

LOT PURCHASE AGREEMENT

MOUNTAIN CREST AT SOUTHERN GAP

THIS LOT PURCHASE AGREEMENT (this "**Agreement**") is made as of _____, 20____, between **The Industrial Development Authority of Buchanan County, Virginia**, a political subdivision of the Commonwealth of Virginia ("**Seller**"), and _____ ("**Buyer**").

BACKGROUND:

- A. Seller owns certain lots of land within the subdivision located in Buchanan County, Virginia known as Mountain Crest at Southern Gap (the "**Subdivision**").
- B. Buyer wishes to purchase a lot or lots within the Subdivision, being Lot(s) _____, Southern Gap Phase 1A Subdivision - Mountain Crest at Southern Gap, as shown on the Plat attached hereto as Exhibit A (each a "**Lot**" and collectively, whether one or more, the "**Lots**").
- C. Buyer acknowledges and understands that the Subdivision is part of a mine reclamation project of approximately 2,000 acres of mountain land, in which the surface of the Lots and the minerals underneath the Lots may have been severed. Accordingly, the land hereby conveyed includes the surface, timber, gravel and building stone on the Lots, but not the rights to minerals under the surface of the Lots.

AGREEMENTS:

In consideration of the mutual agreements of the parties, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. **Sale.** Seller shall sell to Buyer, and Buyer shall purchase from Seller, on the terms and conditions of this Agreement, the Lots.
- 2. **Purchase Price/Deposit.**

a) The purchase price of the Lot(s) is as follows, for a total Purchase Price of _____ (\$ _____) (the "**Purchase Price**"): _____

Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)
Lot _____:		(\$ _____)

TOTAL PURCHASE PRICE: (\$ _____)
TOTAL DEPOSIT PAID: (\$ _____)
BALANCE DUE AT SETTLEMENT: (\$ _____)

The Purchase Price shall be payable as follows:

- i) Buyer shall pay the sum of **Two Thousand and no/100 Dollars (\$2,000.00)** per Lot for a total Deposit of _____ (\$ _____) (the "**Deposit**"), payable to Seller by check upon execution of this Agreement. Unless returned to Buyer or retained by Seller in accordance with the terms of this

Agreement, the full amount of the Deposit shall be applied to the payment of the Purchase Price of the Lots at Settlement. In the event this Agreement is terminated as provided herein, or in the event of a breach of this Agreement by Seller, the Deposit shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for Seller's breach. In the event Buyer breaches this Agreement, the Deposit shall be paid to Seller, but such payment shall not preclude any other remedies available to Seller for such breach under this Agreement or at law or in equity.

ii) The balance of the Purchase Price, plus or minus applicable prorations, shall be paid by Buyer to Seller by cashier's check or by wire transfer at Settlement.

b) If Buyer fails or refuses to settle on any Lot(s) when required by this Agreement, the purchase price for each such Lot shall be increased by an amount equal to interest on the purchase price of the Lot at the greater of (i) twelve percent (12%) per annum, or (ii) the Wall Street Journal prime rate, as in effect from time to time, plus four percentage points (Prime + 4%), for each day between the date Buyer was required to settle upon the Lot(s) and the date Buyer actually settles on the Lot(s). This paragraph shall not be a waiver of Buyer's default by reason of refusing or failing to close on any Lot as and when required by this Agreement. Seller reserves all rights and remedies in the event of default.

3. **Settlement.** The settlement for Buyer's purchase of the Lots from Seller ("**Settlement**") shall be held at the offices of Gerald P. Coleman, Esquire, PC, Attorney at law, 18169 Riverside Drive, Vansant, VA 24656 on or before November 16, 2010 (the "**Settlement Date**").

4. **Title.** At Settlement and upon payment of the Purchase Price, Seller shall convey to Buyer insurable title to the Lot(s) to be conveyed by Seller at such Settlement by a recordable special warranty deed conveying the surface, timber, gravel and building stone on the Lot(s) (the "**Deed**"), free and clear of liens, but expressly subject to real estate taxes not then due and payable, and subject to such restrictions, agreements, covenants, conditions, and easements of record as of the Settlement. Seller reserves the right, before and after Settlement on any Lot, to dedicate such easements as may be necessary, in the sole discretion of Seller, for the proper development of the Subdivision; provided that such easements do not materially adversely affect the ability of Buyer to build a home on the Lot.

5. **Buyer's Objections to Title, Defects in Title.** Buyer shall deliver to Seller any objections to matters of title with respect to the Lots prior to Settlement. Buyer shall have waived any objections to title matters of which Buyer has not notified Seller within that period, provided that Buyer shall not have waived any objection to matters which arise after the date of this Agreement. Seller shall have a reasonable period of time, including a reasonable delay of Settlement, within which to correct any such defect. Alternatively, Seller may, within thirty (30) days after receiving Buyer's notice, notify Buyer Seller does not intend to correct some or all of such objections. In such an event, Buyer may, within five (5) days after Seller gives Buyer the notice, notify Seller it elects to terminate this Agreement, in which event Seller shall return the Deposit to Buyer and this Agreement shall be terminated. If Buyer does not so terminate this Agreement, Buyer shall have waived such objection(s) to matters of title and elected purchase the Lots without any reduction of the purchase price.

