Agreement, do not and will not (i) conflict with or result in any breach of any of the terms, conditions, or provisions of, (ii) constitute a default under, (iii) result in a violation of, or (iv) give any third party the right to modify, terminate or accelerate any obligation under, any laws, regulations, indenture, mortgage, lease, loan agreement, or other agreement or instrument to which Seller or the Property is subject.

4.4 **Broker's or Finder's Fees.** No agent, broker, investment banker, or other person or firm acting on behalf of or under the authority of Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement. Seller agrees to indemnify and hold Purchaser harmless from any Loss resulting from a breach of this representation and warranty.

4.5 **Insurance.** There is now, and until Closing there will remain, in full force and effect with reputable insurance companies, property insurance and commercial general liability insurance (including windstorm and flood) in such amounts and with deductibles that are commercially reasonable. If any of the insurance placements are provided on a claims made basis, Seller will provide evidence of an extended reporting period coverage or "tail," reasonably available in the commercial insurance market for each such coverage or coverages, but in no event less than two years after the expiration of such coverage. Seller will

indemnify, defend, and hold Purchaser harmless from any and all claims that arise from incidents or conditions, known or unknown, that exist or occur prior to the Closing Date.

4.6 **Litigation.** There is no pending, or to Seller's knowledge, threatened litigation, proceeding, or investigation (by any person, governmental or quasi-governmental agency or authority, or otherwise) relating to the Property to which Seller is a party, including without limitation, litigation brought by Seller against third parties. No bankruptcy or similar action, whether voluntary or involuntary, is pending or threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Closing.

4.7 **Compliance with Laws.** To Seller's knowledge, the Improvements have been constructed and the Property has been used and operated in compliance in all material respects with, all applicable statutes, laws, regulations, rules, ordinances, orders, licenses, or permits of any kind affecting the Property. Seller has not received notice of any such violation.

4.8 **Environmental Matters.** Except as set forth in the environmental reports delivered to Purchaser pursuant to Section 2.2, if any, (a) Seller has no knowledge of any underground storage tanks on the Property; contamination by Hazardous Materials present on or in the Property; previous or present generation, use, storage, discharge, disposal, or existence of any Hazardous Materials on or in the Property; or any activity on or in the Property which has been conducted or is being conducted contrary to or in violation of any Environmental Laws or other statute, ordinance, regulation, order, permit, or common law concerning Hazardous Materials; (b) Seller has not generated, stored, discharged, or disposed of any Hazardous Materials on or in the Property, including the air, soil, surface water, and groundwater; and (c) Seller has no reason to suspect that any of the foregoing has occurred, either during or prior to its ownership of the Property. As used herein, and in any of the other documents executed in connection with this Agreement, "Hazardous Materials" shall mean and include all hazardous and toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos, petroleum products, PCBs, lead and raw materials which include hazardous constituents), or other similar substances, or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination or clean-up, including, without limitation, "CERCLA," "RCRA," or state super lien or environmental clean-up statutes (all such laws, rules and regulations being referred to collectively as "Environmental Laws"). Seller has not received any notice, summons, citation, directive, letter or other communication, written or oral, from any agency or department of the Commonwealth of Virginia or the United States Government concerning any violation of any Environmental Laws or any contamination, release, spill, leakage, disposal, pumping, pouring, emitting, emptying or dumping of Hazardous Substances on or near the Property.

4.9 **Assessments.** To Seller's knowledge, there are no special or other assessments for public improvements or otherwise now affecting the Property and remaining unpaid, nor does Seller have knowledge of (i) any pending or threatened special assessments affecting the Property, or (ii) any contemplated improvements affecting the Property that may result in special assessments affecting the Property.

4.10 **Mechanics' Liens.** All bills and claims for labor performed and materials furnished to or for the benefit of the Property for all periods prior to the Closing Date have been (or prior to the Closing Date will be) paid in full, and on the Closing Date there will be no mechanics' liens or materialmen's liens, whether or not perfected, on or affecting any portion of the Property, and if there will be any such liens, Seller must obtain the release of the same on or before the Closing Date so that Purchaser's title insurance policy will contain no exception for such liens. However, any bills, claims or liens relating to or arising from Purchaser's pre-closing activities on the Property are expressly excluded from the provisions of this warranty.

4.11 **Condemnation.** Seller has not received any written notice of any pending or contemplated condemnation, eminent domain, or similar proceeding with respect to all or any portion of the Property and, to Seller's knowledge, no such condemnation proceeding is being considered.

4.12 **No Cemeteries.** To the best of Seller's knowledge, there is no cemetery or other burial plot, archeological site, or historical site on the Property other than a cemetery located along the side of Boulders Road near a parking area.

4.13 **No Employees.** There are no employees and no employment contracts, operating agreements, management contracts, listing agreements, consulting agreements, union contracts, or labor agreements in connection with or related to the Property that cannot be terminated prior to Closing.

4.14 **FIRPTA.** Seller is a "non-foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986 and the regulations issued thereunder.

4.15 **No Agreements.** Except for leases addressed in Section 4.16 below, the Property is not subject to any outstanding agreements of sale or any options, rights of first refusal, liens, or other rights of third parties to acquire any interest in, or to use, the Property. All the Personal Property to be conveyed is owned by Seller free and clear of any liens, claims or encumbrances and none of the Personal Property is held by Seller under a lease or installment contract.

4.16 **Leases.** All leasehold interests in the Property held by any third party are current and not presently in default. Seller is not in breach or default of any lease related to the Property or any improvement thereon and has no knowledge that any event has occurred under any lease that would constitute a default after the expiration of any grace period. Seller is responsible for resolving any breach of or default under any such lease prior to Closing. Seller warrants there are no tenants at will or at sufferance, tenants under any unwritten leasehold, or trespassers. Upon request of Purchaser, Seller will obtain and deliver to Purchaser prior to and as a condition of Closing (unless waived by Purchaser) a written tenant estoppel certificate or report of occupancy, in a form reasonably acceptable to Purchaser, signed by a tenant under any lease related to the Property or any improvement thereon.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows as of the Effective Date and the Closing Date:

5.1 **Organization and Entity Authority.** Purchaser is a limited liability company, duly organized and validly existing under the laws of the Commonwealth of Virginia and authorized to transact business in the Commonwealth of Virginia and has all requisite authority to purchase the Owned Assets.

5.2 **Authorization and Binding Effect of Documents.** Purchaser has all requisite power and authority to enter into this Agreement and the other Documents and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and each of the other Documents by Purchaser and the consummation by Purchaser of the transactions contemplated in this Agreement have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been, and each of the other Documents at or prior to Closing will be, duly executed and delivered by Purchaser. This Agreement constitutes (and each of the other Documents, when executed and delivered, will constitute) the valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

5.3 **Broker's or Finder's Fees.** Other than Colliers International Virginia, LLC and Four Corners Real Estate Solutions, LLC (collectively, the "Brokers"), no agent, broker, investment banker, or other person or firm acting on behalf of or under the authority of Purchaser is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement. At the Closing, notwithstanding the provisions of Section 4.4 above, Seller agrees to pay to the Brokers a real estate commission equal to two percent (2%) of the Purchase Price, to be divided equally between them.

ARTICLE VI OTHER COVENANTS

6.1 Conduct of the Property's Business Prior to the Closing Date. Seller covenants that from the Effective Date through the Closing Date, unless Purchaser otherwise consents in writing (which consent will not be unreasonably withheld), Seller will:

(a) Operate the Property in the ordinary course of business, including incurring expenses consistent with past practices, and making reasonable capital expenditures prior to the Closing Date, but only in an amount consistent with past practices.

(b) Not sell, lease, grant any rights in or to, subdivide, or otherwise dispose of, or agree to sell, lease, grant any rights in or to, subdivide, or otherwise dispose of, any of the Owned Assets except for dispositions of assets that are in the ordinary course of business and if material, are replaced by similar assets of substantially equal or greater value and utility with no liens thereon.

(c) [Intentionally deleted.]

(d) Maintain the Personal Property currently in use in reasonably good operating condition and repair, except for ordinary wear and tear, in a manner consistent with past practices. Seller will not remove any item of Personal Property without replacing and connecting/installing the same with new property of equal or greater value, at no cost to Purchaser.

(e) Not enter into any new leases, contracts, or agreements affecting the Property or extend any existing leases, contracts or other agreements affecting the Property without the prior written approval of Purchaser, provided that Seller will be permitted to renew written "month-to-month" contracts affecting the Property for additional one (1) month terms without Purchaser's prior approval.

