

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

)	
In re:)	Chapter 11
)	
DOMINION PAVING & SEALING, INC.,)	Case No. 15-32966
)	
Debtor.)	
)	

**DEBTOR’S MOTION TO SELL ROPEPTY
FREE AND CLEAR OF LIENS AND INTERESTS**

Dominion Paving & Sealing, Inc. (the “**Debtor**”), by counsel, pursuant to 11 U.S.C. §§ 363(b) and (f) moves the Court (the “**Motion**”) for authority to sell certain property of the Debtor, as more particularly described on Exhibit A attached hereto (the “**Property**”) to Smith Paving and Asphalt (the “**Buyer**”), free and clear of all liens and interests, and in support thereof states as follows:

Background

1. On June 10, 2015 (the “**Petition Date**”), the Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
2. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

Christopher L. Perkins (Virginia Bar No. 41783)
LeClairRyan, A Professional Corporation
919 East Main Street, 24th Floor
Richmond, VA 23219
(804) 783-7550

Counsel for Debtor and Debtor-in-Possession

3. Prior to the Petition Date, the Debtor owned the Property subject to the secured lien of First Citizens Bank (“**FCB**”). A copy of the Security Agreement and related loan documents with FCB are attached hereto as Exhibit B.

Relief Requested

4. The Debtor proposes to sell the Property to the Buyer for \$139,000.00 (the “**Purchase Price**”). A copy of the Bill of Sale is attached as Exhibit C. The Purchase Price represents a fair market value of the Property given the age and condition of the Property.

5. The Debtor seeks authority to sell the Property free and clear of all liens pursuant to sections 363(b) and (f) of the Bankruptcy Code.

6. With the consent of the applicable parties, the Debtor seeks to apply the proceeds of the sale to FCB in satisfaction of its debt. The Debtor will retain the remaining proceeds.

Basis for Relief

7. Pursuant to section 363(b)(1) of the Bankruptcy Code, a debtor may sell property of the estate other than in the ordinary course of business. A debtor may sell property not in the ordinary course of business at private sale pursuant to Rule 6004(f)(1) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). Here, the Debtor proposes and seeks authority to sell the Property pursuant to the terms of the Bill of Sale. The Purchase Price of the Property is reasonable under the circumstances and the condition of the Property. The Purchase Price is the result of arm’s length negotiations between the Debtor and the Buyer.

8. The Debtor further proposes and requests authority to sell the Property free and clear of all liens pursuant to section 363(f) of the Bankruptcy Code.

9. The sale of the Property will benefit the Estate and is in the best interest of the Estate and its creditors.

10. The Buyer is a good faith purchaser for the purposes of section 363(m) of the Bankruptcy Code.

WHEREFORE, the Debtor respectfully requests that the Court enter an Order substantially in the form attached hereto as Exhibit D: (i) authorizing the Debtor to sell the Property free and clear of all liens to the Buyer; (ii) directing that the Debtor shall apply the proceeds as described herein; (iii) waiving the stay imposed by Bankruptcy Rule 6004(h); and (iv) granting such other and further relief as is just and appropriate under the circumstances.

DOMINION PAVING & SEALING, INC.

/s/ Christopher L. Perkins
Counsel

Christopher L. Perkins (Virginia Bar No. 41783)
LeClairRyan, A Professional Corporation
919 East Main Street, 24th Floor
Richmond, VA 23219
(804) 783-7550

Counsel for Debtor and Debtor-in-Possession

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of April, 2017, a true copy of the foregoing was filed with the Court via the Clerk's CM/ECF electronic filing system and served electronically on all parties receiving electronic notice in this case and/or by first-class mail, postage prepaid to the following parties and to all parties on the attached Service List:

Robert B. Van Arsdale
Assistant United States Trustee
Office of the United States Trustee
701 East Broad Street, Suite 4304
Richmond, VA 23219
Assistant U.S. Trustee

Anthony J. Napolitano
BuchalterNemer, PC
1000 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017-1730
Counsel for DIP Lender

Gary H. Leibowitz
Cole Schotz P.C.
300 E. Lombard Street, Suite 1450
Baltimore, MD 21202
*Counsel for Official Committee of Unsecured
Creditors*

Richard C. Maxwell, Esquire
Woods Rogers PLC
10 South Jefferson Street, Suite 1400
Roanoke, VA 24011
Counsel for First Citizens Bank

/s/ Christopher L. Perkins
Counsel

EXHIBIT A
(Description of Property)

Case 15-32966-KLP Claim 1 Part 2 Filed 06/18/15 Desc Exhibit(s) Page 15 of 46

EXHIBIT A

#1 BLAW KNOX PAVER model PF-4410 serial#375159 with Top-Con System V & Beam Assembly installed Deutz Diesel, Smokeater kit, Power Tunnels, Ultra 3s w/Mat Kontrol, Oscillating Push Rollers, Electronic Grad and Slope System(*Less Box's), Back Up Alarm,DC Worklight Package, Beacon Light, Ultimat 16 Electric Screed, 120 Volt Power Kit

EXHIBIT B
(Security Agreement)

EXHIBIT B



SCC-CLERK'S OFFICE
UCC

2013 MAR 14 A 10:22

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A NAME & PHONE OF CONTACT AT FILER (optional)

B SEND ACKNOWLEDGMENT TO (Name and Address)

First Citizens Bank
Loan Servicing Department-DAC20
PO Box 26592
Raleigh, NC 27611-6592

130314 3940

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME
DOMINION PAVING & SEALING, INC.

OR

1b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
18200 HULL STREET ROAD MOSELEY VA 23120 USA

1d SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR **1e TYPE OF ORGANIZATION** Corporation **1f JURISDICTION OF ORGANIZATION** VA **1g ORGANIZATIONAL ID #, if any** 0322801-2 NONE

2 ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME

OR

2b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR **2e TYPE OF ORGANIZATION** **2f JURISDICTION OF ORGANIZATION** **2g ORGANIZATIONAL ID #, if any** NONE

3 SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME
First-Citizens Bank & Trust Company

OR

3b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
13101 Midlothian Turnpike Midlothian VA 23113 USA

4 The FINANCING STATEMENT covers the following collateral:

All Purchase Money Security Interest in See Exhibit "A" attached hereto and incorporated herein by reference; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds).

5 ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG LIEN NON-UCC FILING

6 This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) (ADDITIONAL FEE) All Debtors Debtor 1 Debtor 2

8 OPTIONAL FILER REFERENCE DATA



PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$280,400.00	02-19-2013	02-22-2018				32528	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: DOMINION PAVING & SEALING, INC.
 18200 HULL STREET ROAD
 MOSELEY, VA 23120

Lender: First-Citizens Bank & Trust Company
 Midlothian Office
 13101 Midlothian Turnpike
 Midlothian, VA 23113