6. **Cost of Utilities and Related Fees.** Buyer shall be responsible for, and shall pay, all costs and connection fees imposed by any utility company and/or any governmental or quasi-governmental authority for connecting the Lots to utility facilities, including sewer fees, sewer and water resource recovery and connection fees, and meter fees. Upon Seller's request, Buyer will promptly deliver to Seller all necessary information relating to its construction schedule as may be required by any utility company in order to determine the timing of extension of utility service to the Lots.

7. **Seller's Obligations.** Seller shall, at its expense either before or after Settlement, install and/or improve the public streets abutting the Lots according to plans and specifications approved by the County and dedicate the streets to the County, which work (the "**Offsite Work**") shall include (i) sanitary sewer lines within the dedicated right of way (including a lateral line to each Lot to a point in the outside perimeter of the dedicated right of way), (ii) water mains within the dedicated right of way (including a lateral line to each Lot to a point in the outside perimeter of the dedicated right of way), (iii) street signs, and (iv) fire hydrants. In addition to the above, Seller shall complete all requirements of the County to create the Lot as a separate legal parcel.

8. **Buyer's Obligations.**

a) Buyer shall be responsible for any damage ("**Damage**") that Buyer or its employees, agents, contractors, or subcontractors cause to any swales, culverts, curbs, gutters, drainage systems, water mains, sewer mains, gravity lines, streets, or any other infrastructure or improvements in the Subdivision. If Buyer fails to repair any Damage within ten (10) days after notice from Seller, Buyer shall, at Seller's option, reimburse Seller for all costs incurred by Seller in repairing any Damage (including an overhead fee of 20% of all such costs). Any Damage which occurs adjacent to or

within any Lot after Settlement shall be presumed to have been caused by Buyer, or its employees, agents, contractors, or subcontractors, unless Buyer establishes that the Damage was caused by Seller or a third party. Within ten (10) days prior to Settlement, Buyer and Seller shall conduct a joint inspection of the Offsite Work relating to the relevant Lot and sign a written memorandum listing all defects to be repaired by Seller. Except for those defects listed on the memorandum and as provided above, all other defects and damages shall be the responsibility of Buyer.

b) Buyer shall cause the grading, landscaping and improvements to the Lots and all areas between the Lots and the physical limits of any adjacent street, including reestablishing any ditches and swales damaged during Buyer's ownership of the Lots, at its own cost and expense, in accordance with the requirements of (i) the County, (ii) any other governmental agencies or departments with jurisdiction, (iii) the Declaration of Protective Covenants, Conditions, and Restrictions for the Subdivision (the "**Declaration**"), and (iv) the April 2009 Southern Gap Master Plan Design Guidelines, and shall post and maintain any bonds required in connection with work on the Lots or otherwise required of Buyer under this Agreement ("**Buyer Work**").

c) Buyer shall ensure that construction of a residence on each Lot commences by the later of (a) twelve (12) months after Settlement, or (b) thirty (30) days after Buchanan County's approval of the Certificate of Substantial Completion submitted by the contractor for the Subdivision, and shall ensure that a certificate of occupancy for the residence is issued within twenty-four (24) months after Settlement.

d) Buyer shall, at its expense in connection with the Lots, (i) take such steps as are necessary to prevent soil erosion or siltation into lakes, drainage ditches, gutters, detention ponds, and canals; (ii) if erosion or siltation occurs, promptly remove the silt and materials to maintain the capacity and flow of the lake, drainage ditch, gutter, detention pond, or canal as originally constructed; and (iii) comply with all federal, state or County rules and regulations regarding erosion or siltation control, including posting all required bonds.

e) Buyer shall comply with the provisions of the "Buyer's Construction Obligations" attached as Exhibit B.

f) If Buyer fails to perform any of the Buyer Work, Seller may, upon fifteen (15) days notice to Buyer (or such shorter period of time as may have been allowed to Seller by any applicable governmental entity), perform the Buyer Work and/or post a bond for the performance of the Buyer Work, and Buyer shall be liable for, and shall promptly upon demand pay to Seller, the costs incurred by Seller in performing the work and/or posting the bond, together with an amount equal to twenty percent (20%) of the costs, representing Seller's overhead. Buyer shall also promptly pay to Seller all inspection fees charged by the County with respect to any Damage for which Buyer is responsible.

9. Documents to be furnished at Settlement. At Settlement, Seller shall furnish Buyer (a) a Deed; (b) a Certification of Non-Foreign Status conforming with the requirements of Section 1445 of the Internal Revenue Code; (c) applicable 1099 IRS certificates, and (d) an affidavit on a form acceptable to Buyer's lender, if applicable, that no labor or materials have been furnished to the Lots within the statutory period for the filing of mechanics' or materialmen's liens against the Lots, or, if labor or materials have been furnished during the statutory period, that the costs thereof have been paid.

10. Prorations and Closing Costs.

a) At Settlement, real estate taxes on the Lot(s) conveyed at the Settlement for the then current period shall be prorated as of Settlement. If the Lot in question is not then separately assessed, Buyer shall pay its share of the prorated taxes to Seller at Settlement, and Seller shall pay the real estate taxes for the tax year so long as such Lots are not reassessed before the end of such tax year. If any Lots are reassessed after Settlement but before the end of the tax year during which Settlement occurs, then Buyer shall promptly remit to Seller the amount of increase.

b) Seller shall pay the costs of preparing the deed, the certificate for non-foreign status and state residency, and the applicable IRS Form 1099. Seller shall also pay the recordation tax applicable to grantors, the Seller's attorney fee and the Seller's Settlement Agent's fee if any. Except as otherwise agreed herein, all other expenses incurred by Buyer in connection with this Agreement and the transactions set forth herein, including, without limitation, title examination costs, insurance premiums, survey costs, recording costs, loan document preparation costs and fees of Buyer's attorney and Buyer's Settlement Agent, shall be borne by Buyer.

c) At Settlement, Buyer shall pay its prorata share of all assessments payable to the HOA for the applicable assessment period with respect to the Lot(s) conveyed at such Settlement.

