

FIRST AMENDMENT TO COMPREHENSIVE AGREEMENT

THIS FIRST AMENDMENT TO COMPREHENSIVE AGREEMENT (this "**First Amendment**") is entered into this 14th day of March, 2014, by and between 25TH STREET ASSOCIATES, LLC, a Virginia limited liability company (the "**Developer**") and the CITY OF VIRGINIA BEACH, a municipal corporation of the Commonwealth of Virginia (the "**City**").

RECITALS:

A. The Developer and the City are parties to that certain Comprehensive Agreement dated as of February 28, 2013 (the "**Comprehensive Agreement**"). Capitalized terms used in this First Amendment and not otherwise defined shall have the respective meanings ascribed to them in the Comprehensive Agreement.

B. Pursuant to the Comprehensive Agreement, (i) the City and the Developer have agreed that the City will sell to the Developer the Property for the Purchase Price, (ii) the Developer has agreed to construct the Apartments, the Commercial Space, the Entertainment Complex and the Parking Garage on the Property, and (iii) the City has agreed, within thirty (30) days of the Substantial Completion of the Apartments, the Commercial Space, the Entertainment Complex and the Parking Garage, to (a) purchase the Parking Garage Property from the Developer for the Purchase Price plus the Reimbursement Incentive, and (b) enter into the Parking Lease pursuant to which the City leases two hundred twenty-one (221) parking spaces in the Parking Garage to the Developer, all as more particularly set forth in the Comprehensive Agreement.

C. The City and the Developer desire to amend the Comprehensive Agreement to provide that the City will purchase the Parking Garage from the Developer upon Substantial Completion of the Parking Garage rather than all the Improvements.

AGREEMENT

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, Developer and the City agree as follows:

1. **Recitals.** The recitals set forth above are incorporated herein and made a part of this First Amendment to the same extent as if set forth herein in full.
2. **Definitions.** Capitalized terms used in this First Amendment and not otherwise defined shall have the respective meanings assigned in the Comprehensive Agreement.
3. **Amendment to Timing of Purchase of Parking Garage Property.** The City and the Developer agree that the Developer shall convey and the City shall purchase the Parking Garage and the Parking Garage Property upon Substantial Completion of the Parking Garage rather than Substantial Completion of all of the Improvements. Accordingly, the first sentence of

Section 3.1(a) of the Comprehensive Agreement is deleted and replaced instead with the following new sentence:

3.1 Conveyance of Parking Garage to City.

a. No later than thirty (30) days after the Developer's Substantial Completion of construction of the Parking Garage, the Developer shall convey and the City shall purchase the Parking Garage and the parcel of land directly thereunder for the Purchase Price, plus the right to receive the Reimbursement Incentive (defined in Section 3.3. below).

4. **Authority.** The City and the Developer each represent and warrant to the other that it has the full right and authority to enter into this First Amendment; that the person(s) executing this First Amendment are authorized to do so; and that this First Amendment constitutes a valid and legally binding obligation enforceable in accordance with its terms.

5. **Entire Agreement.** This First Amendment constitutes the entire agreement between the parties regarding the subject matter of this First Amendment, and supersedes all prior oral or written agreements, commitments or understandings regarding the subject matter of this First Amendment.

6. **Reaffirmation.** Except as amended by this First Amendment, the Comprehensive Agreement is reaffirmed as executed. All terms and conditions of the Comprehensive Agreement are hereby ratified and affirmed, as modified by this First Amendment. To the extent there is any inconsistency between the Comprehensive Agreement and this First Amendment, the provisions of this First Amendment control.

7. **Binding Effect.** This First Amendment shall be binding upon and inure to the benefit of the City and the Developer and their respective heirs, personal representatives, successors and assigns.

8. **Governing Law and Venue.** This First Amendment is executed under seal and shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Virginia, notwithstanding its choice of law rules. The venue for any dispute relating to the subject matter of this First Amendment shall be the court of competent jurisdiction in the City of Virginia Beach.

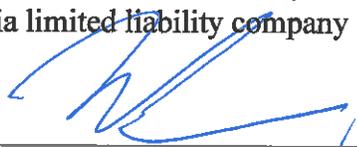
9. **Counterparts.** This First Amendment may be executed in two or more counterparts and shall be deemed to have become effective when and only when one or more of such counterparts shall have been signed by or on behalf of each of the parties hereto (although it shall not be necessary that any single counterpart be signed by or on behalf of each of the parties hereto, and all such counterparts shall be deemed to constitute but one and the same instrument), and shall have been delivered by each of the parties to the other.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and the Developer execute this First Amendment to Comprehensive Agreement as of the date first written above.

THE DEVELOPER:

25TH STREET ASSOCIATES, LLC,
a Virginia limited liability company

By: 
Name: C. TORREY BREEDON
Title: PRESIDENT

THE CITY:

CITY OF VIRGINIA BEACH,
a municipal corporation of the Commonwealth
of Virginia

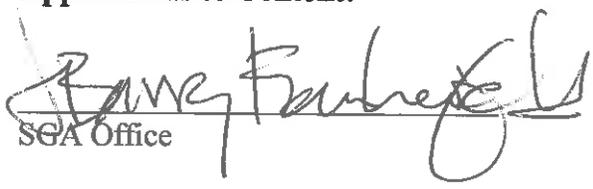
By: 
Name: JAMES K. SPORE
Title: CITY MANAGER

(SEAL)

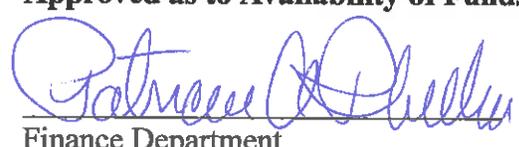
Attest:


City Clerk

Approved as to Content:


SGA Office

Approved as to Availability of Funds:


Finance Department

Approved as to Legal Sufficiency:


City Attorney