

**TRACT 3**  
**ADDENDUM TO SALE CONTRACT**

This Addendum is attached to and forms a part of the Real Property Sale Contract dated April 7, 2011 pertaining to the purchase by the undersigned Buyer at Auction of Tract 3. Each Tract has a separate Addendum, and some of the terms vary depending on the number and configuration of parcels being acquired by Buyer under the Contract.

1. Conservation Easement. Buyer acknowledges that Tract 3 is subject to the terms of, and that title to Tract 3 will be conveyed to Buyer subject to the terms the conservation easement granted to the Virginia Outdoors Foundation of record in the Office of the Clerk of the Circuit Court of Albemarle County, Virginia, in Deed Book 2890 at page 682 (the “Conservation Easement”).

*Except for the preceding sentence, which applies irregardless, this paragraph shall be without legal effect if Buyer is acquiring both Tract 1 and Tract 3, such that title to both Tract 1 and Tract 3 will be held by Buyer after Closing. In all other circumstances, the following applies.* The conveyance of Tract 3 to Buyer constitutes the one permitted division of the easement property under the terms of the Conservation Easement, and Tract 3 may not be further divided under the terms of the Conservation Easement. The deed conveying Tract 3 to Buyer will allocate two residential dwelling rights under the Conservation Easement to Tract No. 3, and prior to Closing, Seller will demolish one of the three existing cottages at Seller’s expense to ensure that the property is compliant at Closing. The rights under the Conservation Easement to construct farm and winery buildings will be designated to Tract 3 in the deed, and no such rights will be assigned or reserved to Tract 1, which is also subject to the conservation easement and will be allocated one dwelling right in the deed of conveyance of that parcel.

**Buyer acknowledges that even though Tract 3 includes two separate tax parcels, it is conveyed and considered to be one single parcel under the conservation easement and so the two tax parcels comprising Tract 3 must be owned, held and conveyed together and cannot be separated from one another.**

2. Improvements and Personal Property. Tract 3 will be conveyed with all improvements and fixtures on such Tract 3, and the following items of personal property to the extent located on the Property on the date of the Auction: (a) all appliances in two cottages (but excluding all appliances, fixtures, and property in the third cottage to be demolished as herein provided and all property owned by tenant(s)), (b) all grapes, harvested grapes, fertilizer and other supplies used or produced in the farming and winery operation and located on the Property on the date of this Contract, excluding the bulk wine and bottled wine inventory of Seller and excluding items used in the ordinary course of Seller’s business between the date of Contract and the date of Closing, and (c) all crops grown, growing or planted on the Property, including all vines, vineyards and grapes.

3. Excluded Items. The following items are expressly excluded from the Property and agreed to be outside the scope or effect of this Contract:

- (a) all wine inventory (bottled and bulk) of Seller, even if located on the Property;
- (b) all rolling stock and motor vehicles, even if located on the Property, and all parts and accessories thereto;
- (c) all barrels, filled or empty;
- (d) all picking/harvest baskets and barrels;
- (e) the tanks and other equipment which are described on the Schedule of Excluded Items attached hereto and made a part hereof and which will be sold at auction on April 8, 2011 [ATTACHED AD IS FOR REFERENCE PURPOSES ONLY; FINAL SCHEDULE WILL BE AVAILABLE ON DATE OF AUCTION];
- (f) the following items which are not owned by Seller and which will be sold at auction on April 8, 2011: (i) the tanks and other equipment which are subject to the UCC Financing Statement filed with the Virginia State Corporation Commission as 0612077065-4 in favor of US Automotive Leasing Services, Inc., and (ii) bottling equipment described on Prospero Equipment Corporation Invoice No. 9532239-IN dated June 7, 2007 attached to the UCC Financing Statement filed with the Virginia State Corporation Commission as 0707237096-4 in favor of US Automotive Leasing Services, Inc.;
- (g) all labels and all intellectual property, trademarks, tradenames, trade dress, recipes, brand names, service marks, label designs, bottle designs, trade secrets, recipes, and brands owned by Seller.

**Buyer acknowledges having carefully reviewed the list of excluded items, and acknowledges and agrees that the Property to be conveyed under this Contract excludes substantial personal property, equipment and fixtures that are situated at the Property on the date of Auction.**

4. Maintenance and Care. The Property contains growing vineyards, which are sold "AS IS" and as to which Seller has no responsibility for the conditions existing or occurring after the date of this Contract. Seller has no liability for damage from frost, insect, deer, pestilence or other cause. Between the date of this Contract and the date of Closing, Seller will be undertaking only the following limited activities pertaining to care of the vineyards on the Property to the extent such activities have not already been completed prior to the date of Contract: (a) unmounting and desuckering around the graft on the young vines as determined by Seller in its sole discretion, (b) customary and reasonable weed control under the row, herbicide or in-row cultivation, (c) partial de-suckering as determined by Seller in its sole discretion, (d) putting up first set of catch-wires as determined by Seller in its sole discretion. In addition, if Seller

