

F&M BANK

"The Right Choice"

November 16, 2020

To Whom It May Concern,

I hope this letter finds you well. A longtime client of F&M Bank, Greg Newville, has partnered with Darell Hertenstein and the Hertenstein Investment Group, LLC on the Villages at King George Crossroads project in King George, VA. I have known Greg and have been his banker for the last nine years. As such, I am very familiar with Greg's financial standing and ability, and can attest that his net worth and credit profile are very strong.

I have reviewed the project with Greg and Darell and their team and have even enjoyed walking the site with them in King George County. I am aware of the financial commitments that will be required to see the project through to completion. I can attest that based on Greg's financial profile alone, the principals have the financial resources to complete the project and meet the obligations required by the proffers and service authority agreement. This includes without limitation the \$250,000 purchase of ERCs due within 90 days of rezoning approval (which I understand has already been escrowed), and the payment of \$500,000 to Mary Washington Healthcare which will be due soon after the rezoning approval.

In short, I have reviewed the proffers and the service authority agreement and am confident that the principals have the financial resources and ability to meet the requirements set forth in those agreements. In addition, I am confident that Greg and Darell have the financial wherewithal and ability to develop the project into buildable lots subject to the proffers, and in accordance with the development schedule set forth in the proffers.

I hope this letter is helpful, and accurately conveys the confidence I have in my friend and client, Greg Newville, and his partner, Darell Hertenstein. If you have any questions please do not hesitate to contact me.

Regards,



Keith A Kramer

Executive Vice President

F&M Bank

7641 Lake Drive

Lino Lakes, Minnesota 55014



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IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER:

Farmers & Merchants Savings Bank (F&M Bank)
101 E Main St PO Box 588
Manchester IA 52057

DATE: November 16, 2020

BENEFICIARY:

King George County Service Authority, a Political Subdivision of the Commonwealth of Virginia
9207 Kings Highway
King George, VA 22485

Amount: \$3,000,000.00

CO-APPLICANT:

Hertenstein Investment Group, LLC
4308 Lisa Lane
King George, VA 22485

We, F&M BANK, hereby establish this Irrevocable Standby Letter of Credit (Letter of Credit) No. 1396 in favor of the Beneficiary in the amount of Three Million Dollars and No/100 (\$3,000,000.00). This Letter of Credit is available with us at our above office by payment of a Beneficiary's draft drawn on us at sight and shall expire on November 16, 2024, unless sooner renewed or continued.

Beneficiary may draw upon this Letter of Credit with a Draft (or Drafts), with the documentation noted below. The Draft shall be signed on behalf of a Beneficiary and marked, "Drawn under F&M BANK Standby Letter of Credit No. 1396 dated November 16, 2020". The presentation of any draft shall reduce the amount available under this Letter of Credit by the amount of the draft.

Each Draft must be accompanied by the following:

1. A sight draft drawn by a beneficiary on Issuer.
2. Beneficiary's Signed Statement reading as follows:
 - a. "We are drawing against Standby Letter of Credit No. 1396 as Hertenstein Investment Group, LLC, the Co-Applicant, has failed to comply with the terms and conditions of its Water and Sewer agreement between King George County Service Authority and Hertenstein Investment Group, LLC dated February 10, 2020.



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The amount of this Letter of Credit shall reduce in value as payments are made under that certain Water and Sewer Agreement Between King George County Service Authority and Hertenstein Investment Group, LLC dated as of February 10, 2020 (the "Service Authority Agreement"). The Letter of Credit value will reduce by the amount of any payments made pursuant to the Service Authority Agreement.

Partial and multiple drawings are permitted.

This Letter of Credit expires at our above office on November 16, 2021, but shall be automatically extended, without written amendment, for a 12- month term ending November 16, in each succeeding calendar year unless the Beneficiaries have received written notice sent by us, the Issuer. This notice will be sent to the Beneficiary at their address above by registered mail or express courier indicating that we elect not to extend the expiration date of this Letter of Credit beyond the date specified in such notice. This date, whether November 16, 2021 or any subsequent (Date) shall be at least thirty (30) calendar days after the date the Beneficiary receive such notice.

Upon the Beneficiary receiving such notice of the non-extension of the expiration date of this Letter of Credit, the Beneficiary may also draw under this Letter of Credit by presentation to us at our above address, on or before the expiration date specified in such notice, of a draft drawn on us at sight accompanied by a signed and dated statement worded as 1. and 2. above.

Unless otherwise stated, all documents are to be presented for payment at F&M Bank, 101 E Main St, PO Box 588, Manchester IA 52057.

We hereby agree with you that each drawing presented hereunder in full compliance with the terms hereof will be duly honored by our payment to the Beneficiary making the demand of the amount of such demand.

This Letter of Credit shall be governed by the laws of the State of Iowa and the United States of America.

ISSUER: F&M BANK
101 E Main St PO Box 588
Manchester IA 52057

By: 
Name: Keith A Kramer
Title: Executive Vice President

Date: November 16, 2020



SECOND AMENDMENT TO LAND TRANSFER AGREEMENT

THIS SECOND AMENDMENT (this "Amendment") to that certain Land Transfer Agreement dated September 24, 2020 (the "Agreement") is hereby entered into by and between Hertenstein Investment Group, LLC ("Hertenstein") and Medicorp Properties, Inc. ("MWHC"), effective as of the date on which it is last executed by the parties below.

For good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties intending to be legally bound hereby agree as follows:

In the event MWHC agrees to accept the donation of the MWHC Property (as defined in the Agreement), the deed of gift shall contain a clause which provides that if development of the MWHC Property has not commenced within four (4) years from the date of said deed's execution, then the MWHC Property shall revert to Hertenstein Investment Group, LLC or its designee. In addition, at the same time as the reversion of the MWHC Property, MWHC shall pay whatever portion of the Cash Donation (defined in the Agreement) is then remaining (if any) to Hertenstein, and provide Hertenstein with any work product related to the Property and not deemed to be confidential by MWHC, which is in MWHC's possession or control (i.e. surveys, environmental tests, soil borings, site plans, engineering plans etc.). This provision shall survive closing.

IN WITNESS WHEREOF:

HERTENSTEIN INVESTMENT GROUP, LLC:

By: Darell Hertenstein
Darell Hertenstein, Manager

9/24/2020
Date

MEDICORP PROPERTIES, INC.:

By: Sean Barden
Sean Barden, Senior Vice President and CFO

9/24/20
Date