(f) Not make any alterations or improvements to the Property or make any capital expenditure with respect to the Property, except as described in Section 6.1(a) above.

6.2 Notification of Certain Matters. Seller will give prompt notice to Purchaser, and Purchaser will give prompt notice to Seller, of (i) the occurrence, or failure to occur, of any event that would be likely to cause any of their respective representations or warranties contained in this Agreement to be untrue or inaccurate in any respect at any time from the Effective Date to the Closing Date, and (ii) any failure on their respective parts to comply with or satisfy, in any respect, any covenant or condition to be complied with or satisfied by either of them under this Agreement.

6.3 Title; Additional Documents. At the Closing, Seller will transfer and convey to Purchaser good, marketable, and insurable title to the Owned Assets, including fee simple title to the Property, free and clear of any Liens except Permitted Exceptions. At the Closing, the Personal Property will be transferred to Purchaser. Seller will execute or cause to be executed such documents, in addition to those delivered at the Closing, as may be necessary to confirm in Purchaser such title to all its interests in the Owned Assets and to carry out the purposes and intent of this Agreement.

6.4 Public Disclosure. As provided in Section 13.9, prior to the expiration of the initial Feasibility Study Period, Purchaser will assign all its rights and obligations under this Agreement to a public body or governmental entity in the United States, and such public body or governmental entity will assume all of the obligations of Purchaser under this Agreement. Seller and Purchaser acknowledge that it may be required or desired, in the course of such public body's or governmental entity's legally mandated process to accept such an assignment and assume the obligations of Purchaser under this Agreement and to reasonably inform the public concerning the proposed use of the Property, to publicly disclose this Agreement and the transactions contemplated by it. Accordingly, until the date (but only until the date) of such assignment and assumption, neither party will make any public release or announcement concerning this Agreement and the transactions contemplated by it without the prior

written consent of the other party, except as required by law or applicable regulations. On and after such date, either party may publicly disclose this Agreement and the transactions contemplated by it.

6.5 **Material Adverse Effect.** Seller will promptly notify Purchaser if it obtains knowledge of any event, condition, or change that materially and adversely affects or could reasonably be expected to materially and adversely affect the Property, Seller's existence, or the assets, business, operations, financial condition, or results of operations of the Property.

6.6 **Tax Returns and Payments.** Seller will timely file with the appropriate governmental agencies all tax returns required to be filed by Seller with respect to the Property prior to Closing and timely pay all taxes reflected on such tax returns as owing by Seller.

6.7 **Exclusivity.** During the term of this Agreement, Seller will not (i) solicit, initiate, or encourage the submission of any proposal or offer from any person relating to the acquisition of the Property (including any acquisition structured as a recapitalization, merger, consolidation, or share exchange), or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person to do or seek any of the foregoing.

ARTICLE VII CONDITIONS PRECEDENT TO THE OBLIGATION OF PURCHASER TO CLOSE

Purchaser's obligation to close the acquisition of the Owned Assets pursuant to the terms of this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, unless waived by Purchaser in writing:

7.1 Accuracy of Representations and Warranties; Closing Certificate.

(a) The representations and warranties of Seller contained in this Agreement and in any other Document are true and correct in all material respects on the Effective Date and at the Closing Date with same effect as though made at such time except for changes permitted in this Agreement.

(b) Seller will have delivered to Purchaser on the Closing Date a certificate that the conditions specified in Sections 7.1(a) and 7.2 are satisfied as of the Closing Date.

7.2 **Performance of Agreement.** Seller will have performed in all material respects all of its covenants, agreements, and obligations required by this Agreement to be performed or complied with by it prior to or upon the Closing Date.

7.3 **Title.** Title to Seller's interest in the Property will not be encumbered by any exception to title other than Permitted Exceptions or any Title Defects that were waived by Purchaser. Seller must remove from title the following prior to, or at, the Closing:

(a) All mortgages, security deeds, other security instruments or other monetary liens encumbering the Property and all security agreements outstanding and evidenced by UCC-1 financing statements against all Personal Property;

(b) All past due ad valorem taxes and assessments of any kind, whether or not of record, that constitute, or may constitute, a lien against Seller or the Property;

(c) Judgments against Seller (that do not result from acts or omissions on the part of Purchaser) that have attached to and become a lien against the Property;

(d) All Title Defects that Seller agreed to remove under Section 2.4(b); and

(e) Any new matters appearing on a title bringdown that were not on the Title Commitment.

7.4 **Pending Actions or Proceedings.** No action or proceeding will be pending by or before any court or other governmental body or agency seeking to restrain, prohibit, or invalidate the transactions contemplated by this Agreement.

7.5 **Delivery of Closing Documents.** Seller will have delivered or caused to be delivered to Purchaser on the Closing Date each of the documents required to be delivered pursuant to Section 9.2.

7.6 **Erosion and Sediment Control Bond.**

(a) Without limiting Purchaser's other rights under this Agreement, upon Purchaser's written request made prior to expiration of the Feasibility Study Period, as the same may be extended by the Feasibility Study Period Extensions, Seller will close out and remove from the Property any open erosion and sediment control bond. Seller will diligently pursue such close out and removal, but if Seller is unable to complete the same prior to Closing, Purchaser will reasonably cooperate with Seller to provide Seller with post-Closing access to the Property for such purpose. Thereafter, at any time subsequent to Closing, Purchaser may elect to assume all of Seller's obligations under and guaranteed by such bond and otherwise proceed in accordance with the second sentence of Section 7.6(b) below.

(b) If Purchaser makes no such request prior to expiration of the Feasibility Study Period, as the same may be extended by the Feasibility Study Period Extensions, that Seller close out and remove from the Property any open erosion and sediment control bond, Purchaser, as of Closing, will be deemed to have assumed all of Seller's obligations under and guaranteed by such bond. In such event, Purchaser will (i) arrange for Seller's release from such obligations, and (ii) post a substitute bond as required by law.

(c) Seller's and Purchaser's respective obligations under this Section 7.6 will survive Closing.

**ARTICLE VIII
RESERVED**

**ARTICLE IX
CLOSING**

9.1 **Time and Place.** Unless otherwise extended in accordance with the terms of this Agreement, Closing of the conveyance of the Owned Assets pursuant to this Agreement (the "Closing") will take place on or before the date that is seventy-five (75) days after the expiration of the Feasibility Study Period, as the same may be extended by Feasibility Study Period Extensions (the "Closing Date"), or at such other date as may be agreed upon by the parties, time being of the essence of this provision. Closing will be coordinated through Escrow Agent and both parties will use their best efforts to ensure that Closing may be achieved through mail, overnight deliveries, facsimiles, and wire transfers.

9.2 **Documents to be Delivered by Seller.** At the Closing, Seller will deliver or cause to be delivered to Escrow Agent the following, in each case in form and substance reasonably satisfactory to Purchaser:

(a) Governmental certificates, dated as of a date as near as practicable to the Closing Date, showing that Seller is existing in the state of organization of such entity and authorized to transact business in the Commonwealth of Virginia.

(b) A certificate of the manager, managing member, or other authorized officer, representative, or agent of Seller attesting as to the incumbency of each officer of Seller who executes this Agreement and any of the other Documents, certifying that resolutions and consents necessary for Seller

to act in accordance with the terms of this Agreement have been adopted or obtained and to similar customary matters.

(c) A general warranty deed with English Covenants of Title conveying all of Seller's interests in the Property including a legal description of the Property (if requested by Purchaser, to include current metes and bounds descriptions of the various parcels as shown on the Survey, as modified by such boundary line adjustments as are approved as contemplated by Section 3.1), with the Survey and/or boundary line adjustment plat attached as exhibits to the deed, free of all encumbrances other than the Permitted Exceptions. Notwithstanding the foregoing, in the event that Purchaser's title examination discloses that the Seller took title to the Property by special warranty deed or a trustee's deed, title to the Purchaser will be conveyed by special warranty deed and not by general warranty deed. Purchaser agrees to accept the Improvements in their "as is" condition as of the Effective Date.

(d) A bill of sale and other instruments of transfer and conveyance transferring the Owned Assets held or owned by Seller, free of all encumbrances other than the Permitted Exceptions.

(e) [Intentionally deleted.]

(f) An agreement of assignment and conveyance transferring to Purchaser all other rights and interests required to be conveyed by Seller to Purchaser pursuant to this Agreement, including all leasehold and license interests on the Property, related service contracts, warranties, and engineering materials.