Principal Amount: \$280,400.00 **Date of Note: February 19, 2013**

PROMISE TO PAY. DOMINION PAVING & SEALING, INC. ("Borrower") promises to pay to First-Citizens Bank & Trust Company ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Eighty Thousand Four Hundred & 00/100 Dollars (\$280,400.00), together with interest on the unpaid principal balance from February 19, 2013, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 3.500%, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in 60 payments of \$5,108.06 each payment. Borrower's first payment is due March 22, 2013, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on February 22, 2018, and will be for all principal, accrued interest, and all other applicable fees, costs and charges, if any, not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to the following in the order specified: (i) unpaid interest accrued to the date of payment or the date payment is due (at Lender's option); (ii) the unpaid principal component of any payment then due; (iii) unpaid late charges, returned check fees, prepayment penalties, collection costs, and other charges then due; and (iv) the unpaid principal balance. Applying payments in the foregoing manner, Lender may, at its option, satisfy sums owing in the order in which they were billed, assessed, charged, or accrued. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT PENALTY. Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: Borrower agrees to pay a prepayment penalty equal to (i) 3% of all Excess Payments made during any Billing Cycle that occurs within one year after the date of this Note, (ii) 2% of all Excess Payments made during any Billing Cycle that occurs more than one year but within two years after the date of this Note, and (iii) 1% of all Excess Payments made during any Billing Cycle that occurs more than two years but within three years after the date of this Note. Thereafter, this Note may be paid in part or in full at any time without prepayment penalty. Lender may waive or forego its right to assess and collect a prepayment penalty on one or more occasions without thereby waiving or foregoing its right to assess and collect a prepayment penalty on future occasions. For purposes of this prepayment penalty provision, (i) a "Billing Cycle" is the period of time extending from the date a regularly scheduled payment (whether of principal, interest, or principal and interest) is due and payable under the terms of this Note, to and including the date the next ensuing regularly scheduled payment (whether of principal, interest, or principal and interest) is due and payable under the terms of this Note; (ii) if this Note is paid in full during a Billing Cycle, then all payments of principal made during that Billing Cycle shall be considered "Excess Payments" for purposes of calculating the prepayment penalty; and (iii) all payments made during a Billing Cycle in which this Note is not paid in full are considered "Excess Payments" for purposes of calculating the prepayment penalty to the extent they exceed, in the aggregate, the sum of (a) all unpaid sums owing from prior Billing Cycles (plus any late charges relating thereto), plus (b) twice the amount of the next ensuing regularly scheduled payment (whether of principal, interest, or principal and interest). Except for the foregoing, Borrower may pay all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to First Citizens Bank, Loan Servicing Department-DAC20, PO Box 26592 Raleigh, NC 27611-6592.

LATE CHARGE. If a payment is 8 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

- Payment Default.** Borrower fails to make any payment when due under this Note.
- Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.
- Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.
- False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
- Insolvency.** The dissolution or termination of Borrower's existence as a going business, or a trustee or receiver is appointed for Borrower or for all or a substantial portion of the assets of Borrower, or Borrower makes a general assignment for the benefit of Borrower's creditors, or Borrower files for bankruptcy, or an involuntary bankruptcy petition is filed against Borrower and such involuntary petition remains undismitted for sixty (60) days.
- Creditor or Foreclosure Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or a surety bond for the creditor or foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.
- Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.
- Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.
- Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest, together with all other applicable fees, costs and charges, if any, immediately due and payable, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Subject to any limits under applicable law, upon default, Borrower agrees to pay Lender's attorneys' fees and all of Lender's other collection expenses, whether or not there is a lawsuit, including without limitation legal expenses for bankruptcy.

**PROMISSORY NOTE
(Continued)**

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proceedings

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Virginia without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Virginia.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$35 00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

SIMPLE INTEREST. This Note is a simple-interest note. Interest and credit insurance premiums (if applicable) continue to accrue until payments are received by Lender. The payment schedule contained in this Note assumes that all payments will be made on the scheduled due dates.

RIGHT TO CURE; ACCELERATION. Except as provided in this section, if an Event of Default is curable and no notice has been previously given by Lender of the same or any other Event of Default within the preceding 12 months, Borrower shall have 30 days following Lender's giving of written notice of default within which to cure the default before Lender may require the immediate payment of this Note in full. If the default is curable but cannot reasonably be cured within the 30-day cure period, and if Borrower commences to cure the default during the 30-day cure period and diligently proceeds thereafter to cure such default, then the cure period shall be extended for a reasonable time not to exceed an additional 30 days (for a total of 60 days) in order to provide Borrower the opportunity to cure the default. However, Borrower shall not be entitled to notice of default or the opportunity to cure a default if Lender has previously given notice of a default within the preceding 12 months or if the default occurs because of (a) failure to pay any payment of principal or interest or other sums as and when due under the terms of this Note, (b) the commencement by Borrower of any proceeding for protection under any bankruptcy or insolvency laws, (c) failure to maintain in continuous full force and effect any required insurance on any collateral that secures repayment of this Note, or (d) any waste or any uninsured damage or injury to any collateral securing repayment of this Note that substantially reduces the value of the collateral, or the immediate threat of any such waste or uninsured damage or injury. Lender's notice of default shall be given in writing and shall be deemed given when (a) mailed by first class or certified mail to Borrower at an address Lender has for Borrower in Lender's records, or (b) when actually received by Borrower, whichever first occurs. Notice to any Borrower shall constitute notice to all Borrowers. The provisions of this section are in addition to and do not supersede or limit the application of any controlling provisions of state law concerning notice of default, the right to cure, or the right to reinstate, and nothing in this Note shall be deemed a waiver of those provisions, provided, however, that the provisions of this section and any such state law shall run concurrently.

If (a) an Event of Default occurs and Borrower is not entitled under this section to notice of default and the opportunity to cure, or (b) an Event of Default occurs and the default is not cured during any applicable cure period following the giving of any required notice of default, then this Note shall, at Lender's option, become due and payable in full without demand or notice of any kind. In addition, if Lender has the right to accelerate this Note under the provisions of any security instrument as a result of collateral being sold, transferred, conveyed or encumbered, Lender shall not be further obligated to advance loan proceeds and this Note shall, at Lender's option, become due and payable in full without demand or notice of any kind. Lender's failure to exercise any of the foregoing options shall not constitute a waiver of the right to exercise such options. Waiver by Lender of any default or right to accelerate shall not operate as a waiver of any other default or right to accelerate or of the same default or right to accelerate on a future occasion. Except as otherwise provided by law, acceptance by Lender of payment of less than the entire unpaid balance after acceleration of this Note shall not waive the acceleration, and Lender shall be entitled to proceed with its rights and remedies as noteholder (and as secured party, if applicable).

Notwithstanding any rights Borrower may have to notice of default and opportunity to cure, Lender will have no obligation to advance funds under this Note if (a) Borrower is in default under the terms of this Note or any agreement that Borrower has with Lender, including any agreement made in connection with the signing of this Note, (b) any instrument securing repayment of this Note is in default, (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender, or (d) Borrower has applied funds advanced pursuant to this Note for purposes other than those authorized by Lender.

LOAN AGREEMENT. This Note is subject to the provisions of each loan agreement given, received, or signed in connection with this loan transaction, the terms and conditions of which are incorporated herein by reference. Any failure to comply with the terms and conditions of any such loan agreement shall constitute an additional "Event of Default" under the terms of this Note. If the terms of any such loan agreement conflict with the terms of this Note, the terms of this Note shall control.

INFORMATION ABOUT OTHER OBLIGATIONS. Lender is authorized to obtain such information about each Borrower's other obligations as Lender may reasonably request from the creditors of each Borrower. The information requested may include, but is not limited to, the Borrower's credit limit, the amount then owing to the creditor, the terms of repayment, whether the obligation is being paid as agreed, whether the Borrower is entitled to obtain additional credit advances, and the current payoff amount. The creditors of each Borrower are authorized and directed to promptly provide to Lender the information requested by Lender.

BORROWER'S FINANCIAL INFORMATION. For purposes of this section, "Financial Information" means information relating to Borrower's finances. Borrower covenants and agrees with Lender that, until this Note is paid in full and Borrower is no longer entitled to obtain credit advances, Borrower will furnish Lender with such Financial Information at such times and in such detail as Lender may reasonably request, including, but not limited to, the following: (i) Borrower's personal financial statement (if Borrower is an individual), (ii) Borrower's quarterly and year-end balance sheet and profit and loss statements (if Borrower is engaged in business activities), (iii) copies of Borrower's federal and state tax returns and all schedules relating thereto, including Schedule K-1 (if applicable), and (iv) such additional information and statements, lists of assets and liabilities, aging of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations as Lender may reasonably request from time to time.