11. Property Owners' Association.

a) The Lots are located in a planned community designated as "Mountain Crest at Southern Gap," and all property within this planned community is subject to the Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Mountain Crest at Southern Gap dated as of September 27, 2010 (the "**Declaration**"),

which has been recorded in the Clerk's Office of the Circuit Court for the County (the "**Clerk's Office**"), and the title to the Lots shall be subject to the Declaration. The Subdivision is a phased project, and may have additional property added to it. Different sections of the Subdivision may have different restrictions, amenities, and/or dues structures.

b) The Declaration provides that all Owners (as defined in the Declaration) of Lots (as defined in the Declaration) shall be members of the Mountain Crest at Southern Gap Homeowners Association (the "**HOA**"). The HOA will be governed by the Articles of Incorporation of the HOA (the "**Articles**") and the Bylaws of the HOA (the "**Bylaws**"). The Declaration, Articles and Bylaws are collectively referred to herein as the "**Governing Documents**."

c) Buyer may or may not be purchasing one of the Lots for Buyer's own residence or for the construction of Buyer's own residence. If Buyer is purchasing one of the Lots for Buyer's own residence or for the construction of Buyer's own residence, the following disclosure is provided: The Lots are located within a development that is subject to the Virginia Property Owners' Association Act (Va. Code 55-508 et seq.) (the "**Act**"). The Act requires Seller to obtain from the property owners' association an association disclosure packet and provide it to Buyer or to notify Buyer that the packet is unavailable. If Buyer has received the association disclosure packet, Buyer has a right to request an update of such disclosure packet in accordance with subsection H of § 55-509.6 of the Act or subsection C of § 55-509.7 of the Act, as appropriate. Buyer may cancel this Agreement: (i) within three days after the date of this Agreement, if on or before the date that Buyer signs this Agreement, Buyer receives the association disclosure packet or is notified that the association disclosure packet will not be available; (ii) within three days after receiving the association disclosure packet if the association disclosure packet or notice that the association disclosure packet will not be available is hand delivered or delivered by electronic means and a receipt obtained; or (iii) within six days after the postmark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to Buyer by United States mail. Buyer may also cancel this Agreement at any time prior to Settlement if Buyer has not been notified that the association disclosure packet will not be available and the association disclosure packet is not delivered to Buyer. Written notice of cancellation shall be provided to Seller or Seller's agent within the cancellation period by one of the following methods: (a) Hand delivery; (b) United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, (c) Electronic means provided the sender retains sufficient proof of the electronic delivery, or (d) Overnight delivery using a commercial service or the United States Postal Service. The sender shall have the burden to demonstrate delivery of the notice of cancellation. Such cancellation shall be without penalty, and Seller shall cause the Deposit to be returned promptly to Buyer. The right to receive the association disclosure packet and the right to cancel this Agreement are waived conclusively if not exercised before Settlement.

d) Buyer shall (i) pay all assessments and capital contributions to the HOA as required by the Governing Documents; and (ii) if Buyer is a builder, at the time Buyer conveys a Lot to a person or persons for occupancy, (a) give notice to Seller (or if so directed by Seller to the HOA) of each conveyance, which notice shall include a description of the Lot conveyed, the date of conveyance, and the name and address of the party to whom the Lot was conveyed, and (b) collect assessments imposed by the HOA against the Lot for the current period (prorated), as well as for one additional period, and shall remit the payment to the HOA, c/o Seller.

e) Buyer acknowledges that the amenities to be provided as part of the Subdivision have not been finalized at this time and that no specific amenities have been promised to Buyer by Seller or any other person, except as provided in this Agreement.

12. Default. In addition to the other remedies provided by this Agreement or otherwise by law, if Buyer fails to close on the purchase of any Lot as and when required by this Agreement, Seller may terminate this Agreement, in which event Seller shall retain the Deposit and Buyer shall pay Seller an additional **Five Thousand Dollars (\$5,000.00)** per Lot as liquidated damages, it being agreed that damages to be incurred by Seller as a result of Buyer's default would be difficult, if not impossible, to determine, and would include effects on sales of other lots as well as the Lots. Accordingly, the parties agree that \$5,000 per Lot is a reasonable liquidation of damages. If Seller terminates this Agreement by reason of Buyer's default, Seller shall be free to sell the Lots to any other person, free of any interest or claim of Buyer. If Seller fails in any one or more instances to terminate this Agreement or otherwise enforce its rights because of default by Buyer, Seller may still terminate this Agreement and/or enforce its rights because of any other default of Buyer. All rights and remedies of Seller under this Agreement are cumulative. The amount of liquidated damages set forth above shall not be liquidated damages for any other default, including any post-closing default. If any party engages an attorney due to the breach of any other party, the prevailing party shall recover from the losing party all costs and fees, including attorneys' fees, incurred as a result of the breach. Any default by Buyer or any affiliate of Buyer under any agreement between Buyer or such affiliate and Seller or any affiliate of Seller shall constitute a default under each other such agreement.