(g) A certificate of non-foreign status under Section 1445 of the Internal Revenue Code of 1986, complying with the requirements of the regulations promulgated pursuant to such section.

(h) A certificate as to the reporting of certain real estate transactions required by Section 6045(e) of the Internal Revenue Code of 1986.

(i) An IRS W-9 Form.

(j) The certificate described in Section 7.1(b).

(k) A blanket assignment and transfer to Purchaser of all assignable warranties and guarantees held by Seller from any contractors, subcontractors, suppliers, manufacturers, or distributors relating to the Property and Improvements.

(l) Drawings, plans and specifications, and maintenance and warranty manuals for the Property and Improvements, if any are possessed by Seller.

(m) The tenant estoppel certificates or reports of occupancy described in Section 4.16.

(n) Such corrective instruments as may be required to deliver good, marketable, and insurable title, subject to the provisions of Section 7.3.

(o) A Seller's title affidavit of no liens, no "gap," and of exclusive possession in such form as reasonably required by Escrow Agent to permit Escrow Agent to remove and delete the "standard" title exceptions.

(p) An affidavit in a form reasonably acceptable to Escrow Agent that no labor or materials have been furnished to the Property by or at Seller's direction within the statutory period for the filing of mechanics' or materialmen's liens against the Property; or, if labor or materials have been furnished during the statutory period, an affidavit that the costs thereof have been paid in full and that no other persons have the right of possession of the Property.

(q) If requested by Purchaser or Escrow Agent, a survey affidavit on a form reasonably acceptable to Escrow Agent.

(r) A settlement statement.

(s) Such additional information and materials as Purchaser or Escrow Agent reasonably requests to evidence the satisfaction of the conditions to Purchaser's obligation to proceed to Closing, including without limitation, evidence that all consents and approvals required as a condition to Purchaser's obligation to close have been obtained, such affidavits and indemnities as Escrow Agent may require to issue the policy of title insurance and the gap coverage, and any other documents expressly required by this Agreement to be delivered by Seller at Closing, or as may be required by Escrow Agent.

9.3 **Deliveries to Seller by Purchaser.** At the Closing, Purchaser will deliver or cause to be delivered to Escrow Agent the following, in each case in form and substance reasonably satisfactory to Seller or such other party:

(a) The Purchase Price in accordance with Section 1.5 and the adjustments under Section 1.6.

(b) A settlement statement.

9.4 **Closing Costs.** Purchaser and Seller will each pay their respective attorneys' fees and expenses. All costs of Escrow Agent to insure title, and the cost of owner's title insurance policy, as well as all costs of the Survey, will be paid by Purchaser. The Virginia Grantor's tax will be paid by the Seller. The recordation tax and clerk's fees for recording the deed will be paid by the Purchaser.

9.5 **Possession.** Possession of the Property will be given to Purchaser on the Closing Date, free and clear of all tenancies, liens, and other possessory rights not otherwise assigned to and accepted by Purchaser.

ARTICLE X INDEMNIFICATION

10.1 **Waiver.** If (a) Purchaser is notified of the untruth of any representation or warranty made by Seller by (i) written notice from Seller (which notice will refer to the representation or warranty that is untrue) or (ii) the professional written reports and studies prepared by or for Purchaser as part of Purchaser's due diligence, and (b) Purchaser nevertheless elects to close under this Agreement, then Purchaser will be deemed to have waived the breach in question and will not assert any post-closing claim against Seller with respect to that breach.

10.2 **Indemnification by Seller.** Subject to Section 13.6 below, Seller will indemnify, defend, and hold harmless Purchaser and Purchaser's employees, successors and assigns from and against, and pay or reimburse each of them for and with respect to, any Loss relating to, arising out of or resulting from any of the following:

(a) Any breach by Seller of any of its representations, warranties, covenants or agreements in this Agreement or any other Document; or

(b) Any obligation, indebtedness, or liability of Seller other than obligations, indebtedness, or liabilities to the extent an adjustment is made to the Purchase Price pursuant to Section 1.5. Subject to the previous sentence, the obligations, indebtedness, and liabilities of Seller under this Agreement include, but are not limited to: (1) claims by state or federal governmental agencies for repayment of claims for reimbursement of costs, regardless of whether disclosed to Purchaser and regardless of whether constituting a breach by Seller of this Agreement or under any other Document, and (2) all claims and causes of action held by Seller against third parties, or held by any third party against Seller, which claims or causes of action accrued prior to the Closing Date (and, with respect to Seller's

performance of its obligations under Section 7.6, on or after the Closing Date), regardless of whether constituting a breach by Seller of this Agreement or under any other Document.

10.3 Administration of Indemnification. For purposes of administering Seller's indemnification, the following procedure will apply:

(a) Whenever a claim arises for indemnification under this Article, Purchaser will provide a reasonably prompt written notice to Seller setting forth in reasonable detail, to the extent then available, the facts concerning the nature of the claim and the basis upon which Purchaser believes that it is entitled to indemnification.

(b) If a claim for indemnification is resulting from or in connection with any claim by a third party, Seller will be entitled, at its sole expense, to either participate in defending against such claim or assume the entire defense with legal counsel reasonably satisfactory to Purchaser, provided the following:

(1) Seller agrees in writing that it does not and will not contest its responsibility for indemnifying Purchaser in respect of such claim or proceeding; and

(2) No settlement will be made and no judgment consented to without the prior written consent of Purchaser which will not be unreasonably withheld or delayed.

(c) If a claim, action, suit or proceeding would, if successful, result in the imposition of damages for which Seller would not be solely responsible, or representation of Seller and Purchaser by the same legal counsel would otherwise be inappropriate due to actual or potential differing interests between them, then Seller will not be entitled to assume the entire defense and each party will be entitled to retain separate legal counsel who will cooperate with one another in defending against such claim. If damages are imposed for which Seller is not solely responsible, Seller will be obligated to bear only that portion of the expense of Purchaser's legal counsel that is in proportion to the damages indemnifiable by Seller compared to the total amount of the third-party claim against Purchaser.

(d) If Seller fails or elects not to defend against a claim by a third party, Purchaser may defend in such manner as it deems appropriate or settle the claim (after giving notice thereof to Seller) on such terms as Purchaser may deem appropriate, and Purchaser will be entitled to periodic reimbursement of defense expenses incurred, including attorneys' fees, and prompt indemnification from Seller in accordance with this Article.

(e) Failure or delay by Purchaser to give a reasonably prompt notice of any claim (if given prior to expiration of any applicable survival period) will not release, waive, or otherwise affect Seller's obligations with respect to the claim, except to the extent that Seller can demonstrate actual loss or prejudice because of such failure or delay.

ARTICLE XI DEFAULT AND TERMINATION

11.1 Right of Termination. This Agreement may be terminated prior to Closing:

(a) By Purchaser (i) during the Feasibility Study Period, as the same may be extended by Feasibility Study Period Extensions, for any reason or no reason as described in Section 2.5, (ii) during the Contingency Period, as the same may be extended by Feasibility Study Period Extensions, for the failure to occur of the Approval Contingency, as described in Section 3.3, or (iii) as otherwise permitted by this Agreement; or

(b) By written agreement of Seller and Purchaser.

11.2 Remedies upon Default.

(a) If Seller defaults on any of its material obligations, and such default continues for ten (10) business days after written notice specifying such default, Purchaser may, as its sole remedy and in its sole and absolute discretion, by serving notice in writing to Seller in the manner provided in this Agreement, either:

(1) Terminate this Agreement and declare it null and void, and receive a full and immediate refund of the Deposit and any Additional Deposits paid under Section 2.3, together with any accrued interest, as the sole legal or equitable remedy for Seller's default; or

(2) Seek enforcement of this Agreement by a decree of specific performance or injunctive relief requiring Seller to fulfill its obligations under this Agreement. In the event Purchaser seeks a such a decree, and the same is not granted by a court for any reason, Purchaser shall be entitled to the relief provided in Section 11.2 (a)(1) above.