Borrower warrants and represents that (i) all Financial Information Borrower has provided and that has been provided on Borrower's behalf to date is true and accurate in all material respects and fairly presents Borrower's financial condition and business transactions as of the date of the Financial Information provided, and (ii) Financial Information Borrower provides and that is provided on Borrower's behalf in the future will be true and accurate in all material respects and will fairly present Borrower's financial condition and business transactions as of the date of the Financial Information provided. Borrower further warrants and represents that, except as specifically disclosed in the Financial Information, (i) Borrower has no direct or contingent liabilities, (ii) title to all assets listed in the Financial Information is solely in Borrower's name, and no other person or entity has an interest in such assets, (iii) there exist no liens, encumbrances, or defects in or upon the assets listed in the Financial Information, (iv) all taxes owed by Borrower have been fully paid and discharged, except taxes not then due and payable without penalty, (v) there are no claims, actions, or proceedings pending or threatened against Borrower or any of Borrower's property, and (vi) there are no judgments or liens against Borrower or any of Borrower's property. With respect to each copy of Borrower's tax returns given to Lender, Borrower warrants and represents that (i) the copy is a true and accurate copy of the return, as filed; (ii) the original of the return was properly signed or electronically authenticated by Borrower or on Borrower's behalf and submitted to the appropriate tax authority, and (c) the return accurately states Borrower's income, deductions and tax liability for the period stated. Borrower acknowledges that Lender has relied and will rely on Borrower's Financial Information.

Borrower covenants and agrees to send written notice to Lender within five (5) business days after the occurrence of any change that is both material and adverse in (a) Borrower's financial condition or business transactions, (b) Borrower's ability to perform Borrower's obligations to Lender, or (c) Financial Information previously given.

Borrower authorizes Lender and its affiliates to make such credit, employment, and investigative inquiries about Borrower from time to time as Lender and its affiliates deem appropriate to evaluate Borrower's financial strength, character, and credit history, to administer the loan evidenced by this Note, and to collect any sums owing. Lender is authorized to verify information about Borrower and obtain consumer report(s) about each individual who signs this Note as a Borrower or in a representative capacity on behalf of a Borrower.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral, and take

PROMISSORY NOTE
(Continued)

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any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.


PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

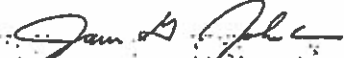
BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

THIS NOTE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS NOTE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

BORROWER:

DOMINION PAVING & SEALING, INC.

By:  (Seal)
STEPHEN H. BARHAM, Secretary of DOMINION PAVING & SEALING, INC.

By:  (Seal)
JAMES G. JOHNSTON, President of DOMINION PAVING & SEALING, INC.

LENDER:

FIRST-CITIZENS BANK & TRUST COMPANY

X 
Authorized Signer

~~XXXXXXXXXXXX~~ 4858

FIRST-CITIZENS BANK & TRUST COMPANY

SECURITY AGREEMENT
(VIRGINIA)

* Replaces previous Security Agreement

This Security Agreement ("Security Agreement") is dated as of February 19, 2013. In this Security Agreement:

- The "Owner" is/are: Dominion Paving & Sealing, Inc.

Owner's address for notification purposes is: 10900 Paulbrook Boulevard
Midlothian, Virginia 23112.3374

- The "Lender" is First-Citizens Bank & Trust Company, whose address is: First-Citizens Bank & Trust Company, Attn: Loan Servicing Department-DAC20, P.O. Box 26592, Raleigh, NC 27611-6592.
- "Borrower" refers individually and collectively to each Owner, unless the following blank is completed, in which case the "Borrower" is/are: Dominion Paving & Sealing, Inc.

For good and valuable consideration, including the obligations now or hereafter to be secured by this Security Agreement, the receipt and sufficiency of which are hereby acknowledged, Owner and Lender agree as follows:

I. DEFINITIONS.

- a) Collateral. The "Collateral" consists of the following personal property of Owner, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, together with any and all additions, attachments, accessories and accessions thereto and replacements thereof, any after-acquired similar properties, all supporting obligations relating thereto, and the proceeds and products thereof, including insurance proceeds: (Check applicable box or boxes)

- Accounts (including health-care-insurance receivables) Equipment
- General intangibles (including payment intangibles) Inventory
- Instruments (including promissory notes) Deposit accounts
- Documents Investment property
- Chattel paper Letter-of-credit rights

Other - Specify: See Exhibit "A" as attached.

All Purchase Money Security Interest in See Exhibit "A" attached hereto and incorporated herein by reference

The following information should be provided only if the Collateral includes as-extracted collateral (such as minerals), timber to be cut, or goods that are or are to become fixtures:

- 1) The Collateral is or includes as-extracted collateral; timber to be cut; and/or goods that are or are to become fixtures.
- 2) The real property to which the Collateral is related is located in the State of _____, County of _____, City of _____, and is more particularly described or identified as follows:

The record owner(s) of the foregoing real property is/are:

orig:
corrected collateral
do

b) Collection Expenses. The term "Collection Expenses" includes, without limitation, (i) costs reasonably incurred by Lender to trace, locate, recover, repossess, transport, hold, store, insure, appraise, and assess (including environmental assessments) Collateral and prepare Collateral for sale; (ii) costs reasonably incurred by Lender to sell, lease or otherwise dispose of Collateral; (iii) the cost of any bonds Lender is required to post; (iv) court costs; and (v) to the extent permitted by applicable law, Lender's reasonable attorneys' fees actually incurred for the purpose of enforcing Lender's rights under this Security Agreement, but only if the legal services are performed by an attorney who is not a salaried employee of Lender. Lender's reasonable attorneys may include, without limitation, attorneys' fees for dispute resolution proceedings, at trial, for bankruptcy proceedings (including efforts to modify or vacate any automatic stay, or injunction), and on appeal.

c) Lien. The term "Lien" means any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of setoff, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

d) Obligations. "Obligation" refers individually to each of the following, and "Obligations" refers collectively to all of the following:

- 1) Borrower's note or credit agreement dated February 19, 2013, in the original principal sum of \$280,400.00 payable to the order of Lender, and any renewals, extensions or modifications thereof;
- 2) All other obligations and indebtedness of Borrower to Lender, now existing or hereafter arising, and any renewals, extensions or modifications thereof;
- 3) All liabilities of Owner to Lender under this Security Agreement;
- 4) All "Collection Expenses" (as defined in this Security Agreement), and
- 5) The repayment of any amounts that Lender advances or spends for the maintenance or preservation of the Collateral or for the benefit of Owner.

However, subsection (d)(2) above will not include: (i) indebtedness with respect to which no truth-in-lending disclosure was made that collateral securing other indebtedness may secure such indebtedness, if such disclosure was required by the federal Truth in Lending Act and its implementing regulations, or (ii) any other indebtedness that may not, under applicable law, be secured by any collateral other than that which is specifically given as collateral in connection with such indebtedness.

e) Permitted Liens. The term "Permitted Liens" means (i) Liens held by Lender, (ii) Liens for taxes not delinquent or for taxes being diligently contested in good faith by Owner by appropriate proceedings (provided neither the Lien nor the proceeding impairs any of the Collateral or Lender's rights, remedies or lien priority with respect thereto), (iii) mechanic's, workman's, materialman's, landlord's, carrier's, and other like Liens arising in the ordinary course of business with respect to Obligations which are not due or which are being diligently contested in good faith by Owner by appropriate proceedings (provided neither the Lien nor the proceeding impairs any of the Collateral or Lender's rights, remedies or lien priority with respect thereto), and (iv) Liens specifically consented to in writing by Lender.

f) UCC. The term "UCC" means the Uniform Commercial Code as adopted in the Commonwealth of Virginia and as amended from time to time. Any term defined in the UCC and not defined in this Security Agreement has the meaning given to that term in the UCC in effect on the date of this Security Agreement.

2. **OWNER'S NAME AND LOCATION.** Owner warrants and represents that:

a) Owner's exact legal name is as set forth in the first paragraph of this Security Agreement.

b) Owner is:

an individual. Owner's principal residence is located in the State of _____.

a corporation incorporated under the laws of the State of Virginia.

a limited liability company (LLC) organized under the laws of the State of _____.

a general partnership or joint venture whose chief executive office is located in the State of _____.

a limited partnership organized under the laws of the State of _____.

Other - Specify: _____.

Owner's chief executive office is located in the State of _____.