13. Condition of Property. Seller makes no representation or warranty regarding the condition of the Lots, except as expressly provided in this Agreement. Buyer acknowledges that Buyer has not relied upon any advice or

representations by Seller or any agent or employee of Seller relative to soils or subsurface conditions on the Lots and agrees to accept the Lots in "AS IS" condition, except for the specific undertakings of Seller under this Agreement. Seller does not warrant the life or condition of any trees or other vegetation on the Lots and reserves the right to remove or retain any trees or vegetation at any time prior to Settlement on the Lot in question. Buyer acknowledges that Seller makes no representation or warranty, express or implied, as to the existence of environmental hazards on the Lots, or as to the effect of such conditions on the Lots or any improvements to be constructed thereon.

14. Access. From and after the date Seller receives a fully executed original of this Agreement, Buyer and its agents, contractors, and employees may enter upon the Lots to make any studies, tests, and investigations Buyer deems necessary or advisable; provided that Buyer (i) will not materially affect the Lots, and (ii) will restore the Lots and all surrounding property to the same condition as exists as of the date of this agreement Buyer does not close on the Lots for any reason whatsoever. Buyer shall indemnify and hold harmless Seller and its owners, officers, agents, employees, and their successors and assigns, from and against all costs, expenses, losses, damages, expenses (including attorneys' fees), and liability as a result of the exercise of Buyer's rights under this Agreement, which indemnification shall survive Settlement and any termination of this Agreement.

15. Risk of Loss. Risk of loss of the Lots shall remain upon Seller until delivery of possession to Buyer. If any portion of the Lots is substantially damaged or destroyed prior to Settlement through no fault of the Buyer, Buyer shall have the option to: (a) void this Agreement, in which event all monies paid by Buyer to Seller under this Agreement shall be returned to Buyer and upon such return all parties shall be relieved of any further obligations hereunder, or (b) elect to proceed with this Agreement with no reduction in the Purchase Price, in which event Seller shall assign to Buyer Seller's right to any insurance proceed paid on account of such loss.

16. Mechanics' and Materialmen's Liens. NOTICE: Virginia law (Virginia Code § 43-1 et seq.) permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against the Lots. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of; (i) 90 days from the last day of the month in which the lienor last performed work or furnished materials; or (ii) 90 days from the time the construction, removal, repair or improvement is terminated. **AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE SETTLEMENT DATE MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.**

17. Adjoining Property. Seller makes no representations as to matters affecting adjacent parcels, and Buyer should exercise whatever due diligence that Buyer deems necessary with respect to adjacent parcels.

18. Title Insurance Notification. Buyer may wish at Buyer's expense to purchase owner's title insurance. Depending on the particular circumstances of the transaction, such insurance could include affirmative coverage against possible mechanics' and materialmen's liens for labor and materials performed prior to Settlement and which, though not recorded at the time of recordation of Buyer's deed, could be subsequently recorded and would adversely affect Buyer's title to the Lots. The coverage afforded by such title insurance would be governed by the terms and conditions thereof, and the premium for obtaining such title insurance coverage will be determined by its coverage.

19. Megan's Law Disclosure. Buyer should exercise whatever due diligence Buyer deems necessary with respect to information on any sexual offender registered under Chapter 23, Section 19.2-387 et seq. of Title 19.2. Such information may be obtained by contacting your local police department or the Department of State Police, Central Records Exchange at (804) 674-2000 or www.vsp.state.va.us.

20. Fair Housing Disclosure. All offers shall be presented and considered without regard to race, color, religion, sex, handicap, familial status, age or national origin as well as all classes protected by the laws of the United States, the Commonwealth of Virginia and applicable local jurisdiction.

21. Notice to Buyer Regarding Choice of Settlement Agent: You have the right to select a settlement agent to handle the closing of this transaction. The settlement agent's role in closing your 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 this Agreement. If part of the Purchase Price is financed, your lender 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 of the transaction for the purpose of providing legal services to that party.

Escrow, closing and settlement services 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, you are entitled to receive a copy of these guidelines from your settlement agent, upon request, in accordance with the provisions of the Consumer Real Estate Settlement Protection Act.

22. Brokers. Seller and Buyer acknowledge that Damascus Realty LLC has represented Seller in this transaction. If Settlement occurs, Seller shall pay at Settlement a real estate commission to Damascus Realty LLC as per the exclusive right to sell auction listing agreement dated as of September 1, 2010. Seller and Buyer each represents to the other that it has dealt with no other real estate agent or broker in connection with this Agreement, and each agrees to indemnify the other from the claims of all brokers, agents, and finders whatsoever claiming by or through them.

23. Notices. All notices and communications under this Agreement, including change of address, shall be in writing and shall be deemed to have been given (i) when hand delivered, (ii) one business day after being delivered to a nationally recognized overnight delivery service for next business day delivery, or (iii) three business days after being deposited in the United States Mail, postage prepaid via certified mail, and in all events addressed as follows:

If to Buyer:

If to Seller:

The Industrial Development Authority
of Buchanan County, Virginia
4313 Slate Creek Road
Grundy, VA 24164
Attn: Craig Horn

with a copy to:

R. Vern Presley
Street Law Firm, LLP
1131 Plaza Drive, Suite 2100
P.O. Box 2100
Grundy, Virginia 24614

In addition, Buyer and Seller shall send a copy of all notices to Gerald P. Coleman, Esquire, PC, 18169 Riverside Drive, Vansant, VA 24656.