(b) If Purchaser defaults on any of its material obligations, including, without limitation, the obligation to close this transaction on or before the Closing Date, time being of the essence, and Seller is not in default of any of its obligations hereunder, but is ready, willing, and able to close on the Closing Date, then Seller may as its sole monetary remedy, by serving notice in writing to Purchaser and Escrow Agent in the manner provided in this Agreement, recover liquidated damages from Purchaser in the amount of the Deposit and the Additional Deposits, Purchaser and Seller acknowledging and agreeing that the damages that Seller would suffer as a result of such default and termination would be difficult, if not impossible, to determine and that the Deposit and the Additional Deposits as liquidated damages is a fair and reasonable estimation of such damages. In the event of termination of this Agreement pursuant to this Section 11.2 (b), upon such termination Purchaser will also provide to Seller copies of all studies, reports and surveys obtained by Purchaser and specifically concerning the Property.

**ARTICLE XII
CASUALTY AND CONDEMNATION**

12.1 Casualty. The risk of any Loss or damage to the Property by fire or other casualty before the Closing will be borne by Seller. Seller will promptly give Purchaser written notice of any fire or other casualty (in any event within five (5) days of the occurrence of same), which notice will include a description of the event and resulting damage in reasonable detail and an estimate of the cost and time to repair. If the damage or destruction of the Property is "material," Purchaser will have the option, upon written notice to Seller, to terminate this Agreement. "Material" damage or destruction means any damage or destruction that would require more than Two Hundred Thousand and No/100 Dollars (\$200,000.00) to repair (including the amount of any revenues lost because of the casualty). If Purchaser so elects to terminate this Agreement, the Agreement will terminate and be of no further force and effect and the Deposit and any Additional Deposits, together with any accrued interest, will be returned to Purchaser, and neither party will have any liability to the other, except for those provisions that explicitly survive termination. If Purchaser does not elect to terminate this Agreement as provided, Seller will repair the damage at its sole cost and expense before the Closing Date (and Purchaser may elect to postpone the Closing Date until the repairs are completed) or, at the option of Purchaser, make an appropriate reduction in the Purchase Price based on a reasonable approximation of the cost of such repair as agreed by the parties, but in an amount not less than the insurance proceeds received by Seller as a result of such damage or destruction, plus any deductibles.

12.2 Condemnation. The risk of any Loss or damage to the Property by condemnation (both complete and partial) before the Closing Date will be borne by Seller. If any condemnation proceeding is commenced or threatened, Seller will promptly give Purchaser written notice (in any event within five (5) days after the occurrence of same), together with such reasonable details as to which Seller may have knowledge. As soon thereafter as the portion or portions of the Property to be taken are reasonably determinable, Seller will give Purchaser written notice together with Seller's estimate of the value of the portion or portions of the Property to be so taken. Upon receipt of Seller's notice, Purchaser, by written

notice to Seller at any time thereafter, may terminate this Agreement. If Purchaser so elects to terminate this Agreement, this Agreement will terminate and be of no further force and effect and the Deposit and any Additional Deposits, together with any accrued interest, will be returned to Purchaser, and neither party will have any liability to the other, except for those provisions that explicitly survive termination. If Purchaser does not elect to terminate this Agreement as provided, then the sale of Owned Assets will be consummated under the terms of this Agreement at the Purchase Price (without abatement for the condemnation), and Seller will pay over to Purchaser at the Closing all amounts received by Seller in connection with the condemnation or insurance received for the condemnation and will assign to Purchaser all rights to any future condemnation awards/proceeds due with respect thereto. Purchaser will be entitled to participate in any condemnation proceeding, and Seller will cooperate with Purchaser in such respect.

ARTICLE XIII MISCELLANEOUS

13.1 Further Actions. From time to time before, at and after the Closing, each party, at its expense and without further consideration, will execute and deliver such documents as reasonably requested by the other party or Escrow Agent.

13.2 Confidentiality. Until the date of the assignment and assumption of this Agreement to a public body or governmental entity as contemplated by [Section 13.9](#) of this Agreement, neither Seller nor Purchaser may disclose this Agreement or its terms, or any documents or information provided to the other in connection with due diligence, the Feasibility Study Period, as the same may be extended by Feasibility Study Period Extensions, or other activities related to this Agreement, except on a need-to-know basis to Seller's and Purchaser's respective employees, contractors, consultants, agents, members, managers, lenders, accountants, attorneys, professional advisors, affiliated companies, and the public body's or government agency's prospective investors and partners in the proposed use of the Property (including representatives of all of the foregoing, as applicable), or to comply with applicable laws.

13.3 Notices.

(a) All notices, demands, or other communications between the parties must be in writing. Notices must be given by (i) personal delivery or (ii) a nationally recognized, next-day courier service, addressed as follows:

(1) If to Purchaser, to:	Rivanna Station Futures, LLC 1111 E. Main Street Suite 2400 Richmond, Virginia 23219-0003 Attn: Benjamin W. Emerson, Manager
(2) If to Seller, to:	Next Generation, L.L.C. 435 Gander Dr. Charlottesville, Virginia 22901 Attn: Hunter W. Wood, Operating Manager
with a copy to:	Douglas E. Little, Esquire 710 East High St. Charlottesville, Virginia 22902
(3) If to Escrow Agent, to:	Blue Ridge Title/Chicago Title Insurance Company 218 5 th Street NE Charlottesville, Virginia 229902 Attn: Brinson White, Esquire

(b) A notice given in accordance with this Agreement will be effective upon receipt or refusal by the party to which it is given.

(c) For convenience, notices may be sent via email; however, such email notice will not be considered effective until the original hard copy of the notice is received by the party to which it is given pursuant to one of the delivery methods described in subsection (a) above.

(d) Either party may change its notice address from time to time by informing the other party in writing of such new address.

13.4 [Intentionally deleted.]

13.5 Entire Agreement. This Agreement, together with the attached Exhibits and Schedules, all of which are incorporated by reference, is the entire agreement between the parties. The terms of this Agreement may be amended or modified only by a written instrument executed by the parties.

13.6 Survival and Non-Merger. With the exception of Article IV and Article X above, both of which shall survive only for a period of thirty (30) days after Closing, the provisions of this Agreement will survive Closing and the execution and delivery of the deed and will not be merged therein. Notwithstanding the foregoing, Article X shall remain in effect with respect to Seller's obligations under Section 7.6 above until the date which is thirty (30) days after Seller has completed its performance of such obligations.

13.7 Binding Effect; Benefits. This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

13.8 No Partnership. Nothing contained in this Agreement will be construed to create a partnership or joint venture between the parties or their successors or permitted assigns.

13.9 Assignment. Prior to the expiration of the initial Feasibility Study Period, Purchaser will assign all its rights and obligations under this Agreement to a public body or governmental entity in the United States (and in no event to a foreign person, entity or government); provided, however, that any assignee of Purchaser will assume all of the obligations of Purchaser under this Agreement. Seller does not have the right to assign this Agreement or any of its obligations hereunder without the express written consent of Purchaser, which it is under no obligation to give.

13.10 Choice of Law. This Agreement and any dispute, controversy or proceeding arising out of or relating to this Agreement (whether in contract, tort, common or statutory law, equity or otherwise) will be construed, enforced, and governed by the laws of the Commonwealth of Virginia, without regard to conflict of law principles of the Commonwealth of Virginia or of any other jurisdiction that would result in the application of laws of any jurisdiction other than those of the Commonwealth of Virginia.

13.11 Venue. All claims and litigation arising out of or related to this Agreement must be brought and resolved either in the United States District Court for the Western District of Virginia, Charlottesville Division, or in the Circuit Court of the County of Albemarle, Virginia.

13.12 Rules of Construction

(a) When a reference is made in this Agreement to an Article, a Section, an Exhibit, or a Schedule, such reference is to an Article of, a Section of, an Exhibit to, or a Schedule to this Agreement unless otherwise indicated.

(b) Whenever the words "include," "includes," or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation."

(c) The definitions contained in this Agreement are applicable to the singular as well as to the plural forms of such terms and to the masculine, feminine, and neuter genders and non-genders

of such terms. Whenever the context requires, any pronouns used in this Agreement include the corresponding masculine, feminine, or non-gender forms.

13.13 **Severability.** If any provision of this Agreement or its application to any party or circumstances is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected, and each provision of this Agreement will be valid and will be enforced to the fullest extent permitted by law.

13.14 **Waiver.** No waiver of any breach of this Agreement will be deemed a waiver of any preceding or succeeding breach under this Agreement or any other agreement. No extension of time for the performance of any obligation or act will be deemed an extension of time for the performance of any other obligation or act.

13.15 **Day/Calendar Day/Business Day.** If any date set forth in this Agreement for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice falls on a Saturday, Sunday, or Legal Holiday, the compliance with such obligations or delivery will be deemed acceptable on the next business day following such Saturday, Sunday, or Legal Holiday. The term "Legal Holiday" will mean any Albemarle County, Virginia, Commonwealth of Virginia, or federal holiday.

