

[This Agreement of Purchase and Sale is subject to the formal approval of the City Council of the City of Hampton by a duly adopted resolution authorizing the sale of the Property and the transactions contemplated therein.]

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (“Agreement”) made as of this ____ day of May, 2007, the **CITY OF HAMPTON**, a municipal corporation of the Commonwealth of Virginia (the “Seller”), and **AMBIKA CONDO, LLC**, a Virginia limited liability company, or permitted assigns (“Purchaser”).

RECITALS:

A. Seller is the owner of certain real property in the Downtown area of the City of Hampton described as: All that certain lot, piece, or parcel of land together with the improvements and appurtenances thereunto, lying, and situate in the City of Hampton, Virginia, adjacent to the “Old JDR Property” at 100 Kings Way, Old Hampton, Block 6, containing 1,625 square feet, more or less, being a portion of RPC 2002992, (the “Property”) as shown on Exhibit A attached hereto.

B. Purchaser, who is the current owner of the Old JDR Building, wishes to purchase all right, title and interest in and to the Property, together with any and all easements, rights and appurtenances thereto, but subject to existing utility and pedestrian easements, and Seller wishes to sell all right, title and interest in and to the Property and such appurtenances to Purchaser, subject to the conditions herein set forth.

C. Purchaser plans to invest up to \$7.235 million to redevelop the Old JDR Building and the acquisition of the Property is necessary to accommodate state and local building code requirements and to maintain the grounds at the rear of the Old JDR Building.

AGREEMENT:

The parties to this Agreement, for and in consideration of the mutual covenants and stipulations set forth below, agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated into the operative provisions of this Agreement by this reference.

2. Sale of Property. Seller agrees to sell and Purchaser agrees to purchase the Property as shown on Exhibit A attached hereto subject to certain conditions as set forth hereinbelow.

3. Purchase Price. The total consideration for the Property and the Old Post Office Property is TEN AND NO/100 DOLLARS (\$10.00) (the “Purchase Price”). The Purchase Price is to be paid in lawful money of the United States of America in cash, or by certified check at Settlement.

4. As Is Purchase/Environmental Concerns. Seller neither represents nor warrants that there are no adverse environmental conditions upon the Property which would prevent Purchaser's allowed use of the Property for an elevator shaft addition and grounds maintenance, respectively. Purchaser purchases the Property "as is" "where is", and it shall be the responsibility of Purchaser to determine whether or not there are any adverse environmental conditions, hazardous waste conditions, status as protected wetlands or endangered species which would prevent Purchaser's proposed use of the Property. Purchaser hereby releases Seller of and from and waives any claim or cause of action Purchaser may have against Seller, under any federal, state or local law, ordinance, rule or regulation now existing or hereafter enacted or promulgated, relating to environmental matters or conditions, in, on, under, about or migrating from or unto the Property, or by virtue of any common law right related to environmental conditions or matters in, on, under, about or migrating from or unto the Property, except those arising from Seller's own acts. The provisions of this Paragraph shall survive settlement, the termination of this Agreement, or recordation of the Deed.

5. Settlement.

a. Settlement ("Settlement") shall occur at the Office of the Deputy City Attorney, 22 Lincoln Street, 4th Floor, Hampton, Virginia 23669 on or about thirty (30) days after completion of the Due Diligence period, or soon thereafter. Either party's failure to comply with the terms and provisions hereof at the time and in the manner herein prescribed shall be deemed a material breach of this Agreement. Seller and Purchaser agree to execute all documents required by this Agreement or reasonably necessary to consummate Settlement in the opinion of Purchaser's and Seller's counsel or otherwise reasonably required by Purchaser's title company.

b. In addition to the obligations to be performed hereunder by the parties at the Settlement, each party agrees to perform such other acts and to execute, acknowledge and deliver, subsequent to Settlement, such other instruments, documents and other material as the other party may reasonably request and shall be necessary in order to effectuate the consummation of the transactions contemplated herein. However, notwithstanding the foregoing, Purchaser acknowledges and agrees that Seller has certain powers, purposes and responsibilities by virtue of being a municipality, and as such, its ability to execute instruments and documents or to perform certain acts is limited by the laws of the Commonwealth of Virginia, including but not limited to, its defenses of sovereign immunity. Nothing herein shall be construed to waive any of the powers, purposes, responsibilities or defenses of Seller as a municipality.