Either party to this Agreement may change its address for notice purposes by giving notice to the other party. Nothing in this Agreement shall invalidate any written notice which is given in a manner which is not provided for, which notice shall be effective from the date it is actually received by the intended party.

24. Binding Effect and Third Parties. This Agreement is binding upon and inures to the benefit of the parties and their respective successors and assigns; provided that Buyer may not assign this Agreement except with Seller's prior written consent, which consent may be withheld or denied for any reason in Seller's sole and absolute discretion. The provisions of this Agreement are intended to benefit solely the named parties. No person who is not a party to this Agreement, or a permitted successor or assign, shall be entitled to the benefit of any provision of this Agreement.

25. Survival; Further Assurances. All terms, conditions, warranties, representations, covenants and indemnifications in this Agreement shall survive Settlement and shall not be merged into the Deeds for the Lots. All parties agree to execute, at no charge, any additional documents that may be necessary after Settlement to carry out the intent of this Agreement.

26. Severability. If any provision of this Agreement is unenforceable, the remaining provisions shall be construed and enforced as if such unenforceable provision had not been contained in this Agreement, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

27. Modification and Waiver. The provisions of this Agreement may not be modified or waived, including this Section, except by a written instrument, signed by the party against whom such modification or waiver is sought to be enforced.

28. Entire Agreement. This Agreement is intended by the parties to be a complete, exclusive, and final expression of their agreements concerning the purchase of the Lots, merging and replacing all prior negotiations, offers, representations, warranties, and agreements. No course of dealing between the parties, usage of trade, or parol or extrinsic evidence shall be used to supplement or modify this Agreement. All exhibits attached to or referenced in this Agreement are incorporated in this Agreement as fully as if contained in the body of this Agreement.

29. Construction of Agreement. Buyer and Seller acknowledge that they have read, understand and have had the opportunity to be advised by legal counsel as to the effect of each and every one of the terms, conditions, and restrictions

of this Agreement and each acknowledges and agrees to the enforcement thereof. Should any provision of this Agreement require judicial interpretation, it is agreed that the court shall not apply the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the document. Typewritten or handwritten provisions inserted in this Agreement that are initialed by the parties shall control over all printed provisions of this Agreement in conflict therewith. Titles or captions of paragraphs in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

30. **Counterparts; Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. Facsimile and e-mailed documents and signatures shall be deemed original documents and signatures.

31. **Time.** If the last day for taking any action under this Agreement falls on a Saturday, Sunday, or banking holiday, the time for taking the action shall be extended to the next regular business day. Time is of the essence in connection with the parties' obligations under this Agreement.

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WITNESS the following signatures:

SELLER

**The Industrial Development Authority of Buchanan
County, Virginia**

By _____
Name:
Title:

BUYER

By: _____
Name:
Title (if entity purchaser):

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EXHIBIT A

Plat of Subdivision

[See attached Plat of Southern Gap Phase 1A Subdivision - Mountain Crest at Southern Gap]