13.16 **Waiver of Jury Trial.** Each party waives all rights to a trial by jury in any claim, action, proceeding or counterclaim arising out of or in any way connected with this Agreement.

13.17 **Captions/Headings.** The captions in this Agreement are for reference only and do not describe the intent of this Agreement or otherwise alter the terms of this Agreement.

13.18 **Counterparts.** This Agreement may be executed and delivered in any number of counterparts, in the original or by electronic transmission, each of which so executed and delivered will be deemed to be an original and all of which together will constitute one and the same instrument.

13.19 **Time is of the Essence.** Time is of the essence with respect to the performance of the obligations of the parties.

13.20 **Acceptance Deadline.** The execution of this Agreement by Purchaser constitutes an offer by Purchaser to purchase the Owned Assets from Seller on the terms and conditions stated in this Agreement. This Agreement will be of no force and effect and the offer contained herein will be deemed withdrawn without any further action by Purchaser unless this Agreement is executed by Seller and delivered to Purchaser on or before 5:00 p.m. of May 19, 2023.

ARTICLE XIV DEFINITIONS

14.1 The following terms as used in this Agreement have the following meanings:

(a) **Documents:** This Agreement and all Exhibits, Schedules and each other agreement, certificate, or instrument to be delivered pursuant to this Agreement.

(b) **Knowledge:** The actual knowledge of the members, officers, managers, and directors of Seller, it being understood and acknowledged that such members, officers, managers, and directors are not charged with knowledge of all the acts or omissions of their predecessors or with acts or omissions of other agents or other employees of Seller. Neither Seller nor its members, officers, managers, and directors, will be obligated to do or perform any independent investigation in connection with the making of any representations or warranties as set forth in this Agreement.

(c) **Lien:** Any mortgage, deed to secure debt, deed of trust, pledge, hypothecation, title defect, right of first refusal, security or other adverse interest, encumbrance, claim, option, lien, lease, or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting

the Owned Assets, including any agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement, and the filing of or agreement to give any financing statement with respect to any of the Owned Assets under the Uniform Commercial Code or comparable law of any jurisdiction.

(d) **Loss:** With respect to any person or entity, any and all costs, obligations, liabilities, demands, claims, settlement payments, awards, judgments, fines, penalties, damages, or reasonable out-of-pocket expenses, including court costs and reasonable attorneys' fees, whether or not arising out of a third-party claim.

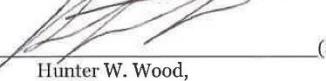
*[The remainder of this page is intentionally left blank.
Signatures appear on the following pages]*

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized representative effective as of the date of Purchaser's receipt from Seller of the fully executed Agreement, which date will be the Effective Date hereof and will be inserted by Purchaser, upon receipt, on page 1 of this Agreement.

SELLER:

NEXT GENERATION, L.L.C.,
a Virginia limited liability company

Date: 5/17/2023

By:  (SEAL)
Hunter W. Wood,
Operating Manager

PURCHASER:

RIVANNA STATION FUTURES, LLC,
a Virginia limited liability company

Date: 5-17-23

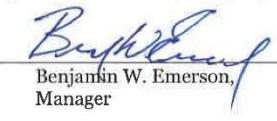
By:  (SEAL)
Benjamin W. Emerson,
Manager

EXHIBIT A

Property

Unless otherwise noted, each parcel below is more particularly described in a deed dated August 25, 2006, and recorded in the Office of the Clerk of the Albemarle County Circuit Court on August 25, 2006, in Deed Book 3277, at page 620.

Tax Map Parcel No. 21-14C: 32.84 acres, more or less.

Tax Map Parcel No. 32-5C: 19.27 acres, more or less, as recorded in a deed filed with the Office of the Clerk of the Albemarle County Circuit Court at Deed Book 1534, page 618.

Tax Map Parcel No. 33-1: 48.5 acres, more or less.

Tax Map Parcel No. 33-1B: 12.59 acres, more or less

Tax Map Parcel No. 33-1D: 118.47 acres, more or less.

Tax Map Parcel No. 33-2: 2 acres, more or less, as recorded in a deed filed with the Office of the Clerk of the Albemarle County Circuit Court at Deed Book 5446, page 724.

Tax Map Parcel No. 33-10: 61.29 acres, more or less.

Tax Map Parcel No. 33-13: 22.25-acre portion, more or less, as shown on Schedule 1 attached.

Tax Map Parcel No. 33-14: 15.21 acres, more or less.

Tax Map Parcel No. 33-15: 89.08 acres, more or less.

Tax Map Parcel No. 33-16: 41-acre portion, more or less, as shown on Schedule 1 attached.

SCHEDULE 1 TO EXHIBIT A

Map of Property Appears on Following Page

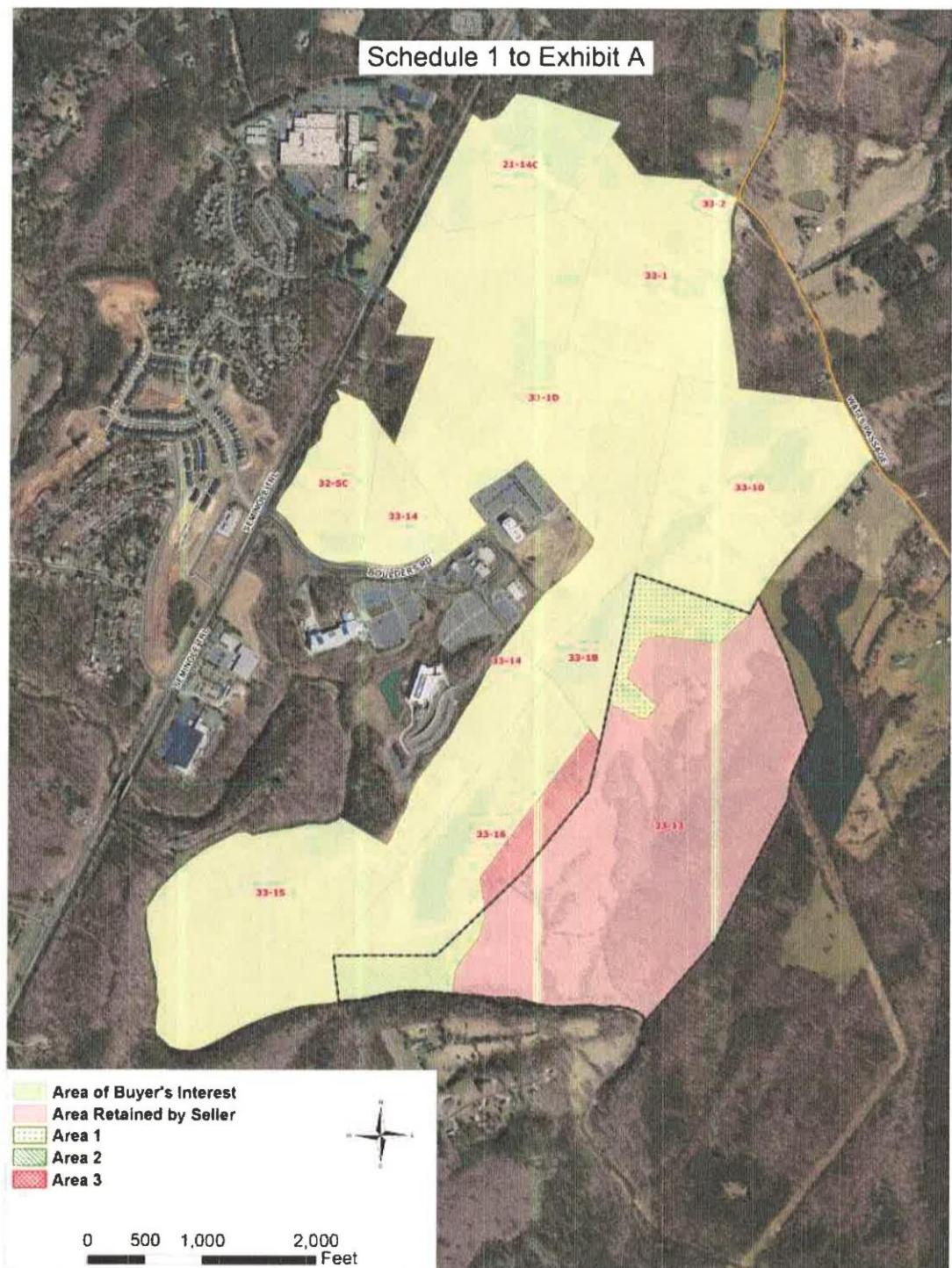


EXHIBIT B

Conditions of Escrow

Chicago Title Insurance Company (the "Escrow Agent" and "Title Company") accepts this undertaking subject to these Conditions of Escrow:

