

**NOTICE OF PUBLIC HEARING OF THE
CRAVEN COUNTY BOARD OF COMMISSIONERS REGARDING
CONVEYANCE OF REAL PROPERTY
FOR ECONOMIC DEVELOPMENT PURPOSES**

Pursuant to N.C. Gen. Stat. § 158-7.1, Craven County (hereinafter “County”) intends to convey for economic development purposes for reduced consideration a fee simple interest in a +/- eight (8) acre tract of land, said tract being Lot 30 in the Craven County Industrial Park. The value of the tract proposed to be conveyed is Twenty Thousand and 00/100 Dollars (\$20,000.00) an acre, for a total value of One Hundred Sixty Thousand and 00/100 Dollars (\$160,000.00), and the County intends to convey and sell same for Ninety Three Thousand and 00/100 Dollars (\$93,000.00), or Eleven Thousand Six Hundred Twenty Five and 00/100 Dollars (\$11,625.00) per acre. The County believes the proposed conveyance will stimulate and stabilize the local economy, result in the creation of a substantial number of new permanent jobs in the county, and result in increased tax revenues to the County.

The Craven County Board of Commissioners will hold a public hearing on these matters at 8:30 a.m. on Monday, July 21, 2014 in the Commissioners’ Room in the Craven County Administration Building, and all interested persons are invited to attend and present their views.

Done this 7th day of July, 2014.

Gwendolyn M. Bryan
Clerk, Craven County Board of Commissioners

**RESOLUTION OF THE CRAVEN COUNTY BOARD OF
COMMISSIONERS APPROVING CONVEYANCE OF REAL PROPERTY
FOR ECONOMIC DEVELOPMENT PURPOSES**

WHEREAS, Craven County (hereinafter "County") has determined that County has historically suffered a degree of economic and fiscal distress which can be remedied in part by the expansion of industries currently located in County and the location of new industries in County; and,

WHEREAS, the unemployment rate of County is greater than the state and national unemployment rates, deficiencies which can be remedied in part by the expansion and location of industries in County; and,

WHEREAS, furthermore, the median average wage for all insured industries in County is \$38,792.00, as determined by the North Carolina Department of Commerce, Division of Employment Security; and,

WHEREAS, the expansion and location of industries in County will benefit County and its citizens by increasing and diversifying both the personal property and real property ad valorem tax bases which will increase tax revenue, and resulting ancillary economic activity will increase sales tax revenues, all of which will make available to County more funds with which to improve the general health, safety and welfare of County's citizens; by providing a greater number of jobs with higher salaries and better benefits than are now available to citizens of County; by stimulating secondary economic activity which is directly beneficial to County and its citizens, including residential real estate development and the expansion of existing services and businesses; by increasing and improving the infrastructure of County; by increasing the economic opportunity available to County's citizens and by improving the general technical training of County's workforce; and,

WHEREAS, MINGES BUILDING ACCOUNT, LLC (hereinafter "Minges"), which provides facilities for the storage and distribution of soft drinks and related products, intends to construct in County a new facility consisting of a +/- 11,600 square foot building ("New Facility") to be constructed in late 2014 and early 2015, for use and occupancy immediately upon completion, such facility expected to be valued at \$2,000,000.00, and,

WHEREAS, Minges expects to make investments in new equipment and machinery valued at \$230,000.00 for said facility; and,

WHEREAS, based upon the construction of the New Facility, Minges expects to retain the employment of 23 individuals currently employed in County, and expects to expand its employment by hiring an additional 28 individuals; and,

WHEREAS, the average annual salary of all individuals to be employed by Minges at the New Facility shall be \$40,980.00; and,

WHEREAS, Minge's construction of the New Facility, Minge's retention of 23 existing jobs and Minges' creation of 28 new jobs will aid tremendously in remedying the previously identified economic and fiscal distresses suffered by County and its citizens; and,

WHEREAS, Minges has offered to purchase from County Lot 30 of the Craven County Industrial Park ("Lot 30") for a total purchase price of Ninety Three Thousand and no/100 Dollars (\$93,000.00) (the "Purchase Price"), or Eleven Thousand Six Hundred Twenty Five and no/100 Dollars (\$11,625.00) per acre; and,

WHEREAS, County has determined that the fair market value of Lot 30 is Twenty Thousand and no/100 Dollars (\$20,000.00) an acre, for a total value of One Hundred Sixty Thousand and no/100 Dollars (\$160,000.00) (the "Fair Market Value"); and,