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PHASE 1D

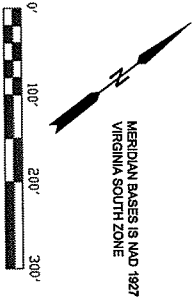
PHASE 1B

PH(0) CONCRETE SET W/ CAD
 THENCE, N 67°35'43" E 606.28'
 TO REFERENCE CORNER DESCRIBED ON SHEET P-01D

BUCHANAN COUNTY
 INDUSTRIAL DEVELOPMENT
 AUTHORITY
 INST. # 060004019

BUCHANAN COUNTY
 INDUSTRIAL DEVELOPMENT
 AUTHORITY
 INST. # 060004019

PROPERTY RETAINED BY:
 BUCHANAN COUNTY
 INDUSTRIAL DEVELOPMENT
 AUTHORITY
 AS BEING A PART OF:
 INST. # 060004019



MERIDIAN BASES IS NAD 1927
 VIRGINIA SOUTH ZONE

NOTE:
 1) SEE SHEET P-01D FOR CURVE
 AND LINE TABLES

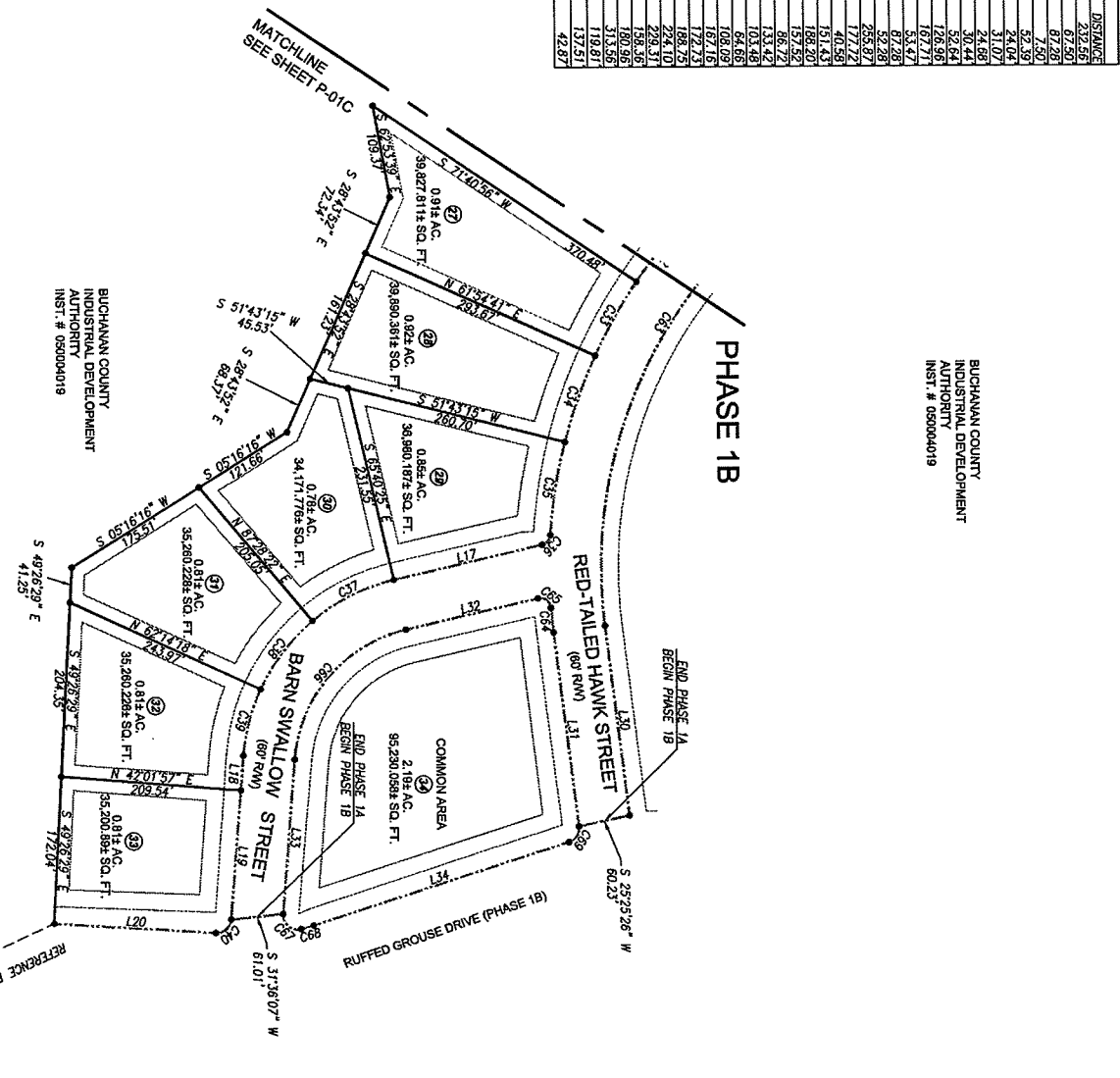
SHEET NO.		SHEET TITLE	
P-01C		PLAT	
PROJECT NO.	88-47	DRAWING ISSUED FOR	REVISIONS
SCALE	N.T.S.	DATE	8/04/10
DRAWING DATE	08/27/10	CODE REVIEW ONLY	REVISION
DRAWN BY	GBN	INCHING OR PREPARED	
CHECKED BY	GBN	CONSTRUCTION	
APPROVED BY	GBN	AS BUILT OR RECORD	

**SOUTHERN GAP
 PHASE 1A SUBDIVISION**
 BUCHANAN COUNTY I.D.A.
 P.O. BOX 1072
 GRUNDY, VA 24614

Terra Tech
 ENGINEERING SERVICES, P.C.
 725 S.W. 86
 Grundy, VA 24614
 (703) 955-4171