1. Escrow Agent shall hold the deposit(s) received by Escrow Agent and reserves the right to hold any and all disbursements until joint written release disbursement instructions are received from both Purchaser and Seller.
2. Escrow Agent is hereby authorized to and directed to invest the Deposit(s) in the name of Purchaser, by the Title Company as Escrow Agent in an FDIC interest-bearing-type Account at the discretion of Title Company.
3. Interest shall be payable at the time the Deposit(s) is disbursed in accordance with the terms of the Escrow Agreement and written release / disbursement instructions.
4. Escrow Agent shall have NO OBLIGATION TO INVEST the Deposit(s) unless and until a satisfactory federal tax identification number is provided to the Escrow Agent, in writing or in the space below:

COMPANY NAME: _____

FEDERAL TAX IDENTIFICATION NUMBER: _____

5. Escrow Agent shall not be liable for any loss caused by the failure, suspension, bankruptcy or dissolution of the Depository.
6. Escrow Agent shall not be liable for loss or damage resulting from:
 - a. Any good faith act or forbearance of Escrow Agent;
 - b. Any default, error, action or omission of any party, other than Escrow Agent;
 - c. Any defect in the title to any property unless such loss is covered under a policy of title insurance issued by the Escrow Agent;
 - d. The expiration of any time limit or other delay which is not solely caused by the failure of Escrow Agent to proceed in its ordinary course of business, and in no event where such time limit is not disclosed in writing to the Escrow Agent;
 - e. The lack of authenticity of the signatory to sign such writing;
 - f. Escrow Agent's compliance with all attachments, writs, orders, judgments, or other legal process issued out of any court;
 - g. Escrow Agent's assertion or failure to assert any cause of action or defense in any judicial or administrative proceeding;
 - h. Any loss or damage which arises after the Deposit(s) has been disbursed in accordance with the terms of this Agreement.
7. Escrow Agent shall not be responsible for levies by taxing authorities based upon the taxpayer identification number used to establish the interest bearing account, if applicable.
8. Escrow Agent shall be fully indemnified by the parties hereto for all its expenses, costs, and reasonable attorneys' fees incurred in connection with any interpleader action which Escrow Agent may file, in its sole discretion, to resolve any dispute as to the Deposit(s) or which may be filed against the Escrow Agent. Such costs, expenses or attorneys' fees, as well as the fees of Escrow Agent described below, may be deducted from the Deposit(s).
9. If Escrow Agent is made a party to any judicial, non-judicial or administrative action, hearing or process based on acts of any of the other parties hereto and not on the malfeasance and/or negligence of Escrow Agent in performing its duties hereunder, the expenses, costs and reasonable attorneys' fees incurred by Escrow Agent in responding to such action, hearing or process may be deducted from the funds held hereunder and the party/parties whose alleged acts are a basis for such proceedings shall indemnify, save and hold Escrow Agent harmless from said expenses, costs and fees so incurred.

EXHIBIT C

Property Documents

1. Leases and parking agreement, if separate
2. Environmental inspection reports
3. Financial records relating to the operations of the Improvements

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the “**Agreement**”), effective as of the 24th day of May, 2023 (the “**Effective Date**”), is by and between **RIVANNA STATION FUTURES, LLC**, a Virginia limited liability company (the “**Assignor**”), and the **COUNTY OF ALBEMARLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**Assignee**”).

WHEREAS, the Assignor has entered into that certain Purchase and Sale Agreement for the purchase and sale of certain Owned Assets, including without limitation Land and Improvements, from Next Generation L.L.C. (the “**Seller**”), dated as of the 18th day of May, 2023 (the “**Purchase Agreement**”), pursuant to which, among other things, the Assignor has agreed to purchase all of the right, title, and interest of the Seller in and to the Owned Assets; and

WHEREAS, the Assignor desires to assign the Purchase Agreement and all of its rights thereunder to the Assignee, and the Assignee desires to accept such assignment of the Purchase Agreement, including without limitation, all of the Assignor’s rights thereunder, and to assume all of Assignor’s obligations and duties thereunder.

NOW, THEREFORE, in consideration of the premises, the mutual covenants, terms and conditions set forth herein, the benefits to the parties from entering into this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **Definitions.** All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the Purchase Agreement.
2. **Assignment.** The Assignor hereby assigns, grants, conveys, and transfers to the Assignee all of the Assignor’s right, title, and interest in and to the Purchase Agreement.
3. **Assumption.** The Assignee hereby accepts such assignment and unconditionally assumes all of the Assignor’s duties and obligations under the Purchase Agreement, and agrees to pay, perform and discharge, as and when due, all of the obligations of the Assignor under the Purchase Agreement accruing on and after the Effective Date.
4. **Terms of the Purchase and Sale Agreement.** The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements, and indemnities made by or relating to the Assignor and/or the Owned Assets are incorporated herein by this reference thereto as if made by or relating to the Assignee. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements, and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern and control.
5. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia without giving effect to any

choice or conflict of law provision or rule (whether of the Commonwealth of Virginia or any other jurisdiction).

6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same Agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

7. Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances, and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

ASSIGNOR:

RIVANNA STATION FUTURES, LLC
a Virginia limited liability company

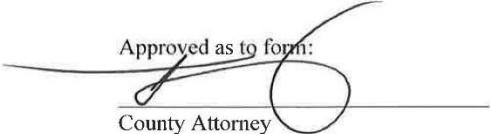
By:  (SEAL)
Benjamin W. Emerson,
Managing Member

ASSIGNEE:

COUNTY OF ALBEMARLE, VIRGINIA,
a political subdivision of the Commonwealth of
Virginia

By:  (SEAL)
Jeffrey Richardson,
County Executive

Approved as to form:


County Attorney

Ms. Price noted that Mr. Gallaway would be departing for an Executive Committee meeting of the Regional Housing Partnership.

Mr. Henry said that before they closed, he would like to take a moment to thank the significant work that staff had put in on Project Falcons over the past several months, working through negotiations, financing, partner development, some of them had been involved in this work for several years, while others had been dedicated to it with intensity for several months.

Mr. Henry said that the names listed on the screen represented the current team, and as they moved forward, many more would be added to this list. He said that he would like to extend a verbal shout-out to Secretary Crenshaw's office and his consultants, who had helped solidify the vision of this work. They had been working in close partnership, and they would continue to do so as they moved forward.

Mr. Henry said that he would also like to acknowledge their brokers, Eddie Karoliussen and Andrew Bonetti, who had been supporting this work since 2020. He said that he wanted to express his gratitude to the Board for their leadership, vision, and guidance, as well as their patience in getting them to this point today. He was humbly grateful for their work.

Mr. Henry said that they would be quickly recessing to Room 241 for a media briefing. He said that they had scheduled a discussion of their financing and due diligence work with their Chief Financial Officer (CFO) and Director of Facilities and Environmental Services (FES) for June 7 to talk about what was happening now and over the next 90 days.

Mr. Henry said that a public hearing was scheduled for June 21, and the closing would be determined based on the work they presented and their due diligence work. He said that they would keep the Board apprised of their progress. He also said that he had partner engagement scheduled to begin on Friday. This was a great moment in time, but there was a lot of work ahead of them to turn this vision into fruition. He said that he would now turn it over to Mr. Richardson.

Mr. Richardson said that on October 17, 2017, the Board was in Room 241, and Ms. McKeel and Ms. Mallek hosted a meeting with the Economic Development Authority. The Albemarle County Planning Commission was also invited. He had reviewed the minutes which stated that Ms. McKeel began the meeting by stating that it was an exciting time for economic development in Albemarle County, commenting that the Board had recently endorsed the County's first-ever Economic Development Strategic Plan.

Mr. Richardson said that Ms. McKeel emphasized the need for a strong and cohesive County team, assistance from the business community, and a positive narrative that reflects forward-looking energy and direction. He said that she had highlighted the meeting as an opportunity for the County to turn the page, continue the education process, find areas of agreement, and set the stage for the economic development team. He said that she had reported that the Chairs of each body had agreed to continue preparation for implementing site readiness strategies as outlined in the Economic Development Strategic Plan.

