

July 27, 2010

**CONTRACT OF SALE**  
**Fairfax County Board of Supervisors**  
**Inova Health Care Services**

**Document / Exhibit List:**

• **Contract of Sale**

- A. Plat Showing Woodburn MH Land; IFH Lease Land; and Woodburn Place Land
- B. Draft Subdivision Plat – Willow Oaks
- C. Infrastructure Development Agreement
  - 1. Exhibit A - Draft Subdivision Plat – Willow Oaks
  - 2. Exhibit B – Common Infrastructure Reimbursement Calculations
  - 3. Exhibit C – Pennell Street Stormwater Outfall Improvement
  - 4. Exhibit D – Site Conditions Plan
- D. Plat Showing Land Conveyed at First Closing; Land Conveyed at Second Closing
- E. Amended and Restated Deed of Ground Lease
  - 1. Exhibit A – Existing Lease
  - 2. Exhibit B – Plat Showing Lease Area (29.59 AC.); Released Land (15.32 AC.)
  - 3. Exhibit C – Legal Description of Lease Area (29.59 AC.)
  - 4. Exhibit D – Legal Description of Released Land (15.32 AC.)
  - 5. Exhibit E – Form of Memorandum of Ground Lease
- F. Deed of Ground Lease (Woodburn Place)
  - 1. Exhibit A – Plat Showing the Land (16.47 AC.)
  - 2. Exhibit B – Legal Description of and Plat Showing the Lease Area (1.15 AC.)
  - 3. Exhibit C - Form of Memorandum of Ground Lease
- G. Deed of Lease (Inova Lease of County Building 4<sup>th</sup> Floor)
  - 1. Exhibit A – The Premises
  - 2. Exhibit A-1 – The Building
  - 3. Exhibit A-2 – Modified BOMA
  - 4. Exhibit A-3 – Form of Architect's Certificate
  - 5. Exhibit B – Work Agreement
    - a. Exhibit 1 – Approved Design Documents
    - b. Exhibit 2 – Landlord Obligations for Core & Shell of Premises
    - c. Exhibit 3 – Approved Tenant Consultants and Contractors
  - 6. Exhibit C – Rent Calculation Methodology
- H. Deed of Ground Lease (Woodburn Mental Health)
  - 1. Exhibit A – Plat Showing the Land (5.41 AC.)
  - 2. Exhibit B – Legal Description of and Plat Showing the Lease Area (0.53 AC.)
  - 3. Exhibit C - Form of Memorandum of Ground Lease
- I. Declaration of Easements, Covenants, Restrictions and Agreements (Willow Oaks)
  - 1. Exhibit A - Draft Subdivision Plat – Willow Oaks
  - 2. Exhibit B – Utility Easement Exhibit
  - 3. Exhibit C – SWM/BMP Pond Maintenance Scope and Schedule
- J. Deed of Easements and Agreements (Shared Garage)
  - 1. Exhibit A - Draft Subdivision Plat – Willow Oaks
  - 2. Exhibit B – Building G Plans
- K. Form of Bargain & Sale Deed Parcel F (16.47 AC.)
- L. Form of Bargain & Sale Deed Parcel G (5.41 AC.)

## CONTRACT OF SALE

THIS CONTRACT OF SALE ("Contract") is made this \_\_\_\_ day of September, 2010, (the "Effective Date"), by and between the **Board of Supervisors of Fairfax County, Virginia**, a political subdivision of the Commonwealth of Virginia in its proprietary capacity, and not in its governmental or regulatory capacity (hereinafter, "County"); and **Inova Health Care Services** (hereinafter, "Inova").

### RECITALS:

- R-1. County is the sole owner, in fee simple absolute, of certain land located in Fairfax County, Virginia, consisting of a portion of a tax assessment parcel (i.e. TM # 059-2-((01))-0001B part) consisting of 5.41 acres of land (the "Woodburn MH Land") improved with a one (1) story building having an address of 3340 Woodburn Road, Annandale, VA 22003 containing approximately 34,600 square feet of gross floor area (the "Woodburn MH Building"). The Woodburn MH Land is more particularly shown on **Exhibit A** attached hereto.
- R-2. County is also the sole owner, in fee simple absolute, of certain land located in Fairfax County, Virginia, consisting of a portion of a tax assessment parcel (i.e. TM # 059-2-((01))-0001C part) consisting of 1.15 acres of land (the "Woodburn Place Land") improved with a one (1) story building having an address of 3300 Woodburn Road, Annandale, VA 22003 and containing approximately 8,000 square feet of gross floor area (the "Woodburn Place Building"). The Woodburn Place Land is more particularly shown on **Exhibit A** attached hereto.
- R-3. County is also the sole owner, in fee simple absolute, of certain land located in Fairfax County, Virginia, consisting of portions of three (3) tax assessment parcels (i.e. TM # 059-2-((01))-0001A part, TM # 059-2-((01))-0001B part, and TM # 059-2-((01))-0001C part) consisting of 15.32 acres of land (the "IFH Lease Land") improved with surface parking and other site improvements that support the Inova Fairfax Hospital, having an address of 3300 Gallows Road, Falls Church, VA 22042 (the "IFH Lease Improvements"). The IFH Lease Land is more particularly shown on **Exhibit A** attached hereto.
- R-4. Pursuant to that certain ground lease dated January 23, 1991 (the "IFH Ground Lease"), Inova is the ground lessee and the County is the ground lessor of 44.91 acres of land of which the IFH Lease Land is a part.
- R-5. Inova is the sole owner, in fee simple absolute, of certain land located in Fairfax County, Virginia, consisting of a portion of a tax assessment parcel (i.e. TM # 049-3-((01))-0141) consisting of 4.62964 acres of land (the

"Willow Oaks Land") which is vacant of any buildings. The Willow Oaks Land is more particularly shown as Lot 1 on **Exhibit B** attached hereto.

- R-6. Inova has agreed to sell to County and County has agreed to purchase from Inova the Willow Oaks Land together with all improvements on the Willow Oaks Land and all rights, privileges, easements, benefits and agreements appurtenant to the Willow Oaks Land.
- R-7. County has agreed to sell to Inova and Inova has agreed to purchase from County the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land together with all improvements thereon, including without limitation, the Woodburn MH Building, the Woodburn Place Building and the IFH Lease Improvements, and all rights, privileges, easements, benefits and agreements appurtenant to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land.
- R-8. The parties agree that the Willow Oaks Land, the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land, and the respective improvements to be conveyed herein, shall be sold and purchased by the parties upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the Recitals, which are hereby incorporated into this Contract by reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Sale of Property. Subject to the terms and conditions of this Contract,

(a) Inova shall sell and convey to County, and County shall purchase from Inova, the Willow Oaks Land, together with all improvements thereon and all rights, privileges, easements, benefits and agreements appurtenant thereto; and

(b) County shall sell and convey to Inova, and Inova shall purchase from County, (i) the Woodburn MH Land together with all improvements thereon and all rights, privileges, easements, benefits and agreements appurtenant thereto, (ii) the IFH Lease Land, together with all improvements thereon and all rights, privileges, easements, benefits and agreements appurtenant thereto, and (iii) the Woodburn Place Land, together with all improvements thereon and all rights, privileges, easements, benefits and agreements appurtenant thereto.

The parties acknowledge that neither the Woodburn MH Land, the Woodburn Place Land, the IFH Lease Land nor the Willow Oaks Land are subdivided parcels or lots as of the Effective Date of this Contract. Sections 9 and 12 of this

Contract provide for the division of the land that is subject to this Contract into parcels or lots that may be conveyed pursuant to the terms of this Contract. The parties acknowledge and agree that the final boundaries of the land that is conveyed and acquired pursuant to this Contract may vary from that described on **Exhibits A and B**, and the parties agree to cooperate in establishing the final boundaries of such parcels and lot.

2. Consideration; Deposit.

(a) The consideration for this Contract shall be the mutual conveyances of land and improvements, the mutual agreements of the parties and a Fifteen Million and no/100 Dollars (\$15,000,000.00) payment from Inova to County as provided, and allocated, herein.