3. LOCATION OF COLLATERAL THAT CONSISTS OF GOODS. Owner warrants and represents that:

- a) Collateral that consists of vehicles or other titled property will be titled solely in the Commonwealth of Virginia. Owner will not take or permit any action that would require application for a certificate of title in any state other than Virginia without Lender's prior written consent.
- b) Collateral that consists of vehicles will be principally garaged at the following location:
10900 Paulbrook Boulevard
Midlothian, Virginia 23112 3374

Owner will not change the place where any vehicle is principally garaged without Lender's prior written consent.
- c) All Collateral consisting of goods other than vehicles will be kept at the following location or locations:

The property where the Collateral will be kept:

Is owned by Owner.

Is leased by Owner from _____.

Except for inventory used or sold in the ordinary course of Owner's business, Owner will not remove the Collateral from that location or those locations without Lender's prior written consent.

4. GRANT OF SECURITY INTEREST. Owner hereby grants a continuing security interest in the Collateral to Lender to secure the payment or performance of the Obligations. However, Lender is not granted, and will not have, a non-purchase money security interest in household goods to the extent such a security interest would be prohibited by 12 C.F.R. § 227.13(d) or other applicable law.

5. PERFECTION OF SECURITY INTEREST.

- a) Owner authorizes Lender to file financing statements describing the Collateral and any agricultural liens or other statutory liens held by Lender.
- b) Owner will execute all documents, take all actions, and pay all fees, taxes and expenses necessary to have Lender identified as the secured creditor and lienholder on any certificate of title relating to the Collateral.
- c) Owner will cooperate with Lender's efforts to obtain control of Collateral consisting of deposit accounts, investment property, letter-of-credit rights, and electronic chattel paper, and will execute appropriate agreements for such purpose. Owner authorizes and directs any third party to comply with the terms of this Security Agreement, to enter into agreements regarding control of such types of Collateral ("Control Agreements"), and to mark its records to show Lender's security interest.
- d) Owner will not create any chattel paper that is payable to Owner without placing a legend on the chattel paper acceptable to Lender indicating that Lender has a security interest in the chattel paper.
- e) Whenever required by Lender, Owner will promptly deliver to Lender, with all endorsements and/or assignments required by Lender, all instruments, chattel paper, guaranties, and the like received by Owner constituting, evidencing, or relating to any of the Collateral or proceeds of any of the Collateral.
- f) Where Collateral is in the possession of a third party, Owner will join with Lender in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.
- g) Owner agrees to sign and/or deliver any additional documents and to take any further actions reasonably requested by Lender to evidence or perfect the security interest granted herein, to maintain the first priority of the security interest, or to effectuate the rights granted to Lender in this Security Agreement.

6. RIGHTS CONCERNING THE COLLATERAL.

- a) Until an event of default occurs, Owner may have possession of Collateral consisting of tangible personal property and the beneficial use of all of the Collateral. Owner may use the Collateral in any lawful manner not inconsistent with this Security Agreement. However, Owner's right to possession and beneficial use will not apply to any Collateral to the extent Lender is required by law or chooses to perfect its security interest in such Collateral by possession or control.
- b) Either party to this Security Agreement may inspect any Collateral in the other party's possession at any time upon reasonable notice.
- c) The Collateral will remain personal property at all times. Except to the extent the Collateral specifically includes goods that are or are to become fixtures, Owner will not affix any of the Collateral to any real property in any

manner that would change its nature from that of personal property to real property or to a fixture without Lender's prior written consent.

- d) If Lender at any time has possession of any Collateral, whether before or after an event of default, Lender will be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Owner requests or as Lender, in Lender's sole discretion, deems appropriate under the circumstances, but failure to honor any request by Owner will not of itself be deemed to be a failure to exercise reasonable care.
- e) Except for Collateral in Lender's possession, Owner has the risk of loss of the Collateral.
- f) Lender has no duty to (i) collect any income accruing on the Collateral, (ii) enforce or preserve any rights relating to the Collateral, or (iii) preserve rights against account debtors or other parties that have a prior interest in the Collateral.

7. **OWNER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.** Owner warrants, represents and covenants as follows:

- a) Owner has rights in and the power and authority to transfer the Collateral. The Collateral is free and clear of all Liens, except for Permitted Liens. No financing statement covering any of the Collateral is on file in any public office other than those that reflect the security interest created by this Security Agreement or to which Lender has specifically consented. Owner will defend Lender's rights in the Collateral against the claims and demands of all other persons.
- b) Owner will take such actions and execute and deliver to Lender such documentation as Lender may reasonably request to provide Lender with a properly perfected and continuing first lien security interest in the entire Collateral. Owner will pay the cost of filing any financing statements that Lender deems necessary or desirable.
- c) Owner will, whenever requested, advise Lender of the exact location of all Collateral. Owner will permit Lender to make copies and extracts from Owner's books and records relating in any way to the Collateral. If the Collateral includes accounts, Owner will provide schedules of accounts to Lender at Lender's request.
- d) Owner will not do any of the following without first obtaining Lender's written consent: (i) sell, offer to sell, lease, convey, license or otherwise transfer or dispose of any of the Collateral or any interest therein, except in the ordinary course of Owner's business, or (ii) grant any other security interest in any of the Collateral.
- e) Owner will not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any Lien, other than Permitted Liens, without Lender's prior written consent. This includes security interests, even if junior-in-right to the security interest granted under this Security Agreement.
- f) To the extent the Collateral consists of goods, Owner will keep the Collateral in good order and repair, ordinary wear and tear excepted, and will not waste or destroy, or permit the waste or destruction of, the Collateral or any part thereof. Owner will not use the Collateral in violation of any statute, regulation or ordinance. Owner will promptly pay when due all taxes and assessments upon the Collateral arising from its use, operation, or ownership.
- g) To the extent the Collateral consists of accounts, chattel paper, instruments or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There are no setoffs or counterclaims against any of the Collateral, and no agreement has been made under which any deductions or discounts may be claimed concerning the Collateral, except those disclosed to Lender in writing.
- h) To the extent Collateral consists of government contracts, Owner will immediately notify Lender and execute and deliver all documents and take all actions deemed necessary by Lender to ensure recognition by the applicable governmental body of the rights of Lender in accordance with applicable law.
- i) Owner will notify Lender in writing prior to the occurrence of any of the following events:
 - (1) A change in Owner's name or Owner's assumed business name(s);
 - (2) A change in Owner's principal residence (if Owner is an individual), state of organization (if Owner is a registered organization), or state where Owner's chief executive office is located (if Owner is any other type of organization);
 - (3) Owner converts to a different type of entity;
 - (4) Owner's legal existence is suspended or terminated;
 - (5) Owner merges or consolidates with or into any other entity; or
 - (6) Owner sells all or substantially all of its assets.
- j) Unless the following box is checked , this is not a "consumer transaction" as defined in the UCC.