Mr. Richardson said that they used a model with the help of the private sector to walk through a case study of successful economic development. He said that they jointly endorsed the Board of Supervisors' Economic Development Strategic Plan mission and governing principles. Since then, the County had enjoyed measured economic development success over the past five years.

Mr. Richardson said that there were no less than six visits from their sitting Governor to announce key economic development wins and celebrate continued economic growth in their community and suggested that they had strong partnerships with the state, the private sector, and their economic development team. He said that he would like to respectfully suggest that today's announcement represents the County's economic development work and their opportunity to turn another page in this community. He said that what had not been discussed in 2017, but had been recently mentioned, was the need for durable partners.

Mr. Richardson said that Rivanna Station Futures suggested that the DOD, their military community, and NGIC as indeed durable partners. He said that he would like to express his appreciation to the Board for their focus, consistency, and predictability on their mission and strategic plan, Project ENABLE, which had been instrumental in their success over the last six years. He said that he appreciated the Board's support and looked forward to working together with their key durable partners on Rivanna Station Futures.

Agenda Item No. 5. Recess to 2:15 p.m., Room 241, Second Floor, County Office Building.

At 2:12 p.m., the Board recessed its meeting to 2:15 p.m. in Room 241, Second Floor, Albemarle County Office Building.

Agenda Item No. 6. Call Back to Order.

At 2:16 p.m. the meeting was called back to order by the Chair, Ms. Donna Price in Room 241, Second Floor, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902.

Agenda Item No. 7. Media Briefing.

Ms. Price said that before moving on to today's discussion, she would like to take a moment to acknowledge two Supervisors who have made significant contributions to their efforts. She said that first, she would like to recognize Ms. McKeel, as mentioned by Mr. Richardson, as they closed in the Lane Auditorium, for her tireless efforts in establishing the Economic Development Office. She said that they would not be here without her.

Ms. Price said that second, she would like to recognize Ms. Mallek for her foresight in recognizing the risks that Rivanna Station faced without adequate protection of the surrounding land. She said that they would not be here without her.

Ms. Price said that she recalled that in 2017, Mr. Andrews and she were not part of the Room 241 meeting, as they were not on the Board at that time. She said that she was trying to recall where she was on that day in 2017.

Ms. Price said that interestingly, in 1817, the Commonwealth of Virginia purchased 200 acres of land in Albemarle County for \$40,000 to establish the University of Virginia. She said that over its lifetime, the University of Virginia has been a global leader in education, research and development, and thought leadership. She said that closer to home, UVA was the largest employer in their community, providing thousands of jobs for residents and hosting community events, art programs, and athletic events year-round, all of which contributed to their overall quality of life. Today, on behalf of the Board of Supervisors, County staff, and their community, she was exceedingly proud to announce another investment in land in Albemarle County, one that would be under the County's control and will yield exceptional economic benefits.

Ms. Price said that upon completion of a due diligence study and analysis, and upon final approval, Albemarle County will assume an agreement to purchase approximately 462 acres in the Rivanna Magisterial District for about \$58 million. She said that the vision for this purchase is to solidify the long-term vibrancy of Rivanna Station in Albemarle County through the establishment of an Intelligence Community Innovation Acceleration Campus (ICIAC).

Ms. Price said that this campus will serve as a collaborative hub for public sector organizations, private sector businesses, and academic institutions to co-create innovative solutions to the nation's and world's most pressing challenges in biotechnology, disease, aerospace, cybersecurity, artificial intelligence, energy, and other sectors. She said that anchored by Rivanna Station, this campus is accelerated by the community's thriving entrepreneurial ecosystem and business community, representing a generational investment in their community's vibrancy. She said that there were numerous reasons why this investment was justified.

Ms. Price said that the intelligence industry was experiencing national growth, as it was at the forefront of identifying and developing solutions to the nation's and world's most significant challenges. She said that as a retired Navy captain with a focus on national security, she had been working on this issue for nearly 45 years, and she believes Albemarle County's decision to take a national lead is a testament to their community's capabilities and commitment to protecting the nation. She said that the defense sector currently generated \$1.2 billion annually in the community, making it the second-largest industry in Albemarle County.

Ms. Price said that Rivanna Station Futures enabled Albemarle County to maintain its position as an attractive and protected location for Rivanna Station, providing opportunities for private industry, government, and academic partners to shape the future of this sector. She said that Rivanna Station Futures aligned with the Economic Development Strategic Plan, Project ENABLE, by strengthening business retention and supporting the success of existing businesses, particularly in the defense sector, which was a target industry in this plan. She said that Rivanna Station Futures also supported and was supported by the entrepreneurial ecosystem, which partnered with the intelligence community to facilitate research and development, as well as commercialization of solutions.

Ms. Price said that this prime location was situated on Route 29, adjacent to Rivanna Station, and close to the airport and North Fork Discovery Park. She said that the current projections for the build-out of the ICIAC indicated that it will generate 873 new jobs at a median income of \$81,000 per year, with further opportunities for compatible, commercial neighbors on other land within the project's scope. She said that these jobs will provide equality and career ladder opportunities for the community.

Ms. Price said that Rivanna Station is the only military complex in the Commonwealth that was not currently landbound by adjacent development. She said that by acquiring this property, Albemarle County safeguarded the security and integrity of the station, while also increasing its capacity to remain in Virginia and meet the growing demand for its national defense work.

Ms. Price said that she would like to express her deepest gratitude to County staff and all of her colleagues on the Board of Supervisors for their thousands of hours of dedication in bringing this opportunity to fruition. She said that as she concluded, she will turn the floor over to Emily Kilroy to moderate their media questions and answers.

Ms. Emily Kilroy, Assistant to the County Executive, thanked the Board for its leadership on this project today. She said that they would be holding a media briefing where media can ask questions about the information shared today. This project has been referred to as Project Falcons, and they have now transitioned to Rivanna Station Futures. She said that as part of their economic development projects, they used code names to help keep themselves straight, as they dealt with several confidential items at the same time. She said that they had heard a statement from the Board Chair, and they would now proceed to a Q&A session, which would be led by the audience.

Ms. Kilroy said that they would ask one question at a time, and if they had a follow-up question, they would address it before moving on to the next person. The panel today includes County Executive Jeff Richardson, Deputy County Executive Trevor Henry, County Attorney Steve Rosenberg, Interim Economic Development Director JT Newberry, and Interim Chief Financial Officer Jacob Sumner. She asked if there were any logistical questions or concerns that needed to be addressed before they began.

Ms. Dori Zook asked what this meant in layman's terms. She said that it was huge in many different aspects, and her job was to make it easily digestible. She said that Ms. Price, with her experience in the military, understood this well. She asked when construction would start and if there was a timeframe for the development.

Ms. Price said that with 25 years of active-duty experience and nearly 20 years working in the defense industry, primarily with security clearance work, she had seen firsthand the challenges their military installations faced today. She said that the primary issue was finding sufficient space for growth and sufficient land around it to protect the installation from security threats.

Ms. Price said that Rivanna Station was initially 75 acres, and it had been at great risk of being moved through something comparable to base realignment enclosure commission if they remembered from a number of years ago because it did not have enough room and the potential for development in adjacent properties threatening the security structure. She said that by acquiring this land, they had the best opportunity to keep Rivanna Station in the County and enable it to grow both through direct DOD institutions and partner organizations, including defense contracting, biotech, intelligence, AI, and associated industries related to national defense. She said that this acquisition was the only way to protect this industry in the community.

Ms. Price said that while Rivanna Station currently contributed half of the \$1.2 billion economic impact, its growth potential was substantial. She said that losing it due to the inability to protect the land would be more than just the loss of that half of the defense industry because other things would likely move as well.

Ms. Zook asked if it would be a mini-Pentagon.

Ms. Price said that it was very significant. Currently, there were three major intelligence-related activities located here. She said that she envisioned the potential for expansion with this land and the opportunity it presented could lead to more activities in the future. However, it would be an overstatement to describe it as a mini-Pentagon, as the Pentagon was much broader than what they could provide here, at least in the foreseeable future.