(b) Deposit. County shall make an at-risk deposit (the "County Deposit") of One Million and no/100 Dollars (\$1,000,000.00) to secure its obligation to consummate the Second Closing as defined in Section 3.b. The parties agree that the County Deposit reflects a fair estimate of the cost to Inova to advance construction of the Common Infrastructure for the benefit of the County as defined in the Infrastructure Development Agreement provided for in Section 7 of this Contract. The County Deposit shall be received by Inova as a credit against the cash payment Inova would otherwise make at the First Closing, as defined in Section 3.a., such that there is no requirement that County make a cash deposit.

3. Closing. The closing ("Closing") of this transaction will take place at a location that is mutually agreeable to Inova and County and will occur in two parts:

(a) The first closing ("First Closing") will occur on or before December 1, 2010, provided that the Board of Supervisors of Fairfax County, Virginia authorizes execution of this Contract on or before October 1, 2010 (the "First Closing Date" or "Date of First Closing"). Time is of the essence. As provided herein, the First Closing shall include, among other things, the conveyance of the Woodburn Place Land and improvements and the IFH Lease Land and improvements from County to Inova, with the boundaries of the land adjusted as provided in Section 9, and the payment from Inova to County of Twelve Million Five Hundred Thousand and no/100 Dollars (\$12,500,000.00) minus the One Million and no/100 Dollars (\$1,000,000.00) County Deposit minus the Four Million Two Hundred Thousand and no/100 Dollars (\$4,200,000.00) County Pro Rata Infrastructure Share as provided herein.

(b) Unless otherwise agreed by the parties, or unless otherwise extended pursuant to Section 27(a)(iii), the second closing ("Second Closing") will occur no earlier than November 1, 2011 and no later than May 1, 2012 (the respective date referred to herein as the "Second Closing Date" or "Date of Second Closing"). Time is of the essence. As provided herein, the Second

Closing shall include, among other things, the conveyance of the Woodburn MH Land and improvements from County to Inova, with the boundaries of the land adjusted as provided in Section 9, and the conveyance of the Willow Oaks Land and improvements from Inova to County, and the payment from Inova to County of Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000.00).

4. Title.

(a) County shall convey title to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land which is good in fact, marketable and insurable by a title company licensed to do business in the Commonwealth of Virginia at regular rates, subject to no exceptions other than matters of record as of the date of the Report (as hereinafter defined) which are not identified as title objections by Inova.

(i) Inova shall obtain a title commitment (or commitments) from a title company of Inova's choice (the "Title Company") listing the current exceptions to title to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land (the "Report") and a copy of the instruments listed as exceptions. Inova shall deliver to County, prior to the date which is fifteen (15) days after the Effective Date, a copy of the Report and any objections to the exceptions to title. County shall notify Inova within five (5) days thereafter if County is unable or unwilling to remove such exceptions or objections. If County elects to remove such objections or exceptions, then County shall be obligated to deliver title to the respective land at the respective Closing free of such exceptions or objections. If, prior to the First Closing Date, County is unable or unwilling to remove such exceptions or objections or insure against collection thereof out of the respective land, Inova shall have the right, within ten (10) days of its receipt of the County's response to Inova's Report, to terminate this Contract in its entirety, in which event, except as otherwise provided herein, neither Inova nor County shall have any other or further liability hereunder. Inova shall deliver to County within a reasonable time prior to each of the respective Closings a statement of any objections to any exceptions appearing in any title update to the Report which are not set forth in the Report.

(ii) If Inova is unable to obtain with respect to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land a standard owner's title insurance policy issued by a title insurance company qualified to do business in the Commonwealth of Virginia in an amount equal to a total of Fifteen Million and no/100 Dollars (\$15,000,000.00), subject only to (i) the exceptions set forth in the Report that are not timely objected to by Inova and (ii) the printed schedules, conditions and stipulations of such standard form policy without exception for mechanic's liens or a creditor's rights exception if it is available, then Inova may terminate this Contract in its entirety by written notice to County prior to the First Closing Date. Notwithstanding the foregoing, (i) if County is unable to convey title in accordance with this Contract owing to defects in title, and County is able and willing to cure such defects within sixty (60) days,

then by mutual agreement of the parties, the respective Closing shall be adjourned for a period of up to sixty (60) days during which time County shall cure any defects in the title required to be conveyed hereby, in which event the respective Closing Date shall be any business day within said sixty (60) day period selected by the parties, or (ii) Inova may accept such title as County may be able to convey without adjustment to the consideration provided for in this Contract.

(b) Inova shall convey title to the Willow Oaks Land which is good in fact, marketable and insurable by a title company licensed to do business in the Commonwealth of Virginia at regular rates, subject to no exceptions other than matters of record as of the date of the Report (as hereinafter defined) which are not identified as title objections by County.

(i) County shall obtain a title commitment (or commitments) from a title company of County's choice (the "Title Company") listing the current exceptions to title to the Willow Oaks Land (the "Report") and a copy of the instruments listed as exceptions. County shall deliver to Inova, prior to the date which is fifteen (15) days after the Effective Date, a copy of the Report and any objections to the exceptions to title. Inova shall notify County within five (5) days thereafter if Inova is unable or unwilling to remove such exceptions or objections. If Inova elects to remove such objections or exceptions, then Inova shall be obligated to deliver title to the Willow Oaks Land at the Second Closing free of such exceptions or objections. If Inova is unable or unwilling to remove such exceptions or objections or insure against collection thereof out of the land by the Second Closing Date, County shall have the right, within ten (10) days of its receipt of Inova's response to the County's Report, to terminate this Contract as it relates to the conveyances to occur at the Second Closing (but not as to the conveyances to occur at the First Closing), in which event, except as otherwise provided herein, neither Inova nor County shall have any other or further liability hereunder with respect to the Second Closing. County shall deliver to Inova within a reasonable time prior to the Second Closing a statement of any objections to any exceptions appearing in any title update to the Report which are not set forth in the Report.

(ii) If County is unable to obtain with respect to the Willow Oaks Land a standard owner's title insurance policy issued by a title insurance company qualified to do business in the Commonwealth of Virginia in an amount equal to the assessed value of the Willow Oaks land, subject only to (i) the exceptions set forth in the Report that are not timely objected to by County and (ii) the printed schedules, conditions and stipulations of such standard form policy without exception for mechanic's liens, or a creditor's rights exception if it is available, then County may terminate this Contract as it relates to the conveyances to occur at the Second Closing (but not as to the conveyances to occur at the First Closing) by written notice to Inova prior to the Second Closing Date. Notwithstanding the foregoing, (i) if Inova is unable to convey title in accordance with this Contract owing to defects in title, and Inova is able and

willing to cure such defects within sixty (60) days, then by mutual agreement of the parties, the Second Closing shall be adjourned for a period of up to sixty (60) days during which time Inova shall cure any defects in the title required to be conveyed hereby, in which event the Second Closing Date shall be any business day within said sixty (60) day period selected by the parties, or (ii) County may accept such title as Inova may be able to convey without adjustment to the consideration provided for in this Contract.

5. Inspections.

For purposes of this Section 5, Inova shall be the "Purchaser" and County shall be the "Seller" with respect to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land; and County shall be the "Purchaser" and Inova shall be the "Seller" with respect to the Willow Oaks Land. Between the Effective Date and the respective Closing Date, Purchaser and its agents may have access to the respective land to be conveyed to Purchaser, accompanied by Seller's designated representative, subject to the rights of occupants in order to make such inspections and perform such tests as required by it. The parties further agree to reasonably cooperate in the exchange of non-proprietary investigations, plans, reports, studies, surveys and other documents related to the land and improvements subject to this Contract. Purchaser has the Seller's permission to communicate with and engage current and former engineers, consultants and contractors for the land and improvements that are the subject of this Contract at Purchaser's expense. All investigations, studies and surveys conducted by Purchaser shall be at Purchaser's sole cost and expense. Seller shall have the right to approve any investigations, studies and surveys that may cause damage to Seller's land or improvements, such approval not to be unreasonably withheld, conditioned or delayed. Purchaser shall keep all such investigations, studies, surveys, and other information obtained pursuant to this Section 5 confidential, except that Purchaser may share such investigations, studies, surveys, and other information with its officers, employees, agents, and third-party contractors to the extent necessary to complete such due diligence. Purchaser shall repair and restore any damage to the Seller's land or improvements caused by Purchaser's activities. The provisions of this section shall survive Closing or termination of this Contract and shall not be subject to any limitations on damages. At Seller's request Purchaser shall or shall cause any of its consultants entering upon the Seller's land or improvements to deliver to Seller certificates of insurance, listing Seller as an additional insured and evidencing general liability insurance coverage in an amount of not less than One Million and no/100 Dollars (\$1,000,000.00) and One Million and no/100 Dollars (\$1,000,000.00) in the aggregate; provided, however, that with respect to any County employees (as opposed to private consultants) entering upon Inova's land or improvements, County may instead deliver (i) a statement of self-insurance regarding general liability insurance coverage in an amount of One Million and no/100 Dollars (\$1,000,000.00) (but not listing Inova as an additional insured) and (ii) a certificate of insurance listing Inova as an additional insured and evidencing

excess general liability insurance coverage in an amount of not less than Ten Million and no/100 Dollars (\$10,000,000.00).

