

REAL ESTATE PURCHASE CONTRACT

THIS CONTRACT (the "Contract"), made this 6th day of September, 2014, by and the TRUSTEES of the ASBURY UNITED METHODIST CHURCH, an unincorporated association and religious assembly, 205 South Main Street, Harrisonburg, Virginia 22801, (hereinafter, the "Church"), and the CITY OF HARRISONBURG, VIRGINIA, a political subdivision of the Commonwealth of Virginia and a municipal corporation, 345 South Main Street, Harrisonburg, Virginia 22801 (hereinafter the "City").

1. **Agreement.** The Church agrees to sell and the City agrees to buy the real estate and fixtures described herein upon the terms and conditions contained herein.

2. **Real Property Description.** The real estate to be conveyed from the Church to the City is the real estate situate in the City, on the north side of East Bruce Street, known commonly as the "Thomas Harrison House" (the "House"), and is described as all that certain tract or parcel of land, containing 7,918 square feet, more or less, on that certain survey (the "Survey") dated April 29, 2014, by Charles E. Wingard, L.S., attached hereto as **Exhibit A** and made part hereof and which is a portion of "Tract One T.M. 26-B-1", as shown on the Survey, together with all improvements thereon, and all rights, privileges, appurtenances, easements and rights-of-way thereunto belonging or in anywise appertaining (the "Property")

3. **Fixtures and Personal Property.** In addition to conveying the Property, the Church shall transfer at closing to the City, free and clear of all liens and encumbrances, all fixtures located on the Property on the date of this Contract. Upon

losing, this Contract shall constitute a Bill of Sale and shall evidence the transfer of the appliances and other fixtures just described.

4. **Consideration; Conveyance of Green Space.** The consideration for the Church's transfer of the Property to the City shall be as follows: (a) the City shall pay to the Church the sum of Five Hundred Sixty-Five Thousand Dollars (\$565,000.00), payable at closing in immediately available funds, subject to customary deductions at closing for taxes and closing costs; and (b) the City shall convey to the Church a portion (the "Green Space") of City T.M. 25-J-12, which is located adjacent to the other property of the Church, behind the Virginia Quilt Museum, and north of the alley that separates the Virginia Quilt Museum from the former offices of the City School Board, shown approximately on a drawing attached hereto as **Exhibit B** and made part hereof. Within 15 days of the execution of this Contract, the City shall cause to be prepared, at its own cost and expense, a plat of subdivision showing the creation of a tract or parcel of land constituting the Green Space, and shall approve the creation of such tract or parcel pursuant to the provisions of the City's subdivision ordinance. The City shall make such plat available to the Church for use in preparing the deed from the City to the Church for the Green Space.

5. **Title.** At closing, the Church will grant and convey good and marketable title to the Property by a Special Warranty Deed, subject to easements, restrictions and reservations of record, unto the City, together with any improvements thereon and all rights, privileges, appurtenances, easements and rights of way thereunto belonging or in anywise appertaining. Further, at closing, the City will grant and convey good and marketable title to the Green Space by a Special Warranty Deed, subject to easements,

restrictions and reservations of record, unto the Church, together with any improvements thereon and all rights, privileges, appurtenances, easements and rights of way thereunto belonging or in anywise appertaining. If either party reports any defects in title to the other party for the real estate to be conveyed to such other party, the conveying party may, in its sole discretion: (A) undertake to cure the defects at such party's expense and in a reasonable time; (B) may obtain title insurance, at regular rates, from a reputable title insurance company qualified to do business in the Commonwealth of Virginia insuring against the reported defects, or (C) decline to do either of the foregoing, in which event the other party may elect to proceed to closing in spite of such defect or terminate this Contract and the Memorandum of Understanding (defined below). Any title insurance obtained shall constitute good and marketable title, and the cost therefore shall be paid by the party receiving the conveyance of such real estate. The deeds of conveyance for both properties shall conform to the requirements of The Book of Discipline of the United Methodist Church and of applicable state law for municipalities (both general law and special law). The City shall take title to the Property subject to the Church's lease with Yellow4me, LLC, presently on a portion of the Property, which lease will terminate on February 28, 2015.

6. Condition of Property. Neither party makes any representations or warranties of any kind, express or implied, to the other with respect to the real estate to be conveyed to the other, or any fixtures incident thereto. Conveyance at closing shall be AS IS with all faults, except as otherwise expressly described herein. Each party grants to the other, or the representatives of the other, the right to make a pre-closing inspection of real estate to be conveyed to the other for the sole purpose of identifying repairs that

may be needed in the future, but the parties understand that the results will not result in a change to the purchase price.

7. **Closing.** The closing (“Closing”) shall be at a location to be determined, on or before _____, 2014, or on the earliest convenient date thereafter.