Mr. Trevor Henry, Deputy County Executive, said that he would attempt to answer the second part of that question, which was about the timeline for construction. He said that there was still some time before they would get to construction. He said that what was critical today was securing site control. He said that the work they would do immediately involves staff already engaged in analyzing and conducting due diligence on the site to ensure it was buildable to the level they believed was necessary to support their proposed vision. He said that he anticipated multiple lanes of work with their partners at the state and federal levels, as well as the intelligence community, to affirm the vision and the work they completed in 2017.

Mr. Henry said that they would transition that into reality, but it would take time. He said that the financial modeling they had would allow them to develop partnership relationships, and they planned to draw down funding from both the state and federal levels to support site readiness. He said that they would eventually move to vertical construction, and they had a significant amount of work ahead of them. He said that securing site control was a critical path to the rest of the project. He said that he did not have a specific date for construction, but this was a long-term project, and Mr. Newberry had referred to it as a generational effort.

Ms. Kilroy asked if Mr. Henry would be willing to cover the key aspects of the Innovation Campus concept, including the private sector and academic partner visions.

Mr. Henry said that in his prior presentation to the Board in Lane Auditorium, he presented a model from St. Louis, which was a campus facility that had successfully brought together academic partners with the City of St. Louis, the state, the NGA, and other academic partners, creating both secure and unsecured space to allow that work to proceed. He said that this vision aligned with their own goals for Rivanna Station, where they aimed to expand the secured side to foster partnerships, lab space, and co-creation with academic partners they would establish, as well as unclassified space that would enable other work to support the mission while complementing it.

Ms. Kilroy said that regarding Ms. Zook's other question, the County's action today was to acquire an assignment of a purchase agreement. She clarified that the County had not yet purchased the land, they were moving towards closing at a future point for 462 acres of land. She said that the seller was Next Generation, LLC.

Mr. Sean Tubbs said that he did not see anyone from Rivanna Station or the military here today. He asked how much of this was a done deal on their end. He asked if it was a guarantee, or in other words, if this purchasing contract moved forward, would the development definitely happen?

Mr. Henry said that the work today secured their ability to have open conversations with the DOD, as well as the state and federal levels. He said that this work was based on the collaborative efforts of the Secretary's Office and Rivanna Station personnel from 2017, who referred to it as the art of envisioning what an expansion outside the defense line might look like. He said that as a result, the work today aligned with that vision. He would like to acknowledge the Secretary's Office as a tremendous partner in this work. He said that within their function, they had consultants who were deeply connected to the intelligence community in Washington, D.C.

Mr. Henry said that they felt strongly that this vision would be well received. He said that there was still work to be done, and their first step would be to do that roadshow and meet with their federal Senators. He said that they expected to present their vision to the Governor's Office at some point, after they had worked through the Secretary's Office. He said that the easy answer was that this was not a

done deal, but he had strong confidence in this vision. He said that this property was valuable, and he believed that they had viable uses for technology in this region that extended beyond the ICIAC, even if they implemented Phase 1. He said that with over 100 acres, he believed they had the potential for further complementary development.

Mr. Henry said that the key takeaway, as Ms. Price had highlighted, was that there were concerns about encroachment with their military bases. He said that the DOD was currently conducting an assessment of all facilities to better understand neighboring partners, property owners, and whether there were any bad actors. He said that this step ensured the viability of the existing function and provided a layer of security, while also offering tremendous opportunities for growth over the next decade.

Ms. Kilroy said that to further emphasize the point, she believed the value of de-risking the property surrounding Rivanna Station was significant. She said that considering the defense sector was the second-largest sector in their local economy, this was a substantial win for Albemarle County and a valuable investment in the vibrancy of the existing installation. She said that this opportunity presented a win-win for everyone involved, as it opened the door for future adjacencies. She said that securing site control was their top priority, and it put them in a better position to pursue partnership development work ahead.

Mr. Tubbs said that in May 2018, the County purchased a former psychic building at the intersection of Lewis and Clark Drive. He asked how much of that was in anticipation for something like this long-term plan.

Mr. Jeff Richardson, County Executive, said that in 2017, Mr. Henry discussed the art of possibility, and that was a key piece of property at a key intersection. He said that after conducting due diligence, they felt that it set them up well to practice their land purchase skills and exercise site control on a small but significant piece of property. He said that they worked with the Board through the proper mechanisms to get that done. He said that they were pleased with the outcome. He said that at the time, he had no idea that they would be here today discussing this current plan.

Mr. Richardson said that, however, through the leadership of the Board, they recognized the importance of monitoring the property and its surrounding area, as well as the County's potential role in supporting their partners at Rivanna Station with their expansion plans. He said that this was a small but meaningful step forward at the time, and it laid the groundwork for what they were doing today, although he did not anticipate the specifics five years later.

Mr. Tubbs said that it looked like some of the land was not located in the Development Area, but they mentioned there would be some prep work for further development. He asked if they were thinking about this now or if it was part of the work to be done.

Mr. Henry said that of the 462 acres, approximately 232 acres were in the Development Area. He said that if viewed from a 30,000-foot view over that property, the property that was towards Route 29 North that wrapped around was in the Development Area, and the property on the eastern side of the property that went towards the bottom was in the Rural Area. He said that their focus was centered around the Development Area, with the ICIAC being the first step, approximately 100 acres.

Mr. Henry said that they had recently received input from the military, as recently as January, regarding the urgency of connecting Boulders Road to enhance security and provide dual access; and that was their focus. He said that they would also assess the remaining Development Area to determine how it could be planned to support the mission, adjacencies, and provide a return on investment.

Mr. Henry said that on the Rural Area side, they would look to utilize it primarily as a buffer to support the installation's protective needs and to prevent any future encroachment. He said that they may want to explore the possibility of adding trails and other services to improve the quality of life for those at Rivanna Station, which would be located in the expanded area.

Ms. Kilroy said that one additional point she would like to make is that during the negotiation process, the County was particularly focused on acquiring as much land as possible while maintaining an affordability cap. She said that as they worked through the negotiation process, they encountered access concerns and drainage issues. She said that this led to a back-and-forth discussion about the overall package, taking into account the seller's perspective as well as the County's. She said that this negotiation aspect ultimately contributed to the final purchase of the 462 acres.

Ms. Zook asked how long they had been in the negotiation process.

Mr. Newberry said that he could provide a specific date, if necessary, but generally they had been negotiating with the property owner over the past six to eight months.

Mr. Tubbs asked if the County was considering that this investment might provide revenue for the County as the owner of this property. He noted that it was a pretty big purchase, so he was wondering if a return on the investment was part of the logic behind it.

Ms. Kilroy said that the primary goal of the acquisition was not revenue generation. She said that the County planned to continue the leases on its current holdings, with the intention of maintaining those arrangements for at least the lease terms. She said that as part of the due diligence process, a comprehensive analysis of the long-term implications would be conducted.

Ms. Kilroy said that the parking area for Rivanna Station, located across Boulders Road, was currently leased through an agreement with the Army Corps of Engineers and the current property owner. She said that the partnership development work ahead would provide valuable insight into the long-term strategy for this area. She said that revenue generation was not a focus of the short-term strategy.

Mr. Jacob Sumner, Interim Chief Financial Officer, said that they would return on June 7 to provide more details on the financing structure for this property. He said that in the short term, they were considering issuing a debt to fund this project, similar to a capital project where they financed the purchase price over a long period of time. He said that this was the approach they were taking for this project as well.

Mr. Sumner said that they were exploring some innovative financing structures to engage with their partners on this property, and they were seeking a period of time to do so. He said that by issuing bond anticipation notes, or BANs, they could anticipate a longer-term structure. He said that the proposed structure for these BANs was approximately five years. He said that within those five years, they aimed to secure the necessary time to engage with their community partners as they developed those relationships and began implementing this plan.

Mr. Sumner said that within the current budget and five-year CIP (Capital Improvement Plan), they had a capital project called Economic Development Funding for Public-Private Partnerships, or P3s, which included \$14.4 million over the five-year period. He said that this \$14.4 million would be set aside to help cover the debt service on the short-term BANs. He said that they had already begun planning within the budget to bridge the next five years as they engaged further with their development partners.

Agenda Item No. 8. Adjourn to June 7, 2023, 1:00 p.m., Lane Auditorium.

At 2:45 p.m., the Board adjourned its meeting to June 7, 2023, 1:00 p.m., Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902. Opportunities for the public to access and participate in this meeting are posted on the Albemarle County website on the Board of Supervisors home page and on the Albemarle County calendar. Participation will include the opportunity to comment on those matters for which comments from the public will be received.

Chair

Approved by Board
Date: 05/21/25
Initials: CKB