6. BOS Authorization of Financing for County Project. The parties acknowledge that County is entering into this Contract intending to construct a 200,000 square foot (including cellar space) office building and associated parking structure on the Willow Oaks Land (the "County Project"). Notwithstanding anything in this Contract to the contrary, County's obligation to close the Second Closing hereunder is contingent upon both (a) the authorization by the Fairfax County Board of Supervisors (the "Board") of financing for the County Project and (b) the County's closing on such financing (such events, collectively, the "County Project Financing Closing"). The County agrees that, upon authorization of financing by the Board, the County will use commercially reasonable efforts to effectuate the closing on such authorized financing. The County Project Financing Closing contingency shall apply only to the Second Closing and not to the First Closing.

7. Infrastructure Development Agreement. Contemporaneous with the execution of this Contract, County and Inova agree to execute and deliver to each other the "Infrastructure Development Agreement" in a form as attached hereto as **Exhibit C**, the summary purpose of which is to provide for the timing for the implementation of, and cost sharing for, certain "Common Infrastructure" as defined therein to serve the Willow Oaks Land.

8. Notice of Second Closing; Covenant to Cooperate in Granting Easements at Second Closing. As provided in Sections 4.c. and 6.f. of the Infrastructure Development Agreement, the parties agree that their representatives will conference on a monthly basis, or at such other interval as circumstances may reasonably warrant, to review the status of Inova's design, permitting and construction of the Common Infrastructure, in order to, among other things, afford the County the opportunity to prepare to satisfy the County Project Financing Closing prior to the Second Closing Date. In addition, following such time as Inova has satisfied the County Permitting Requirements, as defined in the Infrastructure Development Agreement, Inova shall provide County written notice that such County Permitting Requirements have been satisfied (the "County Permitting Requirements Notice"). Within five (5) days of its receipt of the County Permitting Requirements Notice from Inova, County shall provide Inova written notice to close the Second Closing within forty-five (45) calendar days (the "Notice to Close"), on a date that is no earlier than November 1, 2011 and no later than May 1, 2012, unless otherwise agreed to by the parties, or unless otherwise extended as provided in Section 27(a)(iii) of this Contract. Also, at the time of the County Permitting Requirements Notice, Inova agrees to identify any easements that Inova may require County to grant at the Time of Second Closing to facilitate Inova's construction, use and operation of the Common Infrastructure that is the subject of the Infrastructure Development Agreement and to provide for the relocation, if necessary, of any of the permanent easements or dedications related to the Common Infrastructure

and/or to relocate the common boundary between the Willow Oaks Land and the adjacent land to the east in order to accommodate the construction, use and operation of a shared parking garage. County hereby covenants and agrees to cooperate with Inova to grant any such easements or make any such adjustments prior to Second Closing. In the event that construction of such Common Infrastructure has not progressed to a point of allowing County public access to the Willow Oaks Land from both Williams Drive and Willow Oaks Corporate Drive as of the Date of Second Closing, then Inova hereby covenants and agrees that it will cooperate with County to grant easements or licenses necessary to facilitate such access.

9. Boundary Adjustment to Woodburn MH Land, Woodburn Place Land and IFH Lease Land. County agrees to convey to Inova at the First Closing a 16.47 acre parcel of land consistent with that shown as "Parcel F" on **Exhibit D** attached hereto, such Parcel F representing, in effect, the consolidation of the Woodburn Place Land and the IFH Lease Land as well as a boundary adjustment to the Woodburn MH Land to allow for the construction of the Inova Fairfax Hospital internal boulevard entirely within land owned by Inova. The residual 5.41 acre parcel of land shown as "Parcel G" on **Exhibit D** represents the boundary adjusted Woodburn MH Land to be conveyed from County to Inova at the Second Closing. The final boundaries of such parcels shall be subject to the mutual approval of the parties, which approval shall not be unreasonably withheld, conditioned or delayed so long as the final boundaries of the parcels are substantially the same as those described on **Exhibit D**.

10. IFH Ground Lease. At the First Closing, County and Inova agree to execute the "Amended and Restated Deed of Ground Lease" in a form as attached hereto as **Exhibit E**, the summary purpose of which is to amend the existing IFH Ground Lease to eliminate the area of the IFH Lease Land from the land area that is currently subject to the IFH Ground Lease and to extend the IFH Ground Lease on the residual land area for a term of ninety-nine (99) years.

11. Woodburn Place Ground Lease. At the First Closing, County and Inova agree to execute the "Deed of Ground Lease" in a form as attached hereto as **Exhibit F**, the summary purpose of which is to provide for the ground lease from Inova to County of the Woodburn Place Land and improvements thereon for a term of ninety-nine (99) years.

12. Subdivision of Willow Oaks Land. Prior to the Second Closing, Inova agrees to subdivide its property identified as Tax Map # 49-3((1)) 141 and 136C to create, among other lots, a subdivided lot consisting of approximately 4.62964 acres of land that is generally consistent with the boundaries of the Willow Oaks Land shown as Lot 1 on **Exhibit B**. Inova shall bear the sole cost and expense of the subdivision process, including deed and plat preparation, submission, review and recordation. The final lot boundaries of the Willow Oaks Land shall be subject to the mutual approval of the parties, which approval shall not be unreasonably withheld, conditioned or delayed so long as the final

boundaries of the lot are substantially the same as those described on **Exhibit B**. As the contract purchaser, County shall cooperate with Inova and provide any and all necessary consents and/or owner authorizations required to implement this subdivision. Time is of the essence.

13. Inova Mid-County Lease. At the Second Closing, County and Inova agree to execute the "Deed of Lease" in a form as attached hereto as **Exhibit G**, the summary purpose of which is to provide for the lease from County to Inova of certain building floor area within the County Project.

14. Woodburn MH Ground Lease. At the Second Closing, County and Inova agree to execute the "Deed of Ground Lease" in a form as attached hereto as **Exhibit H**, the summary purpose of which is to provide for the ground lease from Inova to County of certain land surrounding the Woodburn MH Building and the Woodburn MH Building during the construction by the County of the County Project.

15. Declaration of Easements, Covenants, Restrictions and Agreements. On or before the Second Closing, County and Inova agree to execute the "Declaration of Easements, Covenants, Restrictions and Agreements" in a form attached hereto as **Exhibit I**, the summary purpose of which is to provide for the coordinated construction, operation, use, and maintenance of certain aspects of the Inova Willow Oaks Property, as defined therein.

16. Deed of Easements and Agreements for Shared Parking Garage. Contemporaneous with the execution of this Contract, County and Inova agree to execute and deliver to each other the "Deed of Easements and Agreements" in a form as attached hereto as **Exhibit J**, the summary purpose of which is to provide for the coordinated design, construction, operation, use, and maintenance of certain aspects of the Shared Parking Garage and other improvements, as defined therein. The parties acknowledge that County will be executing such Deed of Easements and Agreements as contract purchaser of the Willow Oaks Land and that County shall, upon execution, be bound by the provisions of Article III of such deed, which article addresses generally the coordination of the parties in the design of the Shared Parking Garage among other things. At the time of the Second Closing, County shall re-execute or otherwise re-confirm such deed as necessary so that it may be recorded among the land records and run with and burden the Willow Oaks Land.