6. Prorations. All rents, interest, taxes, utilities and other appropriate items pertaining to the acquisition of the Property shall be prorated and apportioned as of the Settlement Date. Assessments, general or special in nature, pending or confirmed, shall be paid or satisfied in full by Seller at Settlement.

7. Settlement Costs and Expenses.

a. Purchaser shall bear cost of obtaining any environmental assessment report and title report for the Property and all other closing costs associated with Settlement,

including, but not limited to all recording costs, except for grantor's tax, and transfer taxes, and all title insurance premiums and its own attorney's fees and costs.

b. Seller shall prepare, at its sole cost and expense, the Special Warranty deed (the "Deed") conveying the Property to Purchaser, and shall pay its own attorney's fees and costs. Seller is exempt from Grantor's tax.

c. Seller and Purchaser hereto each warrant and represent to the other that neither party has had any dealings, negotiations or communications with any brokers or other intermediaries that would obligate either of them for the payment of any real estate commission or fee as a result of this transaction.

8. Conveyance/Title.

a. Seller agrees to deliver to Purchaser at Settlement the Deed and to convey good, marketable title to the Property, in fee simple, free and clear of all mortgages, liens, encumbrances, leases, parties in possession, security interests, restrictions, rights-of-way, easements or encroachments other than the Permitted Exceptions (as hereinafter defined) and in proper form for recording.

b. Purchaser shall have up to ten (10) days from the date of execution of this Agreement by all parties and its receipt of a fully signed copy hereof to examine the record title to the Property, to furnish Seller with a title commitment (the "Title Commitment") and to notify Seller of any title objections disclosed by such examination (the "Title Objections"). Seller shall immediately provide Purchaser with copies of all deeds, title policies, surveys and the like related to the Property in its possession or control. Seller shall notify Purchaser within ten (10) days after receipt of Purchaser's notice of any Title Objections that Seller elects not to cure or is unable to cure prior to the Settlement Date. Seller agrees to cure all other Title Objections prior to the Settlement Date. If Seller notifies Purchaser of any Title Objections that it cannot or will not cure prior to the Settlement Date, then Purchaser shall have the option either (i) to terminate this Agreement by written notice to Seller, and neither party hereto shall have any further rights against or obligations or liability to the other hereunder except as specified in Paragraph 9, or (ii) to accept any remaining uncured Title Objections. If Purchaser does not exercise the option to terminate, Purchaser shall accept title to the Property subject to such title defects, the provisions of subparagraph (a) of this Paragraph 8 notwithstanding. It is understood and agreed that any objections to title not raised by Purchaser in accordance with this Paragraph 8 shall be deemed waived.

c. If Seller fails to notify Purchaser of its inability or election not to cure the Title Objections in accordance with Paragraph 8(b) above, then Seller shall be deemed to have elected to cure all Title Objections prior to Settlement. If Seller has failed to cure any one or more of the Title Objections it has elected to cure prior to the Settlement Date and is not diligently proceeding to complete such cure, then Purchaser may, at its option, either terminate this Agreement or agree to accept any remaining uncured Title Objections.

d. All restrictions, rights-of-way, easements (except for utility easements which Seller will not cure even if deemed a Title Objection) and encroachments of record on the

date of execution of this Agreement which do not constitute Title Objections or that are Title Objections which are either (i) cured by Seller or (ii) subsequently accepted by Purchaser in writing as provided above shall be referred to collectively as the "Permitted Exceptions".

9. Access/Right of Entry. With prior written notice to Seller, Purchaser or its agents, contractors, representatives, successors and assigns shall be permitted access to the Property for such purposes as may be necessary for the performance of any due diligence, structural inspections, surveys, environmental or any other studies. It is expressly agreed, however, that:

a. Such access shall be at Purchaser's sole risk and expense;

b. Purchaser shall indemnify and hold harmless Seller and its agents, employees, volunteers, servants and officials against any and all claims, obligations, demands, actions or suits for bodily injury or property damage by any person arising from such access or the conduct of activities on the Property by Purchaser, its agents, contractors, representatives, consultants, successors and assigns; and

c. Neither Purchaser nor any of its agents, contractors or consultants shall suffer or cause to be created any lien or encumbrance arising from such activities.

