

VILLAS AT SOUTH BEND TOWNHOMES

UNIT RESERVATION AGREEMENT

Developer: Villas at South Bend, LLC, a Virginia limited liability company, its successors and assigns.
Mailing Address: 1245 Pine Ttree Road, Alton, VA 24520

Reserving Party: _____
Mailing Address: _____

UNIT: Unit (also, "Lot") Number _____, Building _____, of Villas at South Bend Town-homes, to be established in Halifax County, Virginia, such Unit to be located approximately as shown on the preliminary site plan attached as Exhibit A.

Escrow Agent: American National Bank
Mailing Address:
628 Main Street
Danville, VA 24541
Phone: (800) 240-8190
Wiring Instructions: Account Number 1500376001
Routing Number: 051401027

TERMS: **Estimated Base Purchase Price for Buildings 6 and 7: \$450,000 for said Villa on land on a leasehold, expiring 4/30/2100.**

Purchaser may purchase the underlying footprint of land for an additional \$10,000.

Reservation Deposit: \$10,000

EFFECTIVE DATE: _____

This Reservation Agreement is entered into as of the Effective Date set forth above by and between the Developer and the Reserving Party identified above.

Background Statement

The Developer possesses a 100 year leasehold that expires on April 30, 2100, which includes 8.29 acres of fee owned land in Halifax County, Virginia, on which it proposes and intends to develop a 60 Unit residential town-home community, to be constructed in phases (the "Villas at South Bend Town-homes"). The Developer intends to enter into contracts for the purchase and sale of Units in Villas at South Bend Town-homes upon satisfying certain requirements of its lender, obtaining all necessary permits to proceed with construction and complying with applicable state, local and federal laws pertaining to the development and sale of Villas at South Bend Town-homes and the individual Units.

The Reserving Party has expressed interest in purchasing the Unit identified above and wishes to reserve the right to enter into a contract for the purchase of such Unit at such time as the Developer has provided to Reserving Party a disclosure package and contract for the Reserving Party's review. Developer wishes to extend such right to the Reserving Party. In consideration thereof, the parties agree as follows

Agreement

1. **Deposit.** To evidence the Reserving Party's good faith and true interest in acquiring the Unit, Reserving Party has deposited with Developer a check in the amount set forth above, made payable to the Escrow Agent identified on the first page of this Agreement, as Escrow Agent. Developer acknowledges receipt of such Deposit and agrees to deliver such Deposit to the Escrow Agent to be deposited in a segregated escrow account established at American National Bank, Danville, Virginia, for the purpose of holding deposits received from prospective purchasers of Units in the Villas at South Bend Town-homes. The Developer shall cause the Escrow Agent to hold and disburse the Deposit in accordance with the terms of this Reservation Agreement. Developer shall be solely responsible for paying any fees charged by the Escrow Agent for its services in administering the escrow account. Reserving Party agrees that such escrow account may or may not be interest-bearing, in Developer's sole discretion, and that if interest-bearing, any interest earned on the Deposit shall be added to and disbursed with the Deposit.

Reserving Party's Initials

2. Reservation of Unit.

(a) Developer agrees to reserve the Unit for Reserving Party from the Effective Date set forth above until the earlier of (i) 5:00 p.m. on the 10th calendar day after the date of delivery to Reserving Party of the disclosure package for the Villas At South Bend Homeowner's Association, or (ii) the date of termination of this Reservation Agreement pursuant to Section 3 below (the "Term"). During the Term, Developer agrees not to sell or to enter into a binding agreement to sell the Unit to anyone other than Reserving Party.

(b) If this Reservation Agreement is still in effect at such time as Developer (i) has satisfied all lender requirements and obtained all necessary permits to proceed with development of the Villas at South Bend Town-homes; (ii) has taken whatever steps the Developer deems appropriate to comply with the requirements of applicable laws relating to the sale of units in the Villas at South Bend Town-homes and (iii) has provided the Reserving Party with a copy of the contract for purchase and sale of the Unit and the disclosure package, Developer will provide to Reserving Party the opportunity to buy the Unit on the terms and conditions set forth in such contract. The Estimated Base Purchase Price set forth on the first page of this Reservation Agreement is the Developer's present estimate of the purchase price at which it will offer the Unit for sale to Reserving Party (exclusive of any options, extras, changes, upgrades or other custom work requested by Reserving Party which is not included in the standard unit being offered by Developer in the Villas at South Bend Town-homes). The price, design, size and floor plan of unsold or undeveloped units are subject to change at the discretion of the Developer. The site plan herein provided is a representation of what the Developer intends to, but is not obligated to build, and is subject to change or amendment at the sole discretion of the Developer.