17. Covenant to Cooperate. County hereby covenants and agrees to cooperate with Inova to facilitate Inova's ability to file and process proffered condition amendment applications and special exception amendment applications that include all or portions of the Woodburn MH Land, the Woodburn Place Land and/or the Inova Lease Land prior to the Date of the First Closing and, with respect to the Woodburn MH Land, prior to the Date of the Second Closing. Inova hereby covenants and agree to cooperate with County to facilitate County's

ability to file and process proffered condition amendment applications and site plans for the Willow Oaks Land prior to the Date of the Second Closing; provided, however, that County shall have no right to commence construction on the Willow Oaks Land prior to the Second Closing.

18. Conditions to First Closing.

(a) Inova's Conditions. It is an express condition of Inova's obligation to close the First Closing hereunder that all of the following are true and correct (or waived in writing by Inova) on and as of the First Closing Date.

(i) All of the representations and warranties of County set forth in Section 22 are true and correct, in all material respects, or as to any or all, waived by Inova, in its sole discretion, and County has performed all of its covenants and obligations hereunder;

(ii) Title to the Woodburn Place Land and the IFH Lease Land shall be in the condition required by Section 4 hereof;

(iii) The Amended and Restated Deed of Ground Lease as provided in Section 10 of this Contract shall be executed by the County and delivered to Inova.

In the event of a failure of a condition which does not constitute a breach of this Contract, Inova shall have the right to either (i) waive such condition on or before the First Closing Date and to proceed to the First Closing without adjustment to the consideration provided by this Contract; or (ii) terminate this Contract in its entirety, in which event and except as otherwise provided herein neither Inova nor County shall have any further or other liability hereunder.

(b) County's Conditions. It is an express condition to County's obligation to close the First Closing hereunder that all of the following are true and correct (or waived in writing by County) on and as of the First Closing Date:

(i) That all of the representations and warranties of Inova as contained in Section 22 are true and correct, in all material respects, or as to any or all, waived by County, in its sole discretion, and that Inova has performed all of its covenants and obligations hereunder.

(ii) The Deed of Ground Lease as provided in Section 11 of this Contract shall be executed by Inova and delivered to County.

In the event of a failure of a condition which does not constitute a breach of this Contract, County shall have the right to either (i) waive such condition on or before the First Closing Date and to proceed to the First Closing without adjustment to the consideration provided by this Contract; or (ii) terminate this Contract in its entirety, in which event and except as otherwise provided herein neither Inova nor County shall have any further or other liability hereunder.

19. Conditions to Second Closing.

(a) Inova's Conditions. It is an express condition of Inova's obligation to close the Second Closing hereunder that all of the following are true and correct (or waived in writing by Inova) on and as of the Second Closing Date.

(i) All of the representations and warranties of County set forth in Section 22 are true and correct, in all material respects, or as to any or all, waived by Inova, in its sole discretion, and County has performed all of its covenants and obligations hereunder;

(ii) The Declaration of Easements, Covenants, Restrictions and Agreements as provided in Section 15 shall be executed by County and delivered to Inova;

(iii) Any reasonably necessary easements as provided by Section 8 shall have been executed by County and delivered to Inova;

(iv) The Deed of Easements and Agreements as provided in Section 16 shall be executed by County and delivered to Inova;

(v) Title to the Woodburn MH Land shall be in the condition required by Section 4 hereof.

In the event of a failure of a condition which does not constitute a breach of this Contract, Inova shall have the right to either (i) waive such condition on or before the Second Closing Date and to proceed to the Second Closing without adjustment to the consideration provided by this Contract; or (ii) terminate the provisions of this Contract relating to the Second Closing, in which event and except as otherwise provided herein neither Inova nor County shall have any further or other liability hereunder.

(b) County's Conditions. It is an express condition to County's obligation to close the Second Closing hereunder that all of the following are true and correct (or waived in writing by County) on and as of the Second Closing Date:

(i) That all of the representations and warranties of Inova as contained in Section 22 are true and correct, in all material respects, or as to any or all, waived by County, in its sole discretion, and that Inova has performed all of its covenants and obligations hereunder.

(ii) Subdivision as provided in Section 12 of this Contract shall have been approved and recorded.

(iii) Title to the Willow Oaks Land shall be in the condition required by Section 4 hereof.

(iv) The Declaration of Easements, Covenants, Restrictions and Agreements as provided in Section 15 shall be executed by Inova and delivered to County;

(v) The Deed of Easements and Agreements as provided in Section 16 shall be executed by Inova and delivered to County.

(vi) The Deed of Lease as provided in Section 13 of this Contract shall be executed by Inova and delivered to County.

(vii) The Deed of Ground Lease as provided in Section 14 of this Contract shall be executed by Inova and delivered to County.

(viii) Any reasonably necessary easements as provided by Section 8 shall have been executed by Inova and delivered to County.

(ix) The County Permitting Requirements, as defined in the Infrastructure Development Agreement, have been satisfied, and based on the date of Second Closing, the parties have executed a statement acknowledging the specific date upon which the County Site Preparation Requirements are required to be satisfied as provided in the Infrastructure Development Agreement, or as provided in Section 27(a)(iii) of this Contract, as applicable.

(x) The County Project Financing Closing as provided in Section 6 of this Contract has occurred.

In the event of a failure of a condition which does not constitute a breach of this Contract, County shall have the right to either (i) waive such condition on or before the Second Closing Date and to proceed to the Second Closing without adjustment to the consideration provided by this Contract; (ii) terminate the provisions of this Contract related to the Second Closing, in which event and except as otherwise provided herein neither Inova nor County shall have any further or other liability hereunder. Notwithstanding the foregoing, in the event that the Second Closing as identified in the Notice to Close is scheduled to occur prior to May 1, 2012 and the condition referenced in Section 19.b(x) has not occurred on or before such scheduled Second Closing Date, then County shall have the option to extend the Second Closing Date to no later than May 1, 2012 upon written notice to Inova, provided, however, that this provision shall not restrict the right of the County to extend the Second Closing Date as provided in Section 27(a)(iii).

20. Instruments of Conveyance – First Closing.

(a) At the First Closing, County shall deliver to the Escrow Agent the following:

(i) a bargain and sale deed without English covenants (the "Bargain & Sale Deed"), in a form attached hereto as **Exhibit K**, which shall convey all County's rights, title and interest in and to the Woodburn Place Land and improvements and the IFH Lease Land and improvements;

(ii) two (2) executed originals of the Amended and Restated Deed of Ground Lease as provided in Section 10 of this Contract;

(iii) two (2) executed originals of the Deed of Ground Lease as provided in Section 11 of this Contract;

(iv) a Settlement sheet for the transaction contemplated at the First Closing (the "Settlement Sheet");

(v) an affidavit, signed by County stating under penalty of perjury County's United States taxpayer identification number and that County is not (1) a foreign person as defined by the IRS Code, Paragraph 1445(f)(3), or (2) a non-resident payee under the laws of the Commonwealth of Virginia (the "FIRPTA Affidavit");

(vi) an affidavit and Form 1099-S from County containing all information required for compliance with IRS Code Paragraph 6405 in the form required by the Internal Revenue Service for filing thereunder signed by County (the "Form 1099-S");

(vii) such other documents as are required under this Contract and those reasonably required by the Title Company to consummate the transactions contemplated herein, as customarily provided by County.

(b) At the First Closing, Inova shall deliver to the Escrow Agent the following:

(i) The sum of Seven Million Three Hundred Thousand and no/100 Dollars (\$7,300,000.00), such amount representing the difference of Twelve Million Five Hundred Thousand and no/100 Dollars (\$12,500,000.00) minus the Four Million Two Hundred Thousand and no/100 Dollars (\$4,200,000.00) County Pro Rata Infrastructure Share, as defined in the Infrastructure Development Agreement, minus the One Million and no/100 Dollars (\$1,000,000.00) County Deposit (the "Inova Payment"). The Inova Payment shall be made by a wire transfer of federal funds, an interbank account transfer or other form of payment by immediate funds reasonably satisfactory to County.

(ii) four (4) counterpart signature pages of the Settlement Sheet executed by Inova;

(iii) two (2) executed originals of the Amended and Restated Deed of Ground Lease as provided in Section 10 of this Contract

(iv) two (2) executed originals of the Deed of Ground Lease as provided in Section 11 of this Contract;

(v) such other documents as are required under this Contract and those reasonably required by the Title Company to consummate the transactions contemplated herein.

