

TRACT 5
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 5. 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. Improvements and Personal Property. Tract 5 will be conveyed with all improvements and fixtures on such Tract 5, and the following items of personal property to the extent located on the Property on the date of the Auction: (a) all appliances and trade fixtures within the building known as the "Farm Shop", and (b) all furniture within the building on Tract 5 on the date of this Contract.

2. 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 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 that existing signs and designations for the "Kluge Estate" farm shop use trademarks that are not conveyed with this sale, and that Buyer will not be authorized to use such trademarks or designations.

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

3. Licenses Not Included. Buyer acknowledges and agrees that the 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 it has historically been operated as part of 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 AND EXPRESSLY ACKNOWLEDGES THAT

THE CURRENT ZONING OF THE PROPERTY (RURAL AREAS) DOES NOT PERMIT OPERATION OF THE BUILDING ON TRACT 5 AS A COMMERCIAL ENTERPRISE OTHER THAN AS A “TASTING ROOM AND FARM SHOP” FORMING PART OF A LARGER FARM WINERY OPERATIONS TO THE EXTENT AUTHORIZED BY STATE LAW AND LOCAL ZONING.

4. Closing Date. Seller may specify the Closing Date under this Contract to coincide with the closing date on the sale of the vineyard parcels (but not later than thirty (30) days post auction), even if Buyer desires to close earlier, in order to facilitate continued sale of inventory by Seller through the Farm Shop for the entire period of Seller’s ownership of the vineyard parcels. If Buyer is acquiring one or more of the vineyard parcels, then this closing must occur simultaneously with the closing of those purchases.

5. 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.

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

TRACT 5
LEGAL DESCRIPTION

TMP 103-10A:

All that certain lot or parcel of land situated in Albemarle County, Virginia containing 6.2353 acres, more or less, shown as PARCEL TWO 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.