8. **INSURANCE.** This section applies to the extent the Collateral consists of tangible personal property (including, but not limited to, inventory, equipment, motor vehicles, boats, and trailers).
- a) Owner will procure and maintain comprehensive casualty insurance covering all risks, including (but not limited to) fire (including so-called extended coverage), theft and liability coverage, together with such other insurance as Lender may reasonably require with respect to the Collateral. If the Collateral is or includes one or more motor vehicles, the insurance coverage to be procured and maintained by Owner will include collision insurance. Owner may obtain such insurance from any duly licensed company or companies. However, all policies must be in such form, contain such terms, be for such periods of time, provide for such deductibles, and be in such amounts as Lender may reasonably require, subject to any limitations imposed by applicable law. Insurance will be payable to Lender and Owner as their respective interests may appear. Each policy will include a stipulation that coverage will not be cancelled or diminished without at least fifteen days' prior written notice to Lender, and no policy may include any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy will also include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Owner or any other person. Owner will furnish Lender certificates or other evidence satisfactory to Lender of compliance with these requirements.
 - b) Owner will promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Owner fails to do so within fifteen days of the casualty. Owner hereby assigns to Lender the proceeds of all such insurance to the extent of any balance due on the Obligations. Owner authorizes and directs each insurer to make payments directly to Lender. Owner hereby appoints Lender as Owner's attorney-in-fact for the purposes set forth in this section. This appointment will be deemed a power coupled with an interest and will not be terminable as long as any of the Obligations are outstanding. This power of attorney shall not be affected by the subsequent incapacity, disability, or incompetence of the principal or by the lapse of time. This power of attorney gives Lender the right (but not the obligation) to file proof of loss and/or any other claim forms required to collect from any insurer any amount due from loss, damage or destruction of any of the Collateral, to agree to and bind Owner as to the amount of said recovery, to designate payees of such recovery, to grant releases to payor-insurers for their liability, to grant subrogation rights to any such payor-insurer, and to endorse any settlement check or draft. Other than filing proof of loss and claim forms, Owner agrees not to exercise any of the foregoing powers granted to Lender without Lender's written consent. If the cost of any such insurance is financed as part of any Obligation secured by this Security Agreement, Owner hereby assigns to Lender any premium refund.
 - c) Net insurance proceeds may be applied, at Lender's option, either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender may determine in its sole discretion. If Lender allows the proceeds to be used to replace or restore Collateral, then such net proceeds will be deposited in a segregated account under Lender's exclusive control and may be disbursed therefrom by Lender in such manner and at such times as Lender deems appropriate to complete such replacement or restoration.
9. **RIGHTS OF LENDER TO PROTECT ITS INTEREST IN COLLATERAL.**
- a) At its option, Lender may (but will not be required to) discharge Liens levied or placed on the Collateral at any time and pay for the maintenance, repair, upkeep and preservation of the Collateral.
 - b) If Owner fails to maintain insurance on the Collateral as required by this Security Agreement, Lender may (but will not be obligated to) obtain and pay for such insurance or any other insurance that Lender deems appropriate to protect the interest of Lender and/or Owner in the Collateral, including, if Lender so chooses, "single interest insurance" or "collateral protection insurance" that covers only Lender's interest in the Collateral.
 - c) Any sums expended by Lender under this Security Agreement may be added to the Obligations secured by this Security Agreement and, unless otherwise provided by law, will, at Lender's option (i) be payable on demand; or (ii) be added to the balance of any specific Obligation then outstanding and bear interest and be payable as part of that Obligation.
 - d) Lender's rights and remedies under this Security Agreement, including the right to declare the existence of an event of default, will not be affected by any expenditure made by Lender under this section.
10. **EVENTS OF DEFAULT.** Whenever used in this Security Agreement, the term "event of default" means any one or more of the following events:
- a) The occurrence of any default or event of default in the performance or payment of any one or more of the Obligations or any related security instrument;
 - b) The failure by Owner to comply fully with any covenant, condition or agreement contained in this Security Agreement;
 - c) Owner's breach of any representation, warranty or covenant contained in this Security Agreement;
 - d) Any warranty, representation or statement made or furnished to Lender by or on behalf of Owner proves to have been false or misleading in any material respect when made or furnished;
 - e) Loss, theft, substantial damage or destruction of or to any of the Collateral that is not fully covered by insurance or otherwise promptly replaced by Owner following such loss, theft, substantial damage or destruction;

- f) The sale, lease, conveyance or transfer of any of the Collateral without Lender's prior written consent, other than the sale of inventory and the collection of accounts in the ordinary course of Owner's business;
 - g) Owner's dissolution, business failure, liquidation, or termination of existence;
 - h) Owner's corporate or legal existence is terminated or suspended, or Owner fails to maintain its corporate or legal existence in good standing;
 - i) Any voluntary or involuntary bankruptcy, reorganization, insolvency, receivership or other similar proceeding is commenced by or against any Owner under any federal or state law, or any Owner becomes insolvent, makes any assignment for the benefit of creditors, or conveys substantially all of its assets;
 - j) The issuance of any writ of garnishment, attachment, levy, or forfeiture order for or against any of the Collateral;
 - k) The filing of any tax lien or judgment against any Owner that is not satisfied, released or discharged within 30 days of entry, and
 - l) The occurrence of anything that Lender in good faith believes endangers the Collateral or Owner's ability to perform its obligations under this Security Agreement.
11. **REMEDIES UPON DEFAULT.** If an event of default occurs, Lender will have the rights and remedies specified in this section. Before exercising any of the rights and remedies listed below, Lender will give such notice of default and opportunity to cure as may be expressly required by the secured Obligations and applicable law. All of Lender's rights and remedies are cumulative and may be enforced alternatively, successively, or concurrently.
- a) Lender may, at its option, declare all or any portion of the Obligations to be immediately due and payable in full without notice of intent to accelerate, notice of acceleration, presentment, demand for payment, protest or notice of any kind, all of which are hereby expressly waived.
 - b) Lender will have (i) all of the rights and remedies of a secured party under the UCC, (ii) all of the rights and remedies available to a secured creditor at law, in equity, or otherwise, and (iii) the right to obtain the appointment of a receiver to enforce such rights and remedies.
 - c) Lender may notify account debtors to make payment directly to Lender and enforce Owner's rights against account debtors and obligors.
 - d) At Lender's request, Owner will assemble the Collateral and make it available to the Lender at a place to be designated by the Lender that is reasonably convenient to both the Owner and the Lender. Owner grants to Lender the right, for this purpose, to enter into or on any premises where Collateral may be located and remove the Collateral from the premises.
 - e) No delay or omission by Lender to exercise any right or remedy following an event of default will (i) impair any right or remedy, (ii) waive any event of default or operate as an acquiescence to the event of default, or (iii) affect any subsequent event of default of the same or of a different nature.
 - f) In any sale, lease, license or other disposition of Collateral by Lender:
 - (1) Lender has no obligation to clean up or otherwise process or prepare Collateral for sale, lease, licensing or other disposition.
 - (2) Lender may sell, lease, license or otherwise dispose of Collateral without giving any warranty as to the Collateral. Lender may specifically disclaim any warranties of title or the like. This procedure will not be considered to affect adversely the commercial reasonableness of any sale, lease or other disposition of the Collateral.
 - (3) If Lender sells any of the Collateral upon credit, Borrower and Owner will be credited only with payments actually made by the purchaser, received by the Lender and applied to the Obligations. If the purchaser fails to pay for the Collateral, Lender may resell the Collateral and Borrower and Owner will be credited with the proceeds of the sale as received.
 - (4) If the Lender purchases any of the Collateral being sold, Lender may pay for the Collateral by crediting some or all of the Obligations.
 - g) Any UCC requirement for Lender to give reasonable notification will be deemed satisfied and the notice deemed commercially reasonable if such notice is given at least ten days before the event in question. For example, the requirement for reasonable notification of the time and place of any public sale of Collateral will be deemed satisfied and the notice deemed commercially reasonable if such notice is given at least ten days before the date of the sale.
 - h) Lender has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them. Lender may release, modify or waive any collateral provided by any other person to secure any of the Obligations, all without affecting Lender's rights and remedies against Owner. Owner waives any right Owner may have to require Lender to pursue any third person for any of the Obligations.