(c) Upon receipt of the documents and items listed in Section 20 (a) and (b) the Escrow Agent is authorized to:

(i) record the Memorandum of Amended and Restated Deed of Ground Lease and the Bargain & Sale Deed, in that order;

(ii) record the Memorandum of Deed of Ground Lease (for Woodburn Place);

(iii) deliver to County the Inova Payment;

(iv) deliver to Inova and County a copy of the Bargain & Sale Deed, the Amended and Restated Deed of Ground Lease, the Deed of Ground Lease (for Woodburn Place), the FIRPTA Affidavit, Form 1099-S, and Owner's Affidavit;

(v) attach the counterpart signature pages delivered to the Escrow Agent pursuant to Section 20 (a) and (b) and deliver to Inova and County two (2) fully executed originals of the Settlement Sheet; and

(vi) file with the appropriate governmental authorities the FIRPTA Affidavit and Form 1099-S.

(d) Delivery to the Escrow Agent of the documents and/or funds, as applicable, required of Inova and/or County, as applicable, shall be deemed delivered to Inova or County, as applicable, for purposes of this Contract.

## 21. Instruments of Conveyance – Second Closing.

(a) At the Second Closing, Inova shall deliver to the Escrow Agent the following:

(i) a customary special warranty deed (the "Lot 1 Special Warranty Deed") which shall convey all Inova's rights, title and interest in and to the Willow Oaks Land;

(ii) two (2) executed originals of the Deed of Lease and the Deed of Ground Lease as provided in Sections 13 and 14 of this Contract;

(iii) two (2) executed originals of the Declaration of Easements, Covenants, Restrictions and Agreements and the Deed of Easements and Agreements as provided in Sections 15 and 16 of this Contract;

(iv) two (2) executed originals of any reasonably necessary easements as provided by Section 8;

(v) the sum of Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000.00) plus One Million and no/100 Dollars (\$1,000,000.00), the latter figure representing the return of the County Deposit (together, the "Second Inova Payment") by a wire transfer of federal funds, an interbank account transfer or other form of payment by immediate funds reasonably satisfactory to County.

(vi) a Settlement sheet for the transaction contemplated at the Second Closing (the "Second Settlement Sheet");

(vii) an affidavit, signed by Inova stating under penalty of perjury Inova's United States taxpayer identification number and that Inova is not (1) a foreign person as defined by the IRS Code, Paragraph 1445(f)(3), or (2) a non-resident payee under the laws of the Commonwealth of Virginia (the "FIRPTA Affidavit");

(viii) an affidavit and Form 1099-S from Inova containing all information required for compliance with IRS Code Paragraph 6405 in the form required by the Internal Revenue Service for filing thereunder signed by Inova (the "Form 1099-S");

(ix) such other documents as are required under this Contract and those reasonably required by the Title Company to consummate the transactions contemplated herein.

(b) At the Second Closing, County shall deliver to the Escrow Agent the following:

(i) a bargain and sale deed without English covenants (the "Woodburn MH Bargain & Sale Deed"), in a form attached hereto as **Exhibit L** which shall convey all County's rights, title and interest in and to the Woodburn MH Land and improvements;

(ii) two (2) executed originals of the Deed of Lease and the Deed of Ground Lease as provided in Sections 13 and 14 of this Contract;

(iii) two (2) executed originals of the Declaration of Easements, Covenants, Restrictions and Agreements and the Deed of Easements and Agreements as provided in Sections 15 and 16 of this Contract;

(iv) two (2) executed originals of any reasonably necessary easements as provided by Section 8;

(v) four (4) counterpart signature pages of the Settlement Sheet executed by County; an affidavit, signed by County stating under penalty of perjury County's United States taxpayer identification number and that County is not (1) a foreign person as defined by the IRS Code, Paragraph 1445(f)(3), or (2) a non-resident payee under the laws of the Commonwealth of Virginia (the "FIRPTA Affidavit");

(vi) an affidavit and Form 1099-S from County containing all information required for compliance with IRS Code Paragraph 6405 in the form required by the Internal Revenue Service for filing thereunder signed by County (the "Form 1099-S")

(vii) such other documents as are required under this Contract and those reasonably required by the Title Company to consummate the transactions contemplated herein, as customarily provided by County.

(c) Upon receipt of the documents and items listed in Section 21 (a) and (b) the Escrow Agent is authorized to:

(i) record the Declaration of Easements, Covenants, Restrictions and Agreements;

(ii) record the Lot 1 Special Warranty Deed;

(iii) record the Deed of Easements and Agreements (for shared parking garage) and any necessary easements as provided by Section 8;

(iv) record the Woodburn MH Bargain & Sale Deed;

(v) record the Memorandum of Deed of Ground Lease (for Woodburn Mental Health);

(vi) deliver to County the Second Inova Payment;

(vii) deliver to Inova and County the originals of the Deed of Lease (for Inova space in County Project), and deliver a copy of the Lot 1 Special Warranty Deed and the Woodburn MH Bargain & Sale Deed, the Deed of Ground Lease (for Woodburn Mental Health), any reasonably necessary easements as provided by Section 8, the Declaration of Easements, Covenants, Restrictions and Agreements and the Deed of Easements and Agreements, the FIRPTA Affidavit, Form 1099-S, and Owner's Affidavit;

(viii) attach the counterpart signature pages delivered to the Escrow Agent pursuant to Section 21 (a) and (b) and deliver to Inova and County two (2) fully executed originals of the Settlement Sheet; and

(ix) file with the appropriate governmental authorities the FIRPTA Affidavit and Form 1099-S.

(d) Delivery to the Escrow Agent of the documents and/or funds, as applicable, required of Inova and/or County, as applicable, shall be deemed delivered to Inova or County, as applicable, for purposes of this Contract

22. Representations and Warranties. For purposes of this Section 22, Inova shall be the "Purchaser" and County shall be the "Seller" with respect to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land; and County shall be the "Purchaser" and Inova shall be the "Seller" with respect to the Willow Oaks Land.

(a) PURCHASER EXPRESSLY ACKNOWLEDGES THAT AT SETTLEMENT HEREUNDER, THE PROPERTY SHALL BE CONVEYED BY SELLER TO PURCHASER AND ACCEPTED BY PURCHASER, IN ITS "AS IS, WHERE IS" CONDITION, WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES WHICH ARE EXPRESSLY SET FORTH IN THIS CONTRACT, THE DEED OF CONVEYANCE OR OTHER DOCUMENTS DELIVERED AT CLOSING.

(b) Seller represents and warrants that each of the following is true and correct on the Effective Date and shall be true and correct on, and restated as of, the date of the respective Closing:

(i) Seller has the full and unrestricted power and authority to execute and deliver this Contract and all other documents required or contemplated by the terms of this Contract (the "Seller Documents") and to consummate the transactions contemplated herein. All requisite action has been taken by Seller to authorize the appropriate agents or representatives of Seller to execute and deliver the Seller Documents. Upon Purchaser's request, Seller shall within five (5) days deliver to Purchaser true and complete copies of Seller's organizational documents, as applicable, together with any applicable resolutions authorizing Seller to enter into and perform this Contract.

(ii) The execution and delivery of the Seller Documents by Seller and compliance with the provisions of such documents by Seller will not violate the provisions of (1) Seller's governing documents or any other such similar document or rule regarding Seller, or (2) any agreement to which Seller is subject or by which Seller or the Property are bound.

(iii) To the best of Seller's actual knowledge, the execution, delivery and performance of this Contract by Seller will not violate any provision of any applicable statute, regulation, rule, court order or judgment or other legal requirements applicable to Seller or the land to be conveyed by Seller.

(iv) To the best of Seller's actual knowledge, there are no lawsuits or legal proceedings pending or threatened regarding or resulting from encumbrances on, or the ownership, use, possession or development of, the land to be conveyed by Seller.

(v) To the best of Seller's actual knowledge, there are no notices, suits or judgments pending or threatened relating to violations of any governmental regulations, ordinances or requirements affecting or which may affect the land to be conveyed by Seller that have not been corrected. If Seller receives such a notice of violation, Seller shall immediately take all actions reasonably required to comply with the terms thereof, and the land to be conveyed by Seller will be free and clear of all such violations prior to the respective Closing hereunder.

