

**THIS AGREEMENT WAS PREPARED BY
AND RECORDING IS REQUESTED BY,
AND WHEN RECORDED MAIL TO:**

Sabrina Geddes
WELLS FARGO BANK, NATIONAL ASSOCIATION
Commercial Real Estate
301 South College Street, 4th Floor
Charlotte, NC 28202-6000
Loan No. 1003288

Tax Map Nos. 02-7-35-0-001-004.008
10-1-02-0-003-050.074

AGREEMENT REGARDING TRANSFERS AND ENCUMBRANCES


THIS AGREEMENT REGARDING TRANSFERS AND ENCUMBRANCES (this "Agreement") is made as of the 28th day of March, 2014, by GRAY PROPERTY 7102, LLC, a Virginia limited liability company ("Gray 7102"), GRAY LUMBER COMPANY, a Virginia corporation, and GRAYLAND COMPANY, L.P., a Virginia limited partnership, as tenants in common (collectively, "Gray"), each having its principal office at 5004 Monument Avenue, Suite 200, Richmond, Virginia 23230, Attention: Russell T. Aaronson, III, for the benefit of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, and its successors and assigns ("Wells"), having its principal office at 1021 East Cary Street, 8th Floor, Richmond, Virginia 23219.

RECITALS

A. Wells has made a loan (the "Loan") to Gray Holdings, LLC, a Virginia limited liability company, Gray Lumber Company, a Virginia corporation, Grayland Company, L.P., a Virginia limited partnership, Gray Westchester, LLC, a Virginia limited liability company, and Gray Land and Development Company-Tree Hill, LLC, a Virginia limited liability company, jointly and severally (collectively, "Borrower"). The Loan is evidenced by a Promissory Note Secured by Deeds of Trust dated October 29, 2010, as amended by that certain Third Modification Agreement effective September 30, 2013 (as the same may be amended, modified, replaced amended and restated in its entirety in the future, the "Note"). The Note, together with all other documents and writings executed and delivered by the Borrower and/or any other signatory party to Wells in connection with the Loan, are hereafter referred to as the "Loan Documents."

B. Gray 7102 is an affiliate or subsidiary of Borrower. Wells is making an advance to Borrower on the date hereof in order to enable Gray to refinance certain real property (the "Land") situated in Shelby County, in the State of Alabama, as more particularly described on Exhibit "A" attached hereto, and made a part hereof by this reference, together with all buildings, structures, improvements and replacements, now or hereafter existing on or to be erected upon the Land, including without limitation that certain apartment project known as the Lake Heather Reserve Apartments (collectively, the "Property").

C. Wells is requiring Gray to become a co-borrower under the Loan, and Gray has entered into this Agreement as a condition to, and to induce Wells to make the advance under the Loan, all as more specifically set forth in the Loan Agreement by and between Borrower and Wells, dated October 29, 2010, as amended by that certain Modification Agreement between Borrower and Wells, dated November 7, 2011, that certain modification letter agreement dated February 11, 2013, and that certain Third Modification Agreement effective September 30, 2013 (the "Loan Agreement").


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AGREEMENT

NOW THEREFORE, in consideration of these premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Gray hereby agrees as follows:

Section 1. Restrictions on Transfer/Encumbrances – Gray hereby covenants that Gray shall not, without the prior written consent of Wells, Transfer (as hereinafter defined) the Property or any part thereof, or permit the Property, or any part thereof, to be Transferred. As used herein, "Transfer" shall mean any voluntary or involuntary sale, conveyance, mortgage, lien, grant, bargain, encumbrance, pledge, negative pledge, assignment or transfer of all or any part of the Property or any interest therein including, but not limited to: (i) an installment sales agreement wherein Gray agrees to sell the Property or any part thereof for a price to be paid in installments; (ii) an agreement by Gray leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder; (iii) a sale, assignment or other transfer of, or the grant of a security interest in, Gray's right, title and interest in and to any leases of the Property or any rents. Any Transfer in violation of this Agreement shall be null and void and without effect and shall constitute an Event of Default under the Loan Agreement. Notwithstanding the foregoing, the following shall not be deemed a "Transfer" hereunder: transfers of less than 25% of the legal or beneficial interest in Gray to or among its constituent members, partners or shareholders, or the respective members, partners or shareholders of such constituent members, partners or shareholders, or to or for the benefit of a spouse or lineal descendant (including by adoption) of any of the foregoing, as the case may be.