The obligations set forth in this Paragraph 9 shall survive Settlement, the recordation of the Deed, or termination of this Agreement.

10. Assignment. The rights and obligations under this Agreement may be assigned by Purchaser to any entity or entities controlled directly or indirectly by Purchaser or the members and/or managers of Purchaser.

11. Survival. Unless the context otherwise requires, the provisions of this Agreement, including any indemnification, covenants, agreements, representations or warranties, shall survive Settlement hereunder, delivery of the Deed.

12. Successors and Assigns/ Miscellaneous. The terms and provisions of this Agreement are binding upon and will inure to the benefit of the parties, their respective successors and assigns. Nothing contained in this Agreement shall be construed to confer upon any other party the rights of a third party beneficiary. The captions and headings of the sections contained herein are for the convenience of reference only and shall not be considered in any interpretation of the provisions of this Agreement. If any term, covenant, condition, or provision of this Agreement, or the application to any person or circumstance shall, at any time or to any extent be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall (except to the extent such result is clearly unreasonable) not be affected thereby, and under such circumstances each term, covenant, condition and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law, insofar as such enforcement is not clearly unreasonable. This Agreement does not and shall not be construed to create a partnership, joint venture or any other relationship between the parties hereto except the relationship of seller and purchaser and ground lessee specifically established hereby. No official, representative or employee of the City of

Hampton shall be personally liable to Purchaser or any successor in interest in the event of any default or breach by Seller for any amount which may become due to Purchaser or successor or on any obligations under the terms of this Agreement.

13. Notices. All notices, requests or other communications under this Agreement shall be in writing and shall be deemed duly given upon delivery to the following applicable addresses either (i) in person or by reputable overnight or other private courier (with receipt therefor); (ii) by certified or registered mail, return receipt requested; or (iii) by facsimile transmittal, provided that the notice shall also be sent, either by certified mail, return receipt requested, or by Federal Express, or other reputable overnight courier service, within one (1) business day after such facsimile transmittal, as follows:

As to Seller: City of Hampton, Virginia
22 Lincoln Street
Hampton, Virginia 23669
Fax #: (757) 728-3037

Copy to: Vanessa T. Valldejuli, Esquire
Deputy City Attorney
22 Lincoln Street, 4th Floor
Hampton, Virginia 23669
Fax#: (757) 727-6788

As to
Purchaser: Ambika Condo, LLC
By: Aniesh Corp., as Manager
Rajesh S. Randeria, President
245 Granby St, Norfolk, Virginia 23510
Fax# (757) 623-6123 tazewell fax

Copy to: Michael E. Barney, Esq.
Kaufman & Canoles
P.O. Box 626,
2101 Parks Ave. Ste. 700
Virginia Beach, Virginia 23451
(757) 491-4040, Fax# (757) 491-4020

Addresses may be changed by written notice given pursuant to this provision.

14. Governing Law/Venue. This Agreement shall be deemed to be a Virginia contract and shall be governed by the laws of the Commonwealth of Virginia, and the parties hereto designate the Circuit Court of the City of Hampton, Virginia as the proper venue for all litigation of issues relating to this Agreement.

15. Council Approval. This Agreement is subject to the formal approval of the City Council by a duly adopted resolution authorizing the sale of the Property, and the transactions contemplated herein.

16. Entire Agreement and Modification. There have been no other promises, consideration or representations made which are not set forth in this Agreement. There may be no modification of this Agreement, except in writing, executed by the authorized representatives of Seller and Purchaser.

WITNESS the following signatures and seals:

Approved as to Form:

THE CITY OF HAMPTON

Deputy City Attorney

By: _____
City Manager / Authorized Designee

Approved as to Content:

AMBIKA CONDO, LLC,
a Virginia limited liability company

Dept. of Economic Development

By: Aniesh Corp., as Manager

By: _____
Rajesh S. Randeria, President

STATE OF VIRGINIA
CITY OF HAMPTON, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by _____, City Manager /Authorized Designee of the City of Hampton, Virginia, on its behalf. He/She is personally known to me.

Notary Public

My Commission Expires:

STATE OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by Ambika Condo, LLC, a Virginia limited liability company, by Aniesh Corp., a Virginia corporation, as Manager, by Rajesh S. Randeria, President, on its behalf.

Notary Public

My Commission Expires: _____

Exhibit "A"

Property Description