(vi) To the best of Seller's actual knowledge, except for this Contract, there are no contracts of sale, options to purchase, reversionary rights, rights of first refusal or similar rights of any kind which are or shall be binding upon the land to be conveyed by Seller or any part thereof or which shall become binding upon Purchaser at or subsequent to the time of the respective Closing.

(vii) To the best of Seller's actual knowledge, there is no actual, pending or threatened designation of any portion of the land to be conveyed by Seller or improvements thereon, or the area in which such land is located, as a historic landmark or archeological district, site or structure. To the best of Seller's actual knowledge, there is no landfill or graveyard lying within the land to be conveyed by Seller.

(viii) Intentionally deleted.

(ix) All bills and claims for labor performed and materials furnished to or for the benefit of the land to be conveyed by Seller by or on behalf of Seller for all periods prior to the Effective Date of this Contract have been paid and, on the date of the respective Closing hereunder will be paid in full or adjustment therefor shall be made at the time of such Closing on the settlement sheet. Seller shall execute all necessary affidavits and indemnities required by the Title Company to eliminate from Purchaser's title policies any exception for unfiled mechanic's or similar liens as well as any standard pre-printed title exceptions (including, without limitation, rights of parties in possession), provided, however, that notwithstanding the foregoing, County shall have no obligation to execute any indemnities under this Contract and County shall only execute such affidavits as it customarily provides in real estate transactions.

(x) Seller is not a "foreign person" as defined in the Internal Revenue Code of 1986, and the regulations issued pursuant thereto, and Seller shall deliver to Purchaser at the respective Closing an affidavit to such effect containing Seller's representations and warranties.

(xi) No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or State bankruptcy laws is pending or threatened against or contemplated by Seller.

Seller will notify Purchaser immediately of any state of facts that would constitute a material breach of or render inaccurate any of the foregoing representations and warranties immediately after becoming aware of such state of facts, and will reconfirm in writing at the respective Closing hereunder each of such representations and warranties by execution of a certificate of reconfirmation of representations and warranties. Notwithstanding any investigation conducted before or after the respective Closing hereunder, and notwithstanding any knowledge of any facts or circumstances which Purchaser may have as a result of such investigations or otherwise, Purchaser shall be entitled to rely upon the representations and warranties set forth herein and such representations and warranties shall survive such Closing hereunder and delivery of the deed of conveyance for a period of one (1) year from the applicable Closing Date and thereafter be merged into the deed of conveyance.

(c) Purchaser represents and warrants that each of the following is true and correct on the Effective Date and shall be true and correct on, and restated as of, the date of the respective Closing:

(i) Purchaser has the power and authority to enter into this Contract and to perform its obligations hereunder; the performance by Purchaser of Purchaser's obligations hereunder does not and will not violate any law; and neither this Contract nor the performance by Purchaser or Purchaser's obligations hereunder violates any agreement or contract to which Purchaser is bound or a party. This Contract is binding upon and enforceable against Purchaser in accordance with its terms. The execution, delivery and performance of the Purchaser Documents by Purchaser will not violate any provision of any applicable statute, regulation, rule, court order or judgment or other legal requirements applicable to Purchaser.

(ii) No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or State bankruptcy laws is pending or threatened against or contemplated by Purchaser.

23. Costs; Apportionments. For purposes of this Section 23, Inova shall be the "Purchaser" and County shall be the "Seller" with respect to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land; and County shall be the "Purchaser" and Inova shall be the "Seller" with respect to the Willow Oaks Land.

(a) County is exempt from Virginia grantor and grantee transfer taxes. If not otherwise itself exempt, Inova shall pay the state grantor's transfer

tax with respect to the Willow Oaks Land and the state grantee's transfer tax with respect to the Woodburn MH Land, the Woodburn Place Land, and the IFH Lease Land.

(b) Purchaser shall pay all title commitment charges, and Seller and Purchaser shall each pay one-half of the recording fees and title closing and escrow charges.

(c) The following items are to be computed and apportioned, as of midnight of the day preceding the respective Closing Date:

- (i) Water and sewer rents; and
- (ii) Real estate taxes and any assessments.

24. Possession. For purposes of this Section 24, Inova shall be the "Purchaser" and County shall be the "Seller" with respect to the Woodburn MH Land, the Woodburn Place Land and the IFH Lease Land; and County shall be the "Purchaser" and Inova shall be the "Seller" with respect to the Willow Oaks Land. Seller shall give Purchaser possession of the land to be conveyed pursuant to this Contract on the respective Closing Date subject to the lease agreements as provided herein.

25. Maintenance; Repair. Until the respective Closings, the current owner of the respective lands shall maintain such land and improvements in their present condition, subject to acts of nature.

26. Brokers. Each party represents to the other that no brokers were involved in this Contract. This Section 26 shall survive delivery of the deed.

27. Default; Failure of Conditions Precedent to Closing.

(a) By Inova.

(i) First Closing & General Defaults. If Inova fails to close the First Closing on or before the First Closing Date as provided herein, or defaults in its obligations hereunder, or fails to perform any covenant provided herein, and such default or failure is not cured within fifteen (15) days after written notice of the same from County (except for a failure to settle for which there shall be no notice and cure right), then the County may pursue equitable relief hereunder but shall have no right to damages for Inova's failure to close. Such limitation on damages for failure to close shall in no way limit County's entitlement to damages for any other injury, damage or loss, other than for, or resulting from, the failure to close, for which Inova may be responsible pursuant to the terms of this Contract or applicable law.

(ii) Second Closing. If Inova fails to close the Second Closing on or before the Second Closing Date as provided herein, and such

default or failure is not cured within fifteen (15) days after written notice of the same from County (except for a failure to settle for which there shall be no notice and cure right), then County may pursue specific performance hereunder. If the County chooses not to pursue equitable relief or is not successful in obtaining specific performance compelling Inova to convey the Willow Oaks Land, Inova shall (A) pay to County the County Pro Rata Infrastructure Share; (B) pay to County the County Deposit; and (C) notwithstanding anything in this Contract to the contrary, including, without limitation, Section 27(a)(i), be liable to the County for County's commercially reasonable architectural, engineering and permitting costs (including project-related County staff costs) with respect to the proposed County Project as agreed upon liquidated damages. The liquidated damages provided for herein shall be County's exclusive damage remedy for Inova's failure to close, but such damages shall in no way limit County's entitlement to damages for any other injury, damage or loss, other than for, or resulting from, the failure to close, for which Inova may be responsible pursuant to the terms of this Contract or applicable law. The parties acknowledge and agree that the actual damages for the failure of Inova to close the Second Closing are, at the time of the making of this Contract, uncertain and difficult to determine with exactness. Additionally, the parties acknowledge and agree that the amount fixed is not out of all proportion to the probable loss. Inova hereby expressly waives any and all rights that it might otherwise have under the law to contest the enforceability of this liquidated damages provision. Without limitation, Inova hereby waives any defense as to the validity of any liquidated damages stated in the Contract on the grounds that such liquidated damages are void as penalties or are not reasonably related to actual damages.

(iii) Failure to Satisfy County Permitting Requirements.

(A) If Inova fails to satisfy the County Permitting Requirements as defined in the Infrastructure Development Agreement by May 1, 2012, then, in addition to the liquidated damages Inova shall then owe County as provided in Section 6.b. of the Infrastructure Development Agreement, Inova shall, upon such date, provide County a schedule setting forth the dates by which Inova then expects to satisfy the County Permitting Requirements and the County Site Preparation Requirements (the "May 1, 2012 Schedule"). Within ten (10) days of County's receipt of the May 1, 2012 Schedule, County shall provide written notice to Inova of County's election either: (I) to terminate this Contract; or (II) to extend the Second Closing Date to the date that the County Permitting Requirements are expected to be satisfied as provided in the May 1, 2012 Schedule, but in no event later than July 2, 2012.