Section 2. Notices - All notices shall be sent to the respective addresses of the parties as follows:

Wells:	Wells Fargo Bank, National Association Commercial Real Estate 1021 E. Cary Street, 8th Floor MAC R3529-081 Richmond, Virginia 23219-4058 Attn: L. Charles Einwick, Vice President Loan #: 1003288
With a copy to:	Wells Fargo Bank, National Association Commercial Real Estate 301 South College Street, 4th Floor Charlotte, NC 28202-6000 Attn: Loan Administration Manager Loan #: 1003288 WELLS FARGO BANK, NATIONAL ASSOCIATION Winston-Salem Loan Center One West Fourth Street, 3rd Floor Winston-Salem, NC 27101 Loan #: 1003288
Gray:	Gray Property 7102, LLC Gray Lumber Company Grayland Company, L.P. c/o GrayCo, Inc. 5004 Monument Ave., Suite 200 Richmond, Virginia 23230 Attention: Paul Sheehy

With a copy to:	Cris Rogerson, Esquire McGuireWoods LLP 901 East Cary Street Richmond, Virginia 23219
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All such notices, demands, requests and other communications shall be deemed to have been given upon the earlier of (i) delivery at the appropriate address specified above, whether in person, by express courier or by mail, or (ii) two business days after the postmark date of mailing. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request or other communication.

Section 3. Severability - In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 4. Word Forms - The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular. For example, whenever the term "Gray" is used herein, the term shall refer to each party constituting the Gray jointly and severally and individually and collectively.

Section 5. Governing Law - To the extent this Agreement concerns the real property located in the State of Alabama, it shall be governed by, and construed according to, the laws of the State of Alabama. In all other instances, this Agreement and the other instruments referred to herein shall be governed by, and shall be construed according to, the laws of the Commonwealth of Virginia.

Section 6. Release of Agreement - This Agreement shall remain effective until the all obligations under the Note and the other Loan Documents have been satisfied and performed and/or observed, then this Agreement shall, upon the written request of Gray, be released at the sole cost and expense of Gray.

WITNESS the execution hereof by the Gray and the affixing of the Gray's seal.

[SIGNATURE TO FOLLOW ON NEXT PAGE]

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GRAY:

GRAY PROPERTY 7102, LLC,
a Virginia limited liability company

By: Gray Holdings, LLC, a Virginia limited liability
company
Its: Sole Member

By:

Paul H. Sheehy
Paul H. Sheehy
President

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Hennico

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ss:

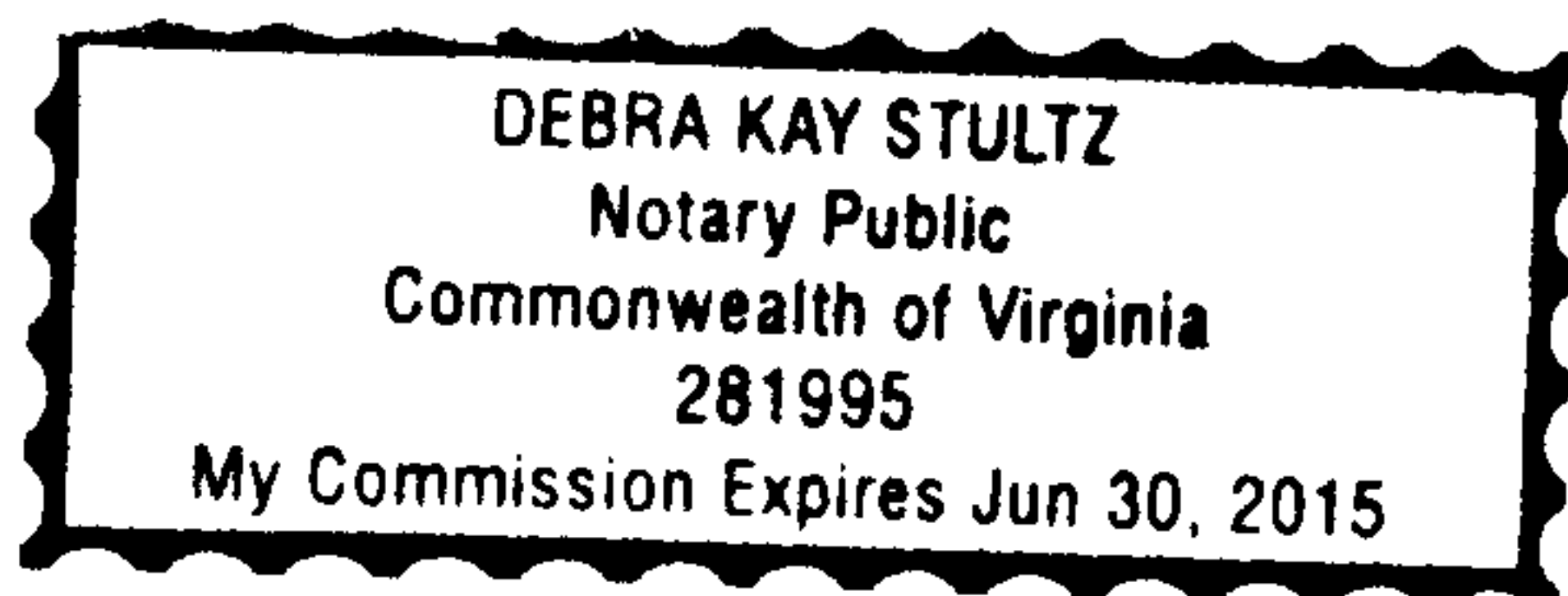
I, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Paul H. Sheehy personally appeared before me in said jurisdiction, being personally well known (or satisfactorily proven) to me to be the person named as President of Gray Holdings, LLC, a Virginia limited liability company, the Sole Member of Gray Property 7102, LLC, a Virginia limited liability company, who, being by me first duly sworn, acknowledged said instrument to be his free act and deed, that he executed and delivered the same as such on behalf of said entity.