CHANCE	PAVING	FACE LENGTH	R/W CURVE LENGTH	CHORD BEARINGS	CHORD LENGTH	DETAILED ANGLE
C1	12.50	24.08	20.52	S 04°53'45" E	1172.11	
C2	170.00	193.58	170.98	S 21°02'48" W	443.89	
C3	230.00	129.94	111.91	N 58°15'40" W	270.24	
C4	230.00	81.52	81.52	N 57°49'43" W	52.59	
C5	230.00	117.58	116.08	S 76°05'04" W	291.58	
C6	230.00	126.32	124.74	S 47°44'04" W	317.87	
C7	12.50	18.67	17.40	S 77°05'10" W	90.10	
C8	170.00	381.47	287.12	N 07°05'07" E	121.49	
C9	15.00	14.60	14.03	S 88°08'55" E	55.46	
C10	65.00	125.83	107.08	N 64°18'43" E	110.53	
C11	65.00	95.67	81.26	S 56°22'53" W	98.17	
C12	65.00	109.24	114.03	S 38°08'48" W	95.74	
C13	15.00	14.60	14.03	S 20°15'50" W	44.54	
C14	230.00	81.52	81.52	S 20°15'50" W	44.54	
C15	230.00	100.00	98.21	S 64°43'18" W	245.40	
C16	230.00	100.00	98.21	S 20°11'42" E	245.40	
C17	230.00	100.00	102.28	S 45°14'13" E	251.01	
C18	12.50	18.67	17.65	S 12°55'01" E	89.50	
C19	170.00	278.16	248.15	N 78°52'31" E	93.44	
C20	280.00	52.95	52.87	S 59°40'05" E	105.90	
C21	280.00	112.30	111.55	S 76°34'53" E	122.50	
C22	12.50	18.79	17.07	S 45°01'14" E	85.01	
C23	44.53	109.65	109.57	S 45°01'14" E	85.01	
C24	44.53	124.49	124.50	S 48°14'27" E	140.59	
C25	44.53	104.04	93.48	S 48°14'27" E	125.57	
C26	44.53	104.04	93.48	S 51°29'44" E	132.45	
C27	44.53	104.04	93.48	S 51°29'44" E	132.45	
C28	44.53	104.04	93.48	S 65°01'55" E	138.52	
C29	44.53	104.04	93.48	S 65°01'55" E	138.52	
C30	44.53	104.04	93.48	S 65°01'55" E	138.52	
C31	12.50	13.73	13.05	S 44°25'12" E	62.55	
C32	60.00	60.00	60.00	S 15°46'02" E	51.42	
C33	60.00	99.71	99.60	S 23°22'02" E	97.26	
C34	60.00	107.60	107.46	S 33°11'02" E	101.71	
C35	60.00	111.08	110.90	S 43°52'17" E	120.42	
C36	12.50	13.85	14.89	S 12°14'07" E	7.07	
C37	230.00	107.80	106.91	S 16°08'40" E	95.14	
C38	230.00	81.50	80.88	S 16°08'40" E	95.14	
C39	170.00	26.38	23.81	S 79°51'52" E	90.17	
C40	12.50	20.87	18.40	S 44°33'12" W	89.45	
C41	12.50	20.87	18.40	S 44°33'12" W	89.45	
C42	365.33	153.32	152.32	S 14°13'56" E	127.42	
C43	365.33	144.16	143.32	S 36°00'38" E	212.08	
C44	365.33	147.02	146.13	S 57°09'32" E	215.41	
C45	365.33	46.71	46.68	S 72°53'53" E	67.56	
C46	12.50	23.67	20.29	N 49°51'41" E	108.30	
C47	60.00	146.75	146.40	N 02°33'23" E	183.50	
C48	12.50	18.53	16.95	N 03°10'42" W	67.23	
C49	230.00	59.23	59.16	N 03°10'42" W	67.23	
C50	230.00	80.75	80.13	N 55°47'03" W	203.81	
C51	230.00	80.75	80.13	N 55°47'03" W	203.81	
C52	230.00	169.27	162.50	N 15°42'09" W	172.24	
C53	12.50	17.47	16.09	N 48°03'43" W	80.08	
C54	12.50	15.43	14.47	N 76°14'03" W	70.44	
C55	230.00	128.70	127.03	S 56°53'30" W	81.31	
C56	12.50	17.78	16.32	S 32°09'48" W	37.01	
C57	170.00	199.65	188.37	S 42°14'24" E	86.42	
C58	12.50	18.92	17.16	N 60°43'52" E	82.42	
C59	60.00	58.71	58.79	N 17°42'55" W	95.57	
C60	12.50	21.15	19.29	N 17°42'55" W	95.57	
C61	12.50	16.50	15.32	S 65°14'15" W	75.58	
C62	12.50	16.50	15.32	S 65°14'15" W	75.58	
C63	12.50	16.50	15.32	S 65°14'15" W	75.58	
C64	60.00	28.71	28.71	N 66°15'06" W	243.08	
C65	12.50	21.55	18.89	S 73°43'01" W	98.46	
C66	170.00	214.50	200.55	S 11°49'14" E	72.72	
C67	17.00	32.18	27.59	N 77°48'04" E	108.71	
C68	220.00	15.40	15.40	N 21°53'50" E	47.01	
C69	17.00	23.49	21.67	N 20°01'31" E	78.10	
C70	17.00	26.38	24.42	N 17°48'30" W	61.02	
C71	17.00	27.01	24.82	N 20°35'40" W	61.04	
C72	804.97	68.85	68.81	N 43°33'24" W	559.20	
C73	519.98	584.12	468.13	N 43°03'12" W	289.24	
C74	404.99	271.86	208.45	N 28°55'18" W	121.21	
C75	804.97	89.30	89.25	N 28°55'18" W	121.21	

LINE	BEARING	DISTANCE
L1	S 60°10'58" W	27.50
L2	N 54°15'02" W	87.28
L3	S 32°00'03" W	7.50
L4	N 57°49'43" W	52.59
L5	N 57°49'43" W	24.04
L6	N 63°59'57" E	31.07
L7	N 63°59'57" E	24.68
L8	S 63°59'57" W	30.44
L9	S 63°59'57" W	32.64
L10	S 57°50'06" E	126.95
L11	S 32°00'03" E	61.17
L12	S 32°00'03" E	87.28
L13	S 24°10'02" E	52.28
L14	S 24°10'02" E	52.28
L15	S 24°10'02" E	52.28
L16	S 24°10'02" E	52.28
L17	S 24°10'02" E	52.28
L18	S 24°10'02" E	52.28
L19	S 47°58'03" E	40.58
L20	S 47°58'03" E	151.43
L21	N 88°08'39" W	188.20
L22	S 75°53'04" E	151.52
L23	S 75°53'04" E	86.72
L24	S 75°53'04" E	133.43
L25	N 75°53'04" W	54.68
L26	N 68°23'15" W	108.09
L27	S 75°53'04" E	167.16
L28	N 17°48'56" E	172.25
L29	S 17°48'56" W	188.75
L30	S 59°38'40" E	224.10
L31	S 59°38'40" W	228.31
L32	S 24°18'35" W	198.36
L33	S 47°28'03" E	180.95
L34	N 18°53'29" E	113.89
L35	N 17°53'24" W	118.21
L36	N 17°53'24" W	118.21
L37	N 30°08'01" W	42.87