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determines and only if Seller determines in its sole discretion that it is advisable under best management practices, Seller will conduct no more than two spraying passes for the prevention of disease and insect infestation. Seller undertakes no other obligations, and shall not be liable or responsible for any harm or damage to the vineyards arising from acts of God or any other cause, including but not limited to the failure of Seller to undertake any activity other than those expressly listed above, all of which will be undertaken in keeping with the discretionary decisions and management of Seller with no guarantees or warranties to Buyer. If Buyer desires that additional activities or protections be undertaken, such Buyer should discuss its desires with Seller to negotiate additional services for a fee. Seller has no liability to Buyer for any failure to perform any care or maintenance other than the activities listed above, which will be performed in a good and workmanlike manner but which are not guaranteed to preserve and protect the vineyards, vines or grapes from loss, damage or waste.

5. Licenses Not Included. Buyer acknowledges and agrees that operation of a winery or farm winery, and the manufacture, sale, and/or distribution of wine or other alcoholic beverages are heavily regulated industries requiring licensure from governmental agencies at federal, state and local levels, and that none of the licenses required to operate the Property as a winery or farm winery, including without limitation the ability to sell or distribute alcoholic beverages, are being transferred to Buyer by virtue of this Contract. BUYER ASSUMES SOLE RESPONSIBILITY AND LIABILITY RELATING TO THE ACQUISITION OF LICENSES REQUIRED BY BUYER UNDER ANY APPLICABLE LAW IN RELATION TO (i) OPERATION OF THE PROPERTY AS A WINERY OR FARM WINERY, OR (ii) THE SALE OF ANY WINE TO ANY PERSON OR ENTITY, OR (iii) THE PRODUCTION, SALE OR DISTRIBUTION OF ANY WINE OR THE USE OF ANY LABEL IN VIRGINIA OR ANY OTHER STATE.

6. Sexual Offender Disclosure. Buyer should exercise whatever due diligence Buyer deems necessary with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of Title 19.2. This information may be obtained by contacting the local police department, the Department of State Police, Central Criminal Records Exchange, at (804) 674-2000, or from the Internet at the Virginia State Police Sex Offender and Crimes Against Minors Registry Home Page.

7. Residential Property Disclosure/Disclaimer. The Virginia Residential Property Disclosure Act (Section 55-517 through 55-525 of the Code of Virginia) requires the Seller of certain residential property to furnish the Buyer the **Residential Property Disclosure Statement**, which is attached hereto.

8. Tenants in Possession. One of the cottages on the Property is tenant occupied, and is being conveyed subject to the existing tenancy. The tenant(s) are entitled to 90 days prior written notice of termination as required under the Protecting Tenants at Foreclosure Act. The tenant is a current employee of the vineyard operations and pays no rent to Seller. Personal property of tenants situated in each home will not be conveyed with the Property.

9. **Choice of Settlement Agent.** Chapter 27.3 (§ [55-525.16](#) et seq.) of Title 55 of the Code of Virginia provides that the purchaser or borrower has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's role in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, the lender for the purchaser will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

**Variation by agreement:** The provisions of Chapter 27.3 (§ [55-525.16](#) et seq.) of Title 55 of the Code of Virginia may not be varied by agreement, and rights conferred by this chapter may not be waived. The seller may not require the use of a particular settlement agent as a condition of the sale of the property.

**Escrow, closing, and settlement service guidelines:** The Virginia State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, the purchaser or borrower is entitled to receive a copy of these guidelines from his settlement agent, upon request, in accordance with the provisions of Chapter 27.3 (§ [55-525.16](#) et seq.) of Title 55 of the Code of Virginia.

10. **Virginia Property Owners' Association Act.** Seller represents that the Property is not located within a development which is subject to the Virginia Property Owners' Association Act.

11. **Virginia Condominium Act.** Seller represents that the Property is not a condominium unit.

ACKNOWLEDGED AND AGREED BY BUYER AS PART OF THE SALE CONTRACT:

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TRACT 3  
LEGAL DESCRIPTION

TMP 102-35B:

All that certain lot or parcel of land situated in Albemarle County, Virginia containing 129.6832 acres, more or less, shown on a plat made by Kirk Hughes & Associates dated March 24, 2011, and recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia in Deed Book 4016, page 674 on March 31, 2011.

And

TMP 102-37P:

All that certain lot or parcel of land lying on State Route 727 in Albemarle County, Virginia, being more particularly described as Lot 9, containing 2.022 acres, on plat of Blenwood Subdivision, by R. O. Snow and Associates, C.L.S., dated May 23, 1975, and recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia in Deed Book 577, page 378.