- i) If the proceeds of any sale, lease, license or other disposition of the Collateral is insufficient to pay the Obligations in full, the party or parties liable for payment of the Obligations shall remain liable for any deficiency.
12. **DEFAULT COSTS.** If an event of default occurs, Owner will pay Lender all costs reasonably incurred by Lender for the purpose of enforcing its rights under this Security Agreement, including, but not limited to, Collection Expenses.
13. **RIGHT OF SETOFF.** Lender has the right of setoff provided by law and/or as provided by any deposit account agreement or other agreement Owner has or may hereafter have with Lender. Following and during the continuance of any event of default, Lender may exercise its right of setoff against all deposits, monies, securities and other property of Owner now or hereafter in Lender's possession or on deposit with Lender, whether held in general or special accounts or deposits, whether held alone or jointly with others, and whether held for safekeeping or otherwise. However, Lender may not exercise a right of setoff against IRA, Keogh, agency, fiduciary or trust accounts. Lender may exercise its right of setoff without demand upon or notice to Owner or anyone else.
14. **OWNER'S WAIVERS.** If Owner and Borrower are not the same person or persons, Lender may, without Owner's knowledge, consent or joinder, extend, renew or modify any of the Obligations of Borrower secured by this Security Agreement. Neither Lender's security interest in the Collateral nor Owner's liability under this Security Agreement will be released or diminished as a result of any such extension, renewal or modification without Lender's express written consent. To the extent permitted by applicable law, Owner waives any and all rights or defenses arising by reason of (i) any "one action" or "anti-deficiency" law or any other law that may prevent Lender from bringing any action, including a claim for deficiency, against Owner, before or after Lender's commencement or completion of any foreclosure effort; (ii) any election of remedies by Lender that impairs Owner's subrogation rights or Owner's rights to proceed against any Borrower for reimbursement; (iii) any right to claim a discharge on the basis of suretyship or unjustified impairment of any collateral, (iv) any law that would require Lender to recover against any Borrower or from any other person or entity and/or to realize upon any collateral security; (v) any defenses given to guarantors at law or in equity other than the actual performance and payment in full of all Obligations; and (vi) any laws concerning exemption and homestead rights. To the extent permitted by applicable law, Owner also expressly waives all benefits, claims, rights and defenses Owner may have or acquire that are based on: (i) any statutory or common law provision limiting the liability of or requiring the discharge or exoneration of a guarantor or surety, (ii) the law of suretyship or impairment of collateral, including any benefits, claims, rights or defenses Owner may have or acquire pursuant to § 8.3A-419, § 8.3A-605, and § 49-25, *et seq.*, of the Virginia Code, as amended from time to time, (iii) any statutory or common law provision that releases, discharges or limits the liability of a remaining debtor following the release of a joint debtor, or (iv) any legal or equitable doctrine or principle of marshalling. Lender shall not be required to sell or dispose of collateral in inverse order of alienation or any other particular order. Without affecting or lessening Owner's liability to Lender under this Assignment, Lender may do or not do any of the following with respect to the Obligations without Owner's knowledge, consent or joinder: (i) grant extensions of time for payment, (ii) grant renewals, (iii) permit modifications of payment terms or other terms or conditions, (iv) release one or more borrowers or guarantors from liability, and (v) exchange or release any collateral or other security. Nothing will discharge or satisfy Owner's Obligations under this Security Agreement except the full and final performance and payment of all Obligations, without deduction by reason of setoff, defense or counterclaim.
15. **CALCULATION OF SURPLUS OR DEFICIENCY.** In any calculation of a surplus or deficiency made under § 8.9A-615(f) of the Virginia Code, the following shall be the finder of fact's basis for determining the value of the Collateral: (a) the Collateral that is the subject matter of the disposition shall be valued in an "as is" condition as of the date of the disposition, without any assumption or expectation that the Collateral will be repaired or improved in any manner; (b) the valuation shall be based on the assumption that the transferee of the Collateral desires a resale of the Collateral for cash promptly (but no later than 30 days) following the disposition; (c) all reasonable closing costs customarily borne by the seller in commercial sale transactions relating to property similar to the Collateral shall be deducted, including, without limitation, brokerage commissions, tax prorations, attorneys' fees, and marketing costs; (d) the value of the Collateral that is the subject matter of the disposition shall be further discounted to account for any estimated holding costs associated with maintaining the Collateral pending sale or other disposition and other maintenance, operational and ownership expenses; and (e) any expert opinion testimony given or considered in connection with a determination of the value of the Collateral must be given by persons having at least 5 years experience in appraising property similar to the Collateral and who have conducted and prepared a complete written appraisal of the Collateral taking into consideration the factors set forth above. The "value" of any such Collateral shall be a factor in determining the amount of proceeds that would have been realized in a disposition to a transferee other than a secured party, a person related to a secured party or a secondary obligor under § 8.9A-615(f) of the Virginia Code.
16. **WAIVER OF JURY TRIAL.** EACH PARTY TO THIS SECURITY AGREEMENT HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY.
17. **MISCELLANEOUS.**
- a) This Security Agreement will continue in effect as to any Collateral that consists of consumer goods until Lender is required to file a termination statement pursuant to § 8.9A-513 of the Virginia Code. Otherwise, this is a continuing Security Agreement that will continue in full force and effect (even though from time to time no sums may be owing from Borrower to Lender) until (i) all of the Obligations have been performed, paid and satisfied in full, (ii) Borrower is not otherwise obligated or indebted to Lender, (iii) there is no commitment to make an advance, incur an obligation, or otherwise give value, and (iv) Owner requests Lender in writing to cancel this Security Agreement and terminate any related financing statements.
- b) In addition to the power of attorney granted to Lender under section 8(b) of this Security Agreement, Owner hereby appoints Lender as Owner's attorney-in-fact with full power of substitution to take any and all appropriate action and to execute any and all documents or instruments that may be necessary or desirable to accomplish the purposes and carry out the terms of this Security Agreement, including, without limitation, to execute such documents as may

be necessary to perfect Lender's security interest in the Collateral, to endorse checks and other instruments payable to Lender, and to complete, execute and deliver any Control Agreement by Lender, Owner and third parties that may be or become required in connection herewith, and any instructions to third parties regarding, among other things, control and disposition of any Collateral which is the subject of such Control Agreements. This appointment will be deemed a power coupled with an interest and will not be terminable as long as any of the Obligations are outstanding. This power of attorney shall not be affected by the subsequent incapacity, disability, or incompetence of the principal or by the lapse of time. Neither Lender nor anyone acting on its behalf will be liable for acts, omissions, errors in judgment, or mistakes in fact in such capacity as attorney-in-fact.

- c) If there is more than one Owner, their obligations under this Security Agreement are joint and several. Each provision of this Security Agreement applies to each and all Owners.
- d) This Security Agreement is binding upon each Owner and all other persons who assume the obligations of Owner or otherwise become bound under this Security Agreement, and their respective heirs, legatees, executors, administrators, successors and assigns. This Security Agreement inures to the benefit of Lender and its successors and assigns. Lender may assign its rights and interest under this Security Agreement. If an assignment is made, Owner will render performance under this Security Agreement to the assignee. Owner waives and will not assert against any assignee any claims, defenses or setoffs that Owner could assert against Lender, other than defenses that cannot be waived. Lender does not consent to any assignments by Owner, except as expressly provided in this Security Agreement.
- e) If any provision of this Security Agreement is found to be void, invalid or unenforceable by a court or panel of arbitration of competent jurisdiction, that finding will only affect the provision found to be void, invalid or unenforceable and will not affect the remaining provisions of this Security Agreement.
- f) Any notice required by this Security Agreement will be deemed to be delivered when a record has been (i) deposited in any United States postal box if postage is prepaid and the notice is properly addressed to the intended recipient (or, if Owner is the intended recipient, to Owner's address for notification purposes as stated at the beginning of this Security Agreement or to Owner's most recent address as appears in Lender's records), (ii) received by telecopy, or (iii) personally delivered. Notice delivered to any one Owner will be deemed delivery to each Owner.
- g) Section headings used in this Security Agreement are for convenience only. They are not a part of this Security Agreement and will not be used in construing it.
- h) This Security Agreement is being executed and delivered and is intended to be performed in the Commonwealth of Virginia. This Security Agreement will be construed and enforced in accordance with the laws of the Commonwealth of Virginia, except to the extent that the UCC as adopted in the Commonwealth of Virginia provides for the application of a law of a different state.
- i) Any modification to this Security Agreement must be made in writing and signed by the party adversely affected.

18. OTHER PROVISIONS.

IN WITNESS WHEREOF, each individual signing this Security Agreement has hereunto set his or her hand, and each other entity has caused this Security Agreement to be executed in its name by a person or persons duly authorized, all by authority duly given and all as of the date of this Security Agreement.

BUSINESS ENTITY OWNER:

Dominion Paving & Sealing, Inc.