WITNESS my hand and official seal this 27th day of March, 2014.

Debra Kay Stultz
Notary Public

My Commission Expires: June 30, 2015

Registration Number: 281995



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Loan No. 1003288

GRAY LUMBER COMPANY,
a Virginia corporation

By:

Paul H. Sheehy
Paul H. Sheehy
Executive Vice President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Hennico

) SS:
)

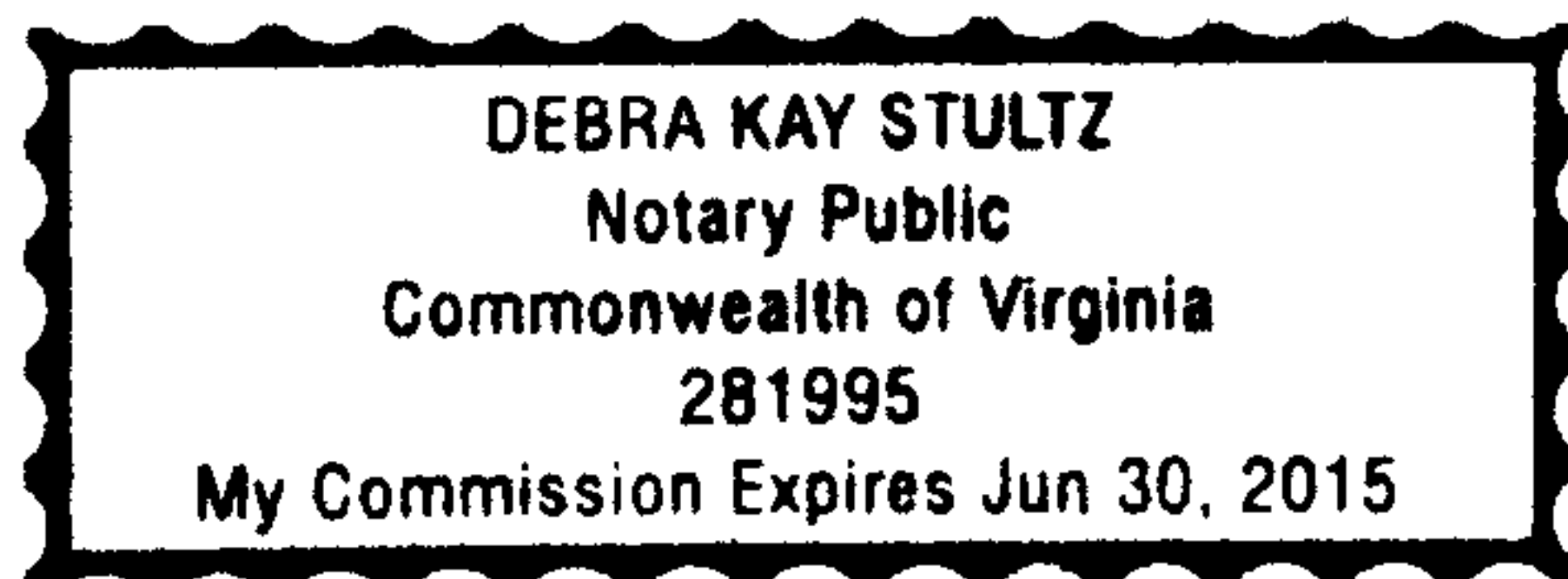
I, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Paul H. Sheehy personally appeared before me in said jurisdiction, being personally well known (or satisfactorily proven) to me to be the person named as Executive Vice President of Gray Lumber Company, a Virginia corporation, who, being by me first duly sworn, acknowledged said instrument to be his free act and deed, that he executed and delivered the same as such on behalf of said entity.