(B) In the event County elects to so terminate this Contract (or fails timely to elect), then within thirty (30) days, Inova shall (I) pay to County the County Pro Rata Infrastructure Share; (II) pay to County the County Deposit; and (III) be liable to the County for County's commercially reasonable architectural, engineering and permitting costs (including project-related County staff costs) with respect to the proposed County Project as agreed upon

liquidated damages. In the event County elects to so extend the Second Closing Date to a date no later than July 2, 2012, then Inova shall use commercially reasonable efforts to satisfy the County Permitting Requirements and the County Site Preparation Requirements as set forth in the May 1, 2012 Schedule, provided, however, that Inova shall not be obligated to pay County any additional damages if Inova fails to satisfy the County Permitting Requirements as set forth in the May 1, 2012 Schedule.

(C) In the event Inova satisfies the County Permitting Requirements as set forth in the May 1, 2012 Schedule and the County proceeds to close the Second Closing, then Inova shall satisfy the County Site Preparation Requirements within One Hundred Twenty (120) days following the Second Closing Date. In the event that Inova has not satisfied the County Site Preparation Requirements by such date, and such failure causes County actual delay to the County Project, then (i) Inova shall pay to County, as agreed-upon liquidated damages for such delay, the amount of Five Thousand and no/100 (\$5,000.00) per each day that the County Site Preparation Requirements have not been satisfied following such date that is One Hundred Twenty (120) days following the Date of Second Closing, and (ii) Inova, following written notice from County to Inova describing in detail the circumstances of the delay described herein (such notice only to be sent once, and not monthly) and thereafter on the first day of each calendar month, pay such damages to County for each such day of delay occurring in the preceding calendar month, without offset or deduction. "Actual delay to the County Project" as provided herein may be evidenced by, for example, written notice from County to Inova that County does not intend to advertise the County Project for bid pending completion of the County Site Permitting Requirements. If Inova fails to timely pay any such damages, the outstanding amounts shall accrue interest at a rate equal to the prime rate as published by the Wall Street Journal plus 4% per annum from the due date until full payment is made.

(D) In the event Inova has not satisfied the County Permitting Requirements as set forth in the May 1, 2012 Schedule by July 2, 2012, then, upon such date, Inova shall provide County a new schedule setting forth the dates by which Inova then expects to satisfy the County Permitting Requirements and the County Site Preparation Requirements (the "July 2, 2012 Schedule"). Within ten (10) days of County's receipt of the July 2, 2012 Schedule, County shall provide written notice to Inova of County's election either: (A) to terminate this Contract; or (B) to extend the Second Closing Date to the date the County Permitting Requirements are expected to have been satisfied as set forth in the July 2, 2012 Schedule.

(E) In the event County elects to so terminate this Contract (or fails timely to elect), then within thirty (30) days, then Inova shall (I) pay to County the County Pro Rata Infrastructure Share; (II) pay to County the County Deposit; and (III) be liable to the County for County's commercially reasonable architectural, engineering and permitting costs (including project-

related County staff costs) with respect to the proposed County Project as agreed upon liquidated damages. In the event, County elects to so extend the Second Closing Date then Inova shall use commercially reasonable efforts to satisfy the County Permitting Requirements and the County Site Preparation Requirements as set forth in the July 2, 2012 Schedule, provided, however, that Inova shall not be obligated to pay County any additional damages if Inova fails to satisfy the County Permitting Requirements as set forth in the July 2, 2012 Schedule.

(F) In the event, Inova satisfies the County Permitting Requirements as set forth in the July 2, 2012 Schedule and the County proceeds to close the Second Closing, then Inova shall satisfy the County Site Preparation Requirements as set forth in the July 2, 2012 Schedule. In the event that Inova has not satisfied the County Site Preparation Requirements by such date, and such failure causes County actual delay to the County Project, then (i) Inova shall pay to County, as agreed-upon liquidated damages for such delay, the amount of Five Thousand and no/100 (\$5,000.00) per each day that the County Site Preparation Requirements have not been satisfied following such date, and (ii) Inova, following written notice from County to Inova describing in detail the circumstances of the delay described herein (such notice only to be sent once, and not monthly) and thereafter on the first day of each calendar month, pay such damages to County for each such day of delay occurring in the preceding calendar month, without offset or deduction. "Actual delay to the County Project" as provided herein may be evidenced by, for example, written notice from County to Inova that County does not intend to advertise the County Project for bid pending completion of the County Site Permitting Requirements. If Inova fails to timely pay any such damages, the outstanding amounts shall accrue interest at a rate equal to the prime rate as published by the Wall Street Journal plus 4% per annum from the due date until full payment is made.

(G) In the event Inova has not satisfied the County Permitting Requirements as set forth in the July 2, 2012 Schedule then Inova shall have failed to meet a condition of Second Closing, this Contract shall terminate unless otherwise agreed to by the parties, and Inova shall (I) pay to County the County Pro Rata Infrastructure Share; (II) pay to County the County Deposit; and (III) be liable to the County for County's commercially reasonable architectural, engineering and permitting costs (including project-related County staff costs) with respect to the proposed County Project as agreed upon liquidated damages.

(H) In the event Inova satisfies the County Permitting Requirements as set forth in either the May 1, 2012 Schedule or the July 2, 2012 Schedule, and the County proceeds to close the Second Closing, then Inova shall have "substantially completed", as that term is defined in Proffer 7.F. of those proffered conditions dated July 6, 2009 adopted pursuant to PCA 87-P-038-04, all of the Common Infrastructure as defined in the Infrastructure Development Agreement by such date that is twenty-four (24) months following the date that the County Permitting Requirements have been satisfied. In the event that Inova

fails to meet such requirement, and such failure causes County actual delay obtaining issuance of its first Non-Residential Use Permit, exclusive of core and shell for the County Project, then (i) Inova shall pay to County, as agreed-upon liquidated damages for such delay, the amount of Five Thousand and no/100 (\$5,000.00) per each day that the such condition has not been met following such date that is twenty-four (24) months following the date that the County Permitting Requirements have been satisfied and (ii) Inova, following written notice from County to Inova describing in detail the circumstances of the delay described herein (such notice only to be sent once, and not monthly) and thereafter on the first day of each calendar month, pay such damages to County for each day of delay occurring in the preceding calendar month, without offset or deduction. If Inova fails to timely pay such damages, the outstanding amounts shall accrue interest at a rate equal to the prime rate as published by the Wall Street Journal plus 4% per annum from the due date until full payment is made.

(b) By County.

(i) First Closing. If County fails to close the First Closing on or before the First Closing Date, or defaults in its obligations hereunder, or fails to perform any covenant provided herein, and such default or failure is not cured within fifteen (15) days after written notice of the same from Inova (except for a failure to settle for which there shall be no notice and cure right), then Inova may pursue equitable relief hereunder but shall have no right to damages for County's failure to close. Such limitation on damages for failure to close shall in no way limit Inova's entitlement to damages for any other injury, damage or loss, other than for, or resulting from, the failure to close, for which County may be responsible pursuant to the terms of this Contract or applicable law.

(ii) Second Closing. If the County fails to close the Second Closing on or before the Second Closing Date or fails to perform any covenant provided herein, and such default or failure is not cured within fifteen (15) days after written notice of the same from Inova (except for a failure to settle for which there shall be no notice and cure right), then Inova may pursue equitable relief hereunder. If the Inova chooses not to pursue equitable relief or is not successful in obtaining specific performance compelling County to convey the Woodburn MH Land, then (A) Inova shall return the County Pro Rata Infrastructure Share to County; and (B) the County Deposit shall be forfeited to Inova as agreed upon liquidated damages. The liquidated damages provided for herein shall be Inova's exclusive damage remedy for County's failure to close, but such damages shall in no way limit Inova's entitlement to damages for any other injury, damage or loss, other than for, or resulting from, the failure to close, for which County may be responsible pursuant to the terms of this Contract or applicable law. The parties acknowledge and agree that the actual damages for the failure of County to close the Second Closing are, at the time of the making of this Contract, uncertain and difficult to determine with exactness. Additionally, the parties acknowledge and agree that the amount fixed is not out of all proportion to the probable loss. County hereby expressly waives any and all

rights that it might otherwise have under the law to contest the enforceability of this liquidated damages provision. Without limitation, County hereby waives any defense as to the validity of any liquidated damages stated in the Contract on the grounds that such liquidated damages are void as penalties or are not reasonably related to actual damages.