Name of Entity

Print/Type Name: James G. Johnston

Title: President

INDIVIDUAL OWNER(S):

Print or Type Name:

Print or Type Name:

Print or Type Name:

APPROVED AND ACCEPTED: FIRST-CITIZENS BANK & TRUST COMPANY

By: [Signature]

Title: V.P.

Associate #: 32528 Cost Center: 878



Dominion Paving & Sealing, Inc. Signature Page 1 of 2 (Johnston)

be necessary to perfect Lender's security interest in the Collateral, to endorse checks and other instruments payable to Lender, and to complete, execute and deliver any Control Agreement by Lender, Owner and third parties that may be or become required in connection herewith, and any instructions to third parties regarding, among other things, control and disposition of any Collateral which is the subject of such Control Agreements. This appointment will be deemed a power coupled with an interest and will not be terminable as long as any of the Obligations are outstanding. This power of attorney shall not be affected by the subsequent incapacity, disability, or incompetence of the principal or by the lapse of time. Neither Lender nor anyone acting on its behalf will be liable for acts, omissions, errors in judgment, or mistakes in fact in such capacity as attorney-in-fact.

- c) If there is more than one Owner, their obligations under this Security Agreement are joint and several. Each provision of this Security Agreement applies to each and all Owners.
- d) This Security Agreement is binding upon each Owner and all other persons who assume the obligations of Owner or otherwise become bound under this Security Agreement, and their respective heirs, legatees, executors, administrators, successors and assigns. This Security Agreement inures to the benefit of Lender and its successors and assigns. Lender may assign its rights and interest under this Security Agreement. If an assignment is made, Owner will render performance under this Security Agreement to the assignee. Owner waives and will not assert against any assignee any claims, defenses or setoffs that Owner could assert against Lender, other than defenses that cannot be waived. Lender does not consent to any assignments by Owner, except as expressly provided in this Security Agreement.
- e) If any provision of this Security Agreement is found to be void, invalid or unenforceable by a court or panel of arbitration of competent jurisdiction, that finding will only affect the provision found to be void, invalid or unenforceable and will not affect the remaining provisions of this Security Agreement.
- f) Any notice required by this Security Agreement will be deemed to be delivered when a record has been (i) deposited in any United States postal box if postage is prepaid and the notice is properly addressed to the intended recipient (or, if Owner is the intended recipient, to Owner's address for notification purposes as stated at the beginning of this Security Agreement or to Owner's most recent address as appears in Lender's records), (ii) received by telecopy, or (iii) personally delivered. Notice delivered to any one Owner will be deemed delivery to each Owner.
- g) Section headings used in this Security Agreement are for convenience only. They are not a part of this Security Agreement and will not be used in construing it.
- h) This Security Agreement is being executed and delivered and is intended to be performed in the Commonwealth of Virginia. This Security Agreement will be construed and enforced in accordance with the laws of the Commonwealth of Virginia, except to the extent that the UCC as adopted in the Commonwealth of Virginia provides for the application of a law of a different state.
- i) Any modification to this Security Agreement must be made in writing and signed by the party adversely affected.

18. OTHER PROVISIONS.

IN WITNESS WHEREOF, each individual signing this Security Agreement has hereunto set his or her hand, and each other entity has caused this Security Agreement to be executed in its name by a person or persons duly authorized, all by authority duly given and all as of the date of this Security Agreement.

BUSINESS ENTITY OWNER:

Dominion Paving & Sealing, Inc.

Name of Entity

By: [Signature]

Print/Type Name: Stephen H. Parham

Title: Secretary

INDIVIDUAL OWNER(S):

Print or Type Name: _____

Print or Type Name: _____

Print or Type Name: _____

APPROVED AND ACCEPTED:
FIRST-CITIZENS BANK & TRUST COMPANY

By: [Signature]

Title: V.P.

Associate #: 32528 Cost Center: 878

8 * Dominion Paving & Sealing, Inc.
Signature 2 of 2 (Parham)

EXHIBIT A

#1 BLAW KNOX PAVER model PF-4410 serial#375159 with Top-Con System V & Beam Assembly installed
Deutz Diesel, Smokeater kit, Power Tunnels, Ultra 3s w/Mat Kontrol, Oscillating Push Rollers, Electronic
Grad and Slope System(*Less Box's), Back Up Alarm,DC Worklight Package, Beacon Light, Ultimat 16
Electric Screed, 120 Volt Power Kit



COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$280,400.00	02-19-2013	02-22-2018				32528	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Grantor: DOMINION PAVING & SEALING, INC.
16200 HULL STREET ROAD
MOSELEY, VA 23120

Lender: First-Citizens Bank & Trust Company
Midlothian Office
13101 Midlothian Turnpike
Midlothian, VA 23113

THIS COMMERCIAL SECURITY AGREEMENT dated February 19, 2013, is made and executed between DOMINION PAVING & SEALING, INC. ("Grantor") and First-Citizens Bank & Trust Company ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement.

All Purchase Money Security Interest in See Exhibit "A" attached hereto and incorporated herein by reference.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

FUTURE ADVANCES. In addition to the Note, this Agreement secures all future advances made by Lender to Grantor regardless of whether the advances are made a) pursuant to a commitment or b) for the same purposes.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the Commonwealth of Virginia, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds, provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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immediately deliver any such proceeds to Lender

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis acceptable to Lender and issued by a company or companies acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral and issued by a company or companies acceptable to Lender, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer, (2) the risks insured, (3) the amount of the policy, (4) the property insured, (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value, and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand, (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy, or (2) the remaining term of the Note, or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Virginia Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaining, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

RIGHT TO CURE. Prior to accelerating the Indebtedness secured by this instrument, Lender shall give such notice and opportunity to cure as may be required by the Note or Credit Agreement secured by this instrument. The provisions of this section shall not supersede or limit the application of any controlling provisions of state law concerning notice of default, the right to cure, or the right to reinstate, and nothing in this instrument shall be deemed a waiver of those provisions, provided, however, that the provisions of the Note or Credit Agreement and any such state law requirements shall run concurrently.

GRANTOR'S ADDITIONAL WAIVERS. To the extent permitted by applicable law, Grantor also expressly waives all benefits, claims, rights and defenses Grantor may have or acquire that are based on (A) any statutory or common law provision limiting the liability of or requiring the discharge or exoneration of a guarantor or surety; (B) suretyship or impairment of collateral, including any benefits, claims, rights or defenses Grantor may have or acquire pursuant to sections 3-419 and 3-605 of the Uniform Commercial Code as adopted and amended from time to time by the various states; (C) any statutory or common law provision that releases, discharges, or limits the liability of a remaining obligor following the release of a joint obligor; (D) homestead or exemption laws and any rights thereunder with respect to any collateral taken as security for the Indebtedness; (E) any "one action," "anti-deficiency" or other statutory or common law provision limiting the right of Lender to obtain a judgment against or to otherwise proceed against any person or entity obligated for payment of the Indebtedness (including Grantor, if that is the case), whether before or after the foreclosure, sale or other disposition of any collateral taken as security for the Indebtedness; and (F) any legal or equitable doctrine or principle of marshaling. Lender shall not be required to sell or dispose of collateral in inverse order of alienation or in any other particular order. Without affecting or lessening Lender's rights under this instrument, Lender may do or not do any of the following with respect to the Indebtedness or Note without Grantor's knowledge, consent or joinder: (A) grant extensions of time for payment; (B) grant renewals; (C) permit modifications of payment terms or other terms or conditions; (D) permit assumptions of the Indebtedness or Note; (E) release one or more borrowers or guarantors from liability; and (F) exchange or release any collateral or other security.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees that if Lender hires an attorney to help enforce this Agreement, Grantor will pay, subject to any

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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limits under applicable law, Lender's attorneys' fees and all of Lender's other collection expenses, whether or not there is a lawsuit and including without limitation additional legal expenses for bankruptcy proceedings

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Virginia without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the Commonwealth of Virginia.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, if hand delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination or filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means DOMINION PAVING & SEALING, INC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default."