WITNESS my hand and official seal this 27th day of March, 2014.

Debra Kay Stultz
Notary Public

My Commission Expires: June 30, 2015

Registration Number: 281995



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Loan No. 1003288

GRAYLAND COMPANY, L.P.,
a Virginia limited partnership

By: Grise, LLC, a Virginia limited liability
company

Its: General Partner

By:


Paul H. Sheehy
Executive Vice President

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Henrico

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ss:

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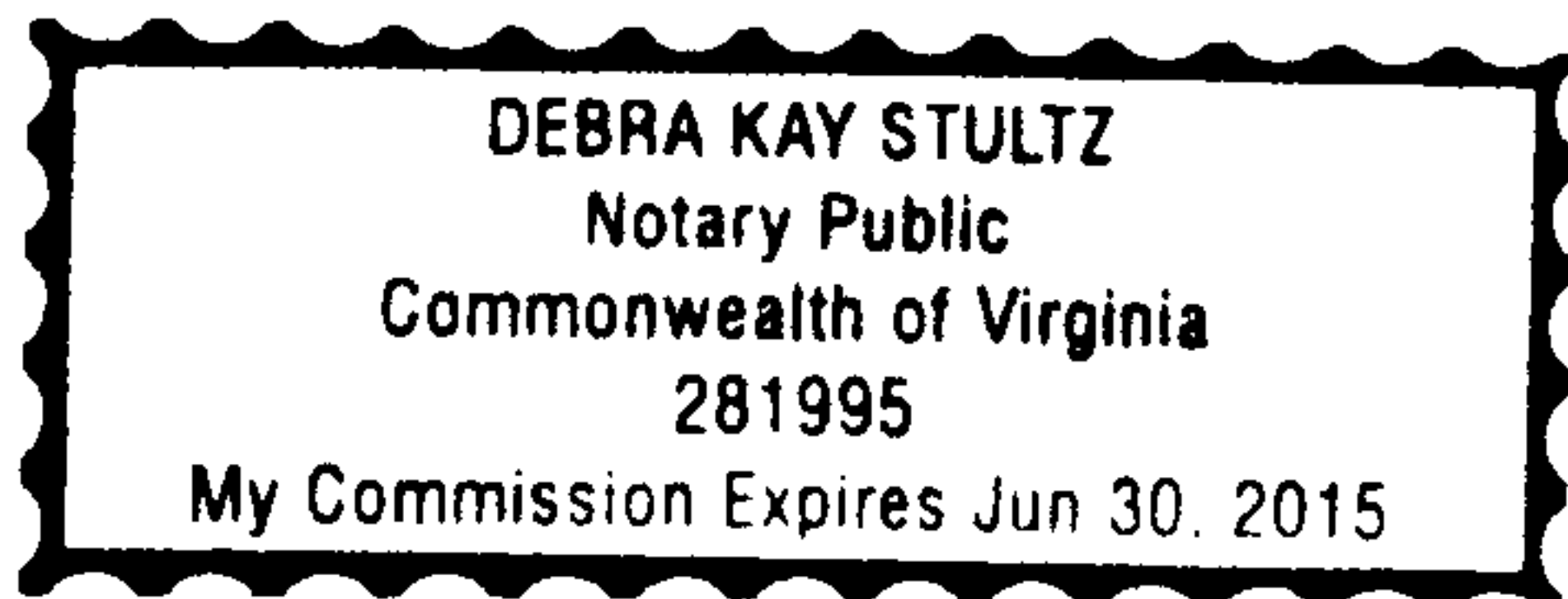
I, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Paul H. Sheehy personally appeared before me in said jurisdiction, being personally well known (or satisfactorily proven) to me to be the person named as Executive Vice President of Grise, LLC, a Virginia limited liability company, the General Partner of Grayland Company, L.P., a Virginia limited partnership, who, being by me first duly sworn, acknowledged said instrument to be his free act and deed, that he executed and delivered the same as such on behalf of said entity.