PROJECT NO.		SHEET TITLE	
P-01D		PLAT	
PROJECT NO.	04-07	DATE	07/25/10
SCALE	N/A	REVISION	
DRAWING DATE	08/20/10	DATE	
DRAWN BY	088/08	COMMENTS	
DESIGNED BY	088		
APPROVED BY	088		

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PHASE 1A SUBDIVISION
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GRUNDY, VA 24614

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ENGINEERING SERVICES, P.C.
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EXHIBIT B

BUYER'S CONSTRUCTION OBLIGATIONS

1. Seller's Approval of Builder. Buyer agrees that construction of a dwelling and related improvements on the Lots may be performed only by a builder approved by Seller in accordance with such criteria as Seller may establish, and that such builder ("**Builder**") shall be responsible for supervising all construction activities on the Lots. Seller's approval shall not be construed as an endorsement of Builder, nor shall Seller be liable for any loss, damage or injury to any person arising out of Buyer's election to use such Builder. Buyer agrees that Buyer shall not permit any person other than a Builder approved by Seller, and such employees and subcontractors as that Builder may engage and supervise, to engage in any construction on the Lots.

2. Construction Guidelines

(a) Construction.

(i) Buyer shall cause a dwelling on each Lot to be constructed in a good and workmanlike manner and in accordance with all restrictions, architectural guidelines, rules, regulations, and easements affecting the Lots, whether now or hereafter executed or enacted.

(ii) Buyer shall be responsible for ensuring that all necessary permits are obtained prior to commencing any construction activities and for causing all construction and development on the Lots to be performed substantially in accordance with the Governing Documents, Design Guidelines, approved plans, applicable building codes, and all other applicable laws, rules, regulations and ordinances relating to the Lots.

(b) Liens. Buyer will not permit any liens to be filed against any of the Lots, nor delay paying real estate taxes or association assessments when due, nor at any time permit any claim or charge to be filed against the Lots unless otherwise provided in this Agreement. If a lien or charge is filed, Buyer shall discharge or bond off the lien to Seller's satisfaction within ten (10) days after the date it is filed.

(c) Repairs. Buyer, its agents, employees, contractors, and subcontractors (collectively, "**Buyer's Contractors**") shall access each construction site by only one location along the public or common roadway, as approved by Seller. Within twenty four (24) hours after written notice from Seller or the County, Buyer will remove all mud, dirt, trash, building materials, and other debris deposited on the public or common roadway adjacent to the Lots or otherwise caused by Buyer's Contractors. All damage to swales, culverts, curbs and gutters, streets, utilities, sidewalks, valve boxes, manholes, or any improvements within or adjacent to the Lots shall be deemed to have been caused by Buyer's Contractors unless Buyer establishes to the contrary. All damages caused by Buyer's Contractors shall be repaired or replaced at Buyer's expense. After completion of construction of each house, Seller may perform an inspection of Buyer's work for damages and make a determination of responsibility for payment and for making repairs.

(d) Temporary Structures. Buyer shall maintain all temporary structures, portable offices, and other related facilities in good repair, in a safe manner, and arranged in a compact, clean, and organized manner on the construction site. These facilities will be situated so as not to be obtrusive or unsightly when seen from any road or adjacent properties. Buyer shall remove all temporary structures and portable facilities upon the completion of all construction. All temporary utilities on the construction site shall be (i) contained at locations approved by Seller in writing, (ii) maintained in a safe manner, and (iii) removed at the time permanent utilities have been installed.

(e) Equipment and Material Storage. Buyer shall store and maintain all equipment and materials within the lines of each Lot in a neat, clean, and orderly condition during construction, not within any easement area, and in such a manner as to not interfere with the use, enjoyment, value, or salability of any other property within the Subdivision. Immediately upon completion of construction, Buyer shall remove all equipment and material from the Lots.

(f) Construction Debris. Buyer shall not permit trash or construction debris to accumulate during construction. All trash and construction debris shall be removed on a daily basis as necessary to maintain the site in a neat, clean, safe, and orderly manner. Immediately upon completion of construction, Buyer shall remove all temporary barriers and surplus materials from the site. All back fill will be clear of building materials, stone, and rubbish.

(g) Soil Stockpiling. Buyer shall keep soil and fill materials stockpiled on the Lots outside of all easement areas, in a neat, clean, and orderly condition, appropriately maintained to avoid erosion, and in such a manner as to not interfere with the use, enjoyment, value, or salability of any other property within the Subdivision.

(h) Maintenance. Buyer shall be responsible for and repair any damage to sewer lines, storm drainage lines, water mains, curbs, paving, lights, sidewalks, streets, storm drains, telephone laterals, water taps, sewer taps, sewage

laterals, or any other surface scarring areas which are contained on the Lots or in the right of way which is contiguous or adjacent to any Lot, as more particularly provided in the Agreement, and shall cause such damage to be repaired in a manner acceptable to Seller and the County. Sewer cleanouts and water meter boxes shall be left exposed to permit the County's inspectors to inspect them. The foregoing provisions for repair and damages are intended for the benefit of the Seller and not the benefit of the Buyer; they shall not be enforceable by any person claiming as a third party beneficiary. Buyer will install at its own expense, prior to allowing occupancy or final inspection by the County of any dwelling on the Lots, all infrastructure and improvements in connection with the Lots that are required by the County as a condition to occupancy.

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