8. **Proration of Taxes and Closing Costs.** All real estate to be conveyed herein is presently exempt from real estate property taxes, and the parties understand that such exemptions will continue after closing. All utility fees or other assessments (if any) assessable against all real estate to be conveyed shall be prorated as of the date of closing.

9. **Possession.** Possession of the real estate to be conveyed hereunder shall be tendered at closing, except as provided in paragraph 6 above.

10. **Risk of Loss.** All risk of loss or damage to the Property by fire, windstorm, casualty or other causes is assumed by the Church until closing. In the event of substantial loss or damage to the Property before closing, the City shall have the option of either (a) terminating the contract of purchase and the Memorandum of Understanding (defined below), or (b) affirming the contract of purchase, in which event the Church shall assign to the City all their rights under any policy or policies of insurance applicable to the Property.

11. **Expenses.** The Church agrees to pay the expense of preparing both deeds of conveyance and the recordation tax applicable to grantors (for the deed for the Property) and the recordation tax applicable to grantees (for the deed for the Green Space). Each party agrees to bear the costs of its own attorneys, and to bear the costs of title examination and title insurance (if desired) for the property to be conveyed to it. Except as otherwise agreed herein, all other expenses incurred by the City in connection

with this purchase, including, without limitation, inspections, title examination, insurance premiums, title survey costs, recording costs, loan costs, document preparation costs and fees of the City's attorney, filing of I.R.S. Form 1099 and other tax reporting of such sale, shall be borne by the City.

12. Affidavits and Certificates. Each party shall deliver to the other an affidavit on a form acceptable to the other's attorney or title insurance company, if applicable, signed by a representative of the other, that no labor or materials have been furnished to real estate to be conveyed to the other within the statutory period for the filing of mechanic's or materialmen's liens against such real estate, or if labor or materials have been furnished during the statutory period, that the costs thereof have been paid. The Church shall also deliver to the City applicable non-foreign status and state residency certificates and IRS certificates.

13. Brokers. Each side warrants to the other that no brokers have been involved in the negotiation of the transactions contemplated under this Contract.

14. Corporate Authority. As a condition precedent to each party's obligation to proceed to closing, the other party must complete the appropriate corporate and legal procedures to authorize the transactions contemplated in this Contract. Such other party must provide to the first party evidence of such compliance reasonably acceptable to counsel for the first party and to such first party's title insurance provider (if any). In the case of the Church, such compliance shall include compliance with the provisions of The Book of Discipline of the United Methodist Church regarding the sale and purchase of real property and the provisions of Virginia Code Sections 57-14 and 57-15. In the case of the City, such compliance shall include compliance with any

provisions of Virginia law or the City's charter regarding the sale and purchase of real property, including any public hearing required incident thereto. Each party shall bear the costs of its own compliance with the provisions of this paragraph.

15. Covenants for Historical Preservation. The deed of conveyance for the House from the Church to the City shall include legally binding covenants, running with the land therein conveyed, to ensure that the House is preserved in perpetuity as a historic site. Such covenants shall be binding upon the City and its successors in title, and shall inure to the benefit of the Church and its successors in title to the current Church facility across the street from the House. Such covenants shall require the preservation of the House as a historical site, shall prohibit demolition of the House or its modification in a manner not consistent with sound historical practice, and shall require the maintenance of the House in good repair and order, in order to accomplish the foregoing.

16. Severability, Amendment, Etc. This Contract is binding on the parties, their heirs, personal representatives, successors and assigns. This Contract may only be amended by written instrument signed by all of the parties. This Contract shall be construed under the laws of the Commonwealth of Virginia, excluding the choice of law provisions thereof. This Contract may not be assigned by either the Church or the City without the written and discretionary consent of the other. This Contract may be executed in one or more counterparts, each of which shall be valid as an original. This Contract is executed in furtherance of the understandings of the parties contained in that certain Memorandum of Understanding (the "Memorandum of Understanding") dated _____, 2014, among the Church, the City, and the Margaret Grattan Weaver Foundation, a Virginia corporation and private foundation, regarding the

renovation of the House. At any time before Closing, if there is a substantial and material change in the understandings and intentions of the parties to the Memorandum of Understanding regarding the renovation of the House, a party to this Contract affected by such substantial and material change may terminate this Contract by delivering notice in writing thereof to the other party. Such notice shall specify the nature of the substantial and material change in understanding.

17. Notices. Except as otherwise provided herein, all notices and other communications required or permitted hereunder shall be in writing and shall be delivered personally, or mailed by registered or certified mail, postage prepaid, return receipt requested, or delivered by overnight courier, to the parties at the addresses set forth at the beginning of this Contract.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in their names and on their behalves by their duly authorized agents.

Dated: _____ TRUSTEES of the ASBURY UNITED METHODIST CHURCH, a Virginia unincorporated association and religious assembly

By: _____

Its: _____

Dated: _____ CITY OF HARRISONBURG, a political subdivision of the Commonwealth of Virginia and a municipal corporation

By: _____

Its: _____