WITNESS my hand and official seal this 27th day of March, 2014.



Notary Public

My Commission Expires: June 30, 2015

Registration Number: 281995



{End of Signatures}


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EXHIBIT A
(Legal Description)

Part of Section 35, Township 18 South, Range 2 West, and Section 2, Township 19 South, Range 2 West, Shelby County, Alabama, and being more particularly described as follows:

Commence at the Northeast corner of the Southeast Quarter of the Southeast Quarter of Section 35, Township 18 South, Range 2 West, Shelby County, Alabama, and run North 88 degrees 48 minutes 03 seconds West along the North line of same 734.25 feet; thence run South 41 degrees 25 minutes 52 seconds West 1019.03 feet to the Point of Beginning, said point being on the Southeasterly Right of Way of Inverness Parkway; thence the following courses paralleling the existing paved drive to the Lake Heather boat launch South 49 degrees 19 minutes 19 seconds East, 44.63 feet to the Point of a Curve of a curve to the right, having a radius of 50.00 feet and a central angle of 60 degrees 20 minutes 45 seconds; thence run South 19 degrees 08 minutes 56 seconds East along the chord of said curve 50.26 feet to the Point of Tangent; thence run South 11 degrees 01 minutes 26 seconds West 96.35 feet; thence South 19 degrees 53 minutes 48 seconds West 72.94 feet to the Point of Curve of a curve to the left, having a radius of 213.40 feet and a central angle of 87 degrees 13 minutes 13 seconds; thence run South 23 degrees 42 minutes 48 seconds East along the chord of said curve 294.38 feet to the Point of Tangent; thence run South 67 degrees 19 minutes 24 seconds East, 84.72 feet; thence North 48 degrees 34 minutes 32 seconds East 58.21 feet to a point on the 496.00 elevation contour, being the mean water elevation of Lake Heather; thence run in a general Southerly direction along the meanderings of said 496.00 contour 2283.6 feet, more or less, to a point on the Northerly boundary of the proposed Inverness Cove Garden Home development, not yet recorded; thence the following courses along the Northerly boundary of said proposed subdivision; South 62 degrees 27 minutes 53 seconds West 70.91 feet; thence run North 36 degrees 25 minutes 48 seconds West 133.59 feet; thence run South 64 degrees 00 minutes 15 seconds West 148.44 feet; thence run North 44 degrees 32 minutes 37 seconds West 48.97 feet; thence run South 80 degrees 43 minutes 18 seconds West, 88.09 feet; thence run North 39 degrees 17 minutes 36 seconds West 35.87 feet; thence run North 54 degrees 04 minutes 01 seconds East 141.72 feet; thence run North 35 degrees 08 minutes 09 seconds West 73.08 feet; thence run North 53 degrees 32 minutes 36 seconds West 192.86 feet; thence run North 80 degrees 58 minutes 43 seconds West 200.08 feet; thence run South 58 degrees 30 minutes 01 seconds West 94.92 feet to a point on the Southeasterly right of way of Inverness Parkway; thence run North 49 degrees 38 minutes 52 seconds East along said Right of Way 444.74 feet to the Point of Curve of a curve to the left; having a radius of 1254.79 feet and a central angle of 18 degrees 36 minutes 00 seconds; thence run North 40 degrees 20 minutes 52 seconds along the chord of said curve; 405.56 feet to the Point of Tangent; thence run north 31 degrees 02 minutes 52 seconds East along said Right of way 324.91 feet to the Point of Curve of a curve to the right, having a radius of 2087.94 feet, and a central angle of 10 degrees 23 minutes 00 seconds; thence run North 36 degrees 14 minutes 22 seconds East along the chord of said curve; 377.87 feet to the Point of Tangent; thence run North 41 degrees 25 minutes 52 seconds East along said Right of Way, 69.32 feet to the Point of beginning. Contains 1,000,137.60 Sq. Ft. (22.96 Ac. More or Less)

Situated in Shelby County, Alabama.


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