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means DOMINION PAVING & SEALING, INC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, indebtedness includes the future advances set forth in the Future Advances provision, together with all interest thereon and all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

Lender. The word "Lender" means First-Citizens Bank & Trust Company, its successors and assigns.

Note. The word "Note" means the Note dated February 19, 2013 and executed by DOMINION PAVING & SEALING, INC in the principal amount of \$280,400.00, together with all modifications of and renewals, replacements, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED FEBRUARY 19, 2013.

THIS AGREEMENT IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS AGREEMENT IS AND SHALL CONSTITUTE AND HAVE THE

COMMERCIAL SECURITY AGREEMENT
(Continued)

Page 5

EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GRANTOR:

DOMINION PAVING & SEALING, INC

By:  (Seal)
STEPHEN H. PARMAM, Secretary of DOMINION
PAVING & SEALING, INC.

By:  (Seal)
JAMES G. JOHNSTON, President of DOMINION
PAVING & SEALING, INC.

EXHIBIT A

#1 BLAW KNOX PAVER model PF-4410 serial#375159 with Top-Con System V & Beam Assembly installed
Deutz Diesel, Smokeater kit, Power Tunnels, Ultra 3s w/Mat Kontrol, Oscillating Push Rollers, Electronic
Grad and Slope System(*Less Box's), Back Up Alarm,DC Worklight Package, Beacon Light, Ultimat 16
Electric Screed, 120 Volt Power Kit

EXHIBIT C
(Bill of Sale)

EXHIBIT C

Smith Paving and Asphalt, P. O. Box 1204, Grottoes, Va. 24441

DPS ASSET #	ITEM DESCRIPTION	OFFERED PRICE
#517	Volvo Paver VIN# VCEP441000S375159	\$ 132,003.80
540-569-0998	Sales Tax	\$ 6,996.20
GRAND TOTAL		\$139,000.00
4/19/2017 Deposit		\$ 1,000.00
Balance Due		\$ 138,000.00
PACKAGE PRICE FOR PURCHASE OF ALL MISC. ITEMS		
<p>FOB DOMINION PAVING & SEALING INC. 10900 PAULBROOK DR. MIDLOTHIAN, VA 23112 TRANSPORTATION AND LOADING OF ALL ITEMS IS REQUIRED OF THE PURCHASER. ALL ITEMS ARE SOLD AS IS. NO WARRANTIES EXPRESSED OR IMPLIED.</p>		
Signature and Date by Dominion Paving & Sealing, Inc.		
See Message Phone		
Signature and Date by Smith Paving and Asphalt, P. O. Box 1204, Grottoes, Va. 244		

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

)	
In re:)	Chapter 11
)	
DOMINION PAVING & SEALING, INC.,)	Case No. 15-32966
)	
Debtor.)	
)	

**ORDER AUTHORIZING DEBTOR TO SELL
PROPERTY FREE AND CLEAR OF LIENS AND INTERESTS**

This matter came before the Court upon Dominion Paving & Sealing, Inc.’s (the “**Debtor**”) Motion To Sell Property Free and Clear of Liens and Interests (the “**Sale Motion**”), whereby the Debtor seeks this Court’s authority, among other things, to sell certain equipment (the “**Property**”) to Smith Paving and Asphalt (the “**Buyer**”) pursuant to sections 363(b) and (f) of title 11 of the United States Code (the “**Bankruptcy Code**”). Based upon the allegations in the Sale Motion, and notice having properly been given, the Court finds as follows:

- A. Sound and appropriate business reasons exist for the Debtor to effectuate the transaction described in the Sale Motion.
- B. A sale of the Property to the Buyer under the terms described in the Sale Motion is permitted under sections 363(b), (f) and (h) of the Bankruptcy Code.
- C. The Buyer is a good faith purchaser for the purposes of section 363(m) of the Bankruptcy Code.

Christopher L. Perkins (Virginia Bar No. 41783)
 LeClairRyan, A Professional Corporation
 919 East Main Street, 24th Floor
 Richmond, VA 23219
 (804) 783-7550

Counsel for Debtor and Debtor-in-Possession

D. The Estate will benefit from the sale of the Property.

E. The Purchase Price is the best price reasonably attainable for the Property at this time.

F. Notice of the Sale Motion has been provided to all holders of any liens or interests and all other parties in interest, including the United States Trustee and all parties requesting notice, which notice constitutes proper and sufficient notice of the Sale Motion for the purposes of Rules 2002(a)(2) and 6004(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

Based upon the foregoing, it is hereby ORDERED as follows:

1. All capitalized terms used in this Order but not defined herein shall have the meanings ascribed to them in the Sale Motion.

2. The Sale Motion is granted and the terms of the Bill of Sale are approved as provided herein.

3. The Debtor and the Buyer are hereby authorized, pursuant to section 363(b) of the Bankruptcy Code, to take such actions as may be necessary and appropriate to implement the Bill of Sale and to consummate the sale without the necessity of a further order of this Court.

4. The Debtor is authorized, pursuant to sections 105 and 363(b) and (f) of the Bankruptcy Code, to sell the Property to the Buyer upon delivery of the consideration specified in the Bill of Sale and completion of all other deliveries required.

5. The Debtor is directed to remit sufficient proceeds to FCB in satisfaction of the outstanding debt owed by the Debtor to FCB.

6. All objections and responses concerning the Sale Motion are resolved in accordance with the terms of this Order. To the extent any such objection or response was not otherwise withdrawn, waived, settled, or otherwise provided herein, it, and all reservations and rights contained therein, is overruled and denied.

7. The sale of the Property shall vest the Buyer with good title to the Property, and shall be free and clear of any and all liens, claims, encumbrances, liabilities, obligations, licenses, covenants, pledges, security interests, charges, judgments, mortgages, conditional sales or title retention agreements, pledges, hypothecations and interests of any kind (including, without limitation, any and all “claims” as defined in section 101(5) of the Bankruptcy Code), whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, disputed or undisputed, or known or unknown, whether arising prior to or subsequent to the petition date, whether imposed by agreement, understanding, law, equity or otherwise (collectively, the “Claims”), other than as provided in the Bill of Sale.

8. The consideration payable by the Buyer for the Property constitutes payment of “value,” as that term is used in section 363(m) of the Bankruptcy Code. The Buyer is a purchaser of the Property “in good faith” within the meaning of section 363(m) of the Bankruptcy Code.

9. The Bill of Sale and any related agreements may be waived, modified, amended, or supplemented by agreement of the Debtor and the Buyer without further action of the Court; provided, however, that any such waiver, modification, amendment, or supplement is not

material and substantially conforms to and effectuates the Bill of Sale and any related agreements.

10. The failure specifically to include any particular provisions of the Bill of Sale or any related agreements in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court, the Debtor and the Buyer that the Bill of Sale and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Order.

11. This Court shall retain exclusive jurisdiction to enforce the provisions of this Order and the Bill of Sale, including, but not limited to, the interpretation of the terms, conditions and provisions hereof and thereof, the status, nature and extent of the Property and all issues and disputes arising in connection with the relief authorized herein.

12. This Order shall take effect upon entry and shall not be automatically stayed pursuant to Bankruptcy Rules 6004(h) and/or 7062.

ENTERED:

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

Christopher L. Perkins (Virginia Bar No. 41783)
LeClairRyan, A Professional Corporation
919 East Main Street, 24th Floor
Richmond, VA 23219
(804) 783-7550

Counsel for Debtor and Debtor-in-Possession

SEEN AND AGREED:

Richard C. Maxwell (Virginia Bar No. 23554)
Woods Rogers PLC
10 South Jefferson Street, Suite 1400
Roanoke, VA 24011
(540) 983-7628

Counsel for First Citizens Bank

LOCAL RULE 9022-1 CERTIFICATION

Pursuant to LBR 9022-1, I hereby certify that a true copy of the foregoing was endorsed by all necessary parties.

Counsel

SERVICE LIST

Robert B. Van Arsdale
Assistant United States Trustee
Office of the United States Trustee
701 East Broad Street, Suite 4304
Richmond, VA 23219
Assistant U.S. Trustee

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