(c) Reserving Party shall have until 5:00 p.m. on the 14th calendar day after receipt of the required disclosure package to accept such opportunity by signing and returning to Developer the contract for purchase and sale on Developer's standard form. Upon receipt thereof, the Deposit made by Reserving Party under this Agreement shall be credited against the earnest money due under the contract for purchase and sale of the Unit, this Reservation Agreement shall terminate, and the earnest money shall thereafter continue to be held in escrow by the Escrow Agent and shall be disbursed in accordance with the contract for purchase and sale of the Unit.

3. Termination; Expiration.

(a) Reserving Party may terminate this Reservation Agreement at any time by delivering written notice of termination to the Developer and Escrow Agent at their addresses set forth above. Such notice shall specify that Reserving Party intends to terminate this Reservation Agreement and relinquish all rights to purchase the Unit, that he or she has not assigned or transferred any rights under this Reservation Agreement to any other party, and that upon return of the Deposit, Reserving Party releases Developer and Escrow Agent from any further obligations or liability under this Reservation Agreement.

(b) Developer may terminate this Reservation Agreement upon Reserving Party's failure to enter into a contract for the purchase of the Unit within the allotted 14-day period or upon notice to Reserving Party of Developer's decision to postpone or cancel its plans to develop the Villas. Developer will not terminate this Reservation Agreement solely for the purpose of re-offering the Unit at a higher price to another buyer.

(c) Within 30 days after receipt of notice of termination pursuant to Section 3(a) or (b), Developer shall cause Escrow Agent to refund the Deposit in full to Reserving Party, without interest, and the parties shall have no further rights or obligations hereunder.

4. **Terms of Purchase.** Reserving Party acknowledges that the Estimated Base Purchase Price set forth above does not include any options, extras, changes, upgrades or other custom work.

5. **Assignment.** Reserving Party shall not assign its rights under this Agreement without the prior written consent of Developer, which consent may be withheld in Developer's sole discretion.

6. **Notices.** All notices to be given hereunder shall be effective only if in writing and shall be deemed delivered upon actual receipt by the addressee, or on the date of delivery to the address of the addressee as evidenced by the records of a reputable commercial overnight delivery service. All notices shall be addressed to the addressee at its address as set forth above, unless the party has previously specified a different address by written notice in accordance with this paragraph, in which case the notice shall be addressed to such new address.

7. **Amendment.** This Agreement may be modified only by a written instrument signed by both parties.

8. **Representations.** Reserving Party acknowledges that:

(a) this Reservation Agreement is not an agreement to purchase or sell the Unit and does not confer any lien upon or interest in the Unit or the Villas At South Bend Townhomes; and

(b) any plans, specifications, models, displays, pictures or other materials which Reserving Party may have viewed are subject to change at the Developer's discretion and without notice and Reserving Party shall not be entitled to rely on any representations, whether written or oral, relating to the Villas At South Bend Townhomes or the Unit except those specifically set forth in this Reservation Agreement, any contract for purchase and sale entered into by the parties, and any disclosure package which Developer provides to Reserving Party pursuant to Section 3 (b) of this Reservation Agreement.

(c) If for whatever reason, Developer cannot build the Unit, Reserving Party's sole remedy is return of the escrow deposit without interest.

9. **Waiver, Attorney's Fees and Venue.** A waiver by the Developer of any breach of any term or condition hereof shall not be deemed a waiver of any other, or any subsequent breach. In the event either party to this Contract is required to file a legal action due to a breach hereof, the costs of the action, including, but not limited to, reasonable attorneys' fees as determined by the Court, shall be paid to the prevailing party. This Contract shall be interpreted and enforced in accordance with the laws of the Commonwealth of Virginia and Halifax County. Both parties hereto expressly agree that if legal action is required to interpret or enforce this Contract, said action shall be filed in Halifax County, Virginia.

IN WITNESS WHEREOF, the parties have executed this Reservation Agreement as of the Effective Date set forth on the first page hereof.

DEVELOPER:

Villas At South Bend, LLC, A Virginia limited liability company

By: _____

Its: _____

RESERVING PARTY:

Signature

Printed Name

Signature

Printed Name

Reserving Party hereby acknowledges receipt of a fully executed copy of this Reservation Agreement.

Date _____

Signature

Date _____

Signature