28. Notices. Any notices, requests and other communications under this Contract shall be in writing and shall be hand-delivered with receipt therefor, or shall be sent by facsimile with confirming telephone call, or shall be sent by messenger with receipt therefor, or by Federal Express, Express Mail or similar courier service, with guaranteed next-business-day delivery, with receipt therefor, addressed as follows:

If to Inova:

Inova Health Care Services  
8110 Gatehouse Rd Suite 200E  
Falls Church, Virginia 22042  
Attn: H. Patrick Walters  
Facsimile No: 703-289-2074  
Phone: 703-289-2021

With a copy to

Timothy S. Sampson  
Walsh, Colucci, Emrich, Lubeley, & Walsh, P.C.  
2200 Clarendon Boulevard, Suite 1300  
Arlington, Virginia 22201  
Facsimile No: 703-525-3197  
Phone: 703-528-4700

If to County:

Fairfax County  
Office of the County Executive  
12000 Government Center Parkway, Suite 552  
Fairfax, VA 22035  
Attn: County Executive  
Facsimile No.: 703-324-3956  
Phone: 703-324-2531

With a copy to:

Fairfax County  
Office of the County Attorney  
12000 Government Center Parkway, Suite 549  
Fairfax, VA 22035

Attn: County Attorney  
Facsimile No.: 703-324-2665  
Phone: 703-324-2421

And:

Fairfax County  
Planning and Design Division / Building Design Branch  
12000 Government Center Parkway, Suite 449  
Fairfax, VA 22035  
Attn: Ronald N. Kirkpatrick  
Facsimile No.: 703-324-4365  
Phone:

If to Escrow Agent:

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or in each case to such other address as either party may from time to time designate. Regarding the effective dates of notices under this Contract:

(a) If a notice is deemed effective in accordance with Section 28(b) on or before 5:00 PM local time of a given day, then such notice shall be deemed to have been given on that same day. If such notice is deemed effective in accordance with Section 28(b) after 5:00 PM local time of a given day, then such notice shall be deemed to have been given on the next occurring business day.

(b) Subject to Section 28(a) above, notice shall be deemed effective (i) if hand delivered with receipt therefor, upon receipting, (ii) if by facsimile with confirming telephone call, upon the later of the confirming phone call and the machine-generated confirmation of successful fax transmission, and (iii) if by messenger or courier service as described above, upon receipting.

29. Casualty; Condemnation. Risk of all loss, destruction or damage to the land and improvements that are subject to this Contract, from any and all causes whatsoever until consummation of the respective closing shall be borne by the owner of the respective land. In the event that a substantial portion of any of the land to be conveyed hereunder is damaged by fire or other casualty or is condemned or taken by eminent domain by any competent authority for any public or quasi-public use or purpose, or preliminary steps in such condemnation for eminent domain proceedings shall have been taken before the respective Closing Date, the respective owner shall give immediate written notice thereof to the other party (the "Condemnation Notice"). In such event, purchasing party, at its option, may terminate this Contract as it pertains to the affected property by

written notice to the other party ten (10) days after receipt of the Condemnation Notice or at the respective Closing, whichever occurs first. In the event that the purchasing party fails to so terminate this Contract as aforesaid, then the respective Closing shall take place as provided herein without any adjustment to the consideration provided for in this Contract, and the owner shall assign to the purchasing party at Closing any insurance proceeds or condemnation awards attributable solely to the land subject to the loss or condemnation.

30. Miscellaneous Provisions.

(a) Binding Effect. This Contract shall, be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Neither party hereto may assign its rights or delegate its obligations hereunder. Notwithstanding the foregoing, Inova may assign this Contract and its rights and obligations hereunder with notice to County, but without obtaining County's prior written consent, so long as the assignment is to one of the following: (a) a corporation, partnership, limited liability company or other entity which controls, is controlled by, or under common control with Inova, or (b) a partnership, limited liability company or other joint venture company between Inova and/or one or more of the legal entities described in subparagraph (a). In the event of such an assignment by Inova, Inova shall remain liable under this Contract until the one (1) year anniversary of the Second Closing.

(b) Waiver, Modification. Failure by either party to insist upon or enforce any of its rights hereto shall not constitute a waiver thereof. This Contract shall not be modified, amended, or altered except by a written agreement signed by each of Inova and County.

(c) Governing Law. This Contract shall be governed by and construed under the laws of the Commonwealth of Virginia.

(d) Headings. The section headings are herein used for convenience of reference only and shall not be deemed to vary the content of this Contract or the covenants, agreements, representations and warranties herein set forth or the scope of any section.

(e) Counterparts. If this Contract shall be executed in two or more counterpart originals, each counterpart original shall be for all purposes considered an original of this Contract.

(f) Partial Invalidity. If any provision of this Contract shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision hereof, all of which other provisions shall remain in full force and effect; and it is the intention of all the parties hereto that if any provision of this Contract capable of two constructions, one of which would render the provision void and the other of which would render

the provision valid, then the provision shall have the meaning which renders it valid.

(g) Survival. Except as otherwise specifically provided herein, the provisions of this Contract shall not survive Closing hereunder.

(h) Time. With respect to all time periods contained in this Contract, it is expressly understood that time shall be of the essence.

(i) Holidays, etc. Whenever the last day for the performance of any act required by either party under this Contract shall fall upon a Saturday, Sunday, or legal holiday, the date for the performance of any such act shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

(j) Escrow Agent. Inova hereby indemnifies and holds harmless the Escrow Agent from any and all claims, suits, damages, costs, losses and expenses for any matter resulting from or arising out of its obligations to Inova hereunder, provided the same shall not arise from any negligence or willful misconduct on the part of Escrow Agent.

(k) Attorney's Fees. In the event there arises any disputes under this Contract and said disputes result in litigation between the parties the parties agree that in any litigation between the parties that the prevailing party shall be entitled to recover from the non-prevailing party all reasonable attorney's fees incurred by the prevailing party in any such litigation, including the value of legal services, if any, provided by the Office of the County Attorney of Fairfax County.

(l) Appropriations. To the extent so required by the law of the Commonwealth of Virginia, any and all of County's financial obligations under this Contract are subject to appropriations by the Fairfax County Board of Supervisors.

(m) Exhibits. Each of the exhibits attached to this Contract is hereby made a part of this Contract as fully as if set forth in the text of this Contract.

(n) Waiver of Jury Trial. Each party hereby knowingly waives trial by jury in any action, proceeding, claim or counterclaim brought by either party in connection with any matter arising out of or in any way connected with this Contract, the relationship of the parties hereunder, the parties' ownership or use of the land subject to this Contract, and/or any claims of injury or damage.

IN WITNESS WHEREOF, the parties hereto have executed this Contract under seal as of the day and year first above written.

List of Exhibits:

- A. Plat Showing Woodburn MH Land (5.41 AC.); IFH Lease Land (15.32 AC.); and Woodburn Place Land (1.15 AC.)
- B. Draft Subdivision Plat – Willow Oaks
- C. Infrastructure Development Agreement
- D. Plat Showing Land to be Conveyed at First Closing (Parcel F, 16.47 AC.); and Land to be Conveyed at Second Closing (Parcel G, 5.41 AC.)
- E. Amended and Restated Deed of Ground Lease
- F. Deed of Ground Lease (Woodburn Place)
- G. Deed of Lease (Inova lease of County Building 4<sup>th</sup> Floor)
- H. Deed of Ground Lease (Woodburn Mental Health)
- I. Declaration of Easements, Covenants, Restrictions and Agreements (Willow Oaks)
- J. Deed of Easements and Agreements (Shared Garage)
- K. Form of Bargain & Sale Deed (Parcel F, 16.47 AC.)
- L. Form of Bargain & Sale Deed (Parcel G, 5.41 AC.)

[Signatures on following pages]

Signature Page of Contract of Sale

INOVA:

INOVA HEALTH CARE SERVICES

By: Inova Health System Foundation,  
its Sole Member

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: Richard C. Magenheimer

Its: Chief Financial Officer

Signature Page of Contract of Sale

COUNTY:

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA, acting in  
its proprietary capacity and not its  
governmental or regulatory capacity.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Anthony H. Griffin

Title: County Executive

Signature Page of Contract of Sale

ESCROW AGENT:

\_\_\_\_\_

\_\_\_\_\_

Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_