WHEREAS, County has determined that in an effort to encourage the location and expansion of other industries within County and to reward Minges for its intended investment in County, County should convey and sell to Minges Lot 30 for the Purchase Price, which will provide to Minges an incentive of Sixty Seven Thousand and no/100 Dollars (\$67,000.00) when compared to the Fair Market Value; and,

WHEREAS, the terms and conditions of the transactions herein contemplated are more particularly described in the Agreement Conveying Real Property for Economic Development Purposes and the Agreement for Purchase and Sale of Real Estate, both attached hereto and incorporated herein by reference; and,

WHEREAS, pursuant to N.C. Gen. Stat. § 158-7.1(a), local governments, including County, are authorized:

[T]o make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county

commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by the levy of property taxes pursuant to [G.S. 153A-149](#) and [160A-209](#) and by the allocation of other revenues whose use is not otherwise restricted by law.

Furthermore, N.C. Gen. Stat. § 158-7.1(d) also permits local governments, including County, to convey property held for industrial or commercial use after notice to the public, a public hearing and a determination of the probably hourly wage to be paid by the prospective industry; and,

WHEREAS, N.C. Gen. Stat. § 158-7.1(d2) allows County in arriving at the value of the consideration that it receives for the conveyance of property held for economic development purposes to consider prospective tax revenues coming to the County for 10 years after the conveyance provided that County determines that the conveyance will stimulate the local economy, promote business and result in the creation of a substantial number of jobs that pay at or above the median average wage in County and further provided that County contractually binds the grantee of the property to construct the improvements expected to generate said tax revenues within 5 years; and,

WHEREAS, County has determined that the probable hourly average wage to be paid by Minges to its employees to be employed at the New Facility is \$19.70 for a weekly average hourly wage of \$788.08, which is a rate above County's median average wage for all insured industries of \$38,792.00, as determined by the North Carolina Department of Commerce, Division of Employment Security; and,

WHEREAS, based on Minges' construction of the New Facility, County has determined that County's ad valorem tax revenue from the New Facility (excluding the land value of Lot 30) will be approximately \$9,350.00 per year, for a total of \$93,500.00 over 10 years; and,

WHEREAS, Lot 30 has heretofore been owned for over 2 decades by County, thereby generating no ad valorem tax revenue for County, and upon transfer of Lot 30 to Minges, additional ad valorem tax revenue generated by Lot 30 will begin accruing to County; and,

WHEREAS, based on Minge's construction of New Facility, County has determined that County's prospective sales tax revenues from said construction will be \$_____.00; and,

WHEREAS, County has determined that the conveyance to Minges of Lot 30 herein described will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs that pay at or above the average wages currently available in County; and,

WHEREAS, the proposed Agreement Conveying Real Property for Economic Development Purposes between Minges and County contains a provision that if Minges does not construct and occupy by December 31, 2015 a substantially complete New Facility on Lot 30, County shall have the right to foreclose upon Lot 30 pursuant to a note and deed of trust to be executed and delivered by Minges, thereby securing the performance by Minges of its obligations as described herein; and,

WHEREAS, on July 21st, 2014, and after proper public notice, pursuant to N.C. Gen. Stat. § 158-7.1 the Board of Commissioners for County held a public hearing concerning its intent to convey and sell to Minges Lot 30, upon the terms and conditions herein described; and,

WHEREAS, the Board of Commissioners of County does desire to convey and grant to Minges Lot 30, by and through the Agreement for Purchase and Sale of Real Property and the Agreement Conveying Real Property for Economic Development Purposes, both attached hereto and incorporated herein by reference, and does further desire that this RESOLUTION serve as a memorial of the actions taken by the Board of Commissioners on this matter.

Now, therefore, be it resolved as follows:

1. That the Agreement Conveying Real Property for Economic Development Purposes attached hereto and incorporated herein by reference is hereby approved in its entirety, and shall be executed and delivered by County at such appropriate time as advised by counsel to County.
2. That the Agreement for Purchase and Sale of Real Property attached hereto and incorporated herein by reference is hereby ratified and approved in its entirety.

3. That, pursuant to the aforesaid agreements, County shall execute and deliver such documents and instruments as may be necessary in the opinion of counsel to County to accomplish the purposes of said Agreements, including but not limited to the transfer and conveyance to Minges of Lot 30.
4. That the Chairman, Clerk to the Board, Manager, Assistant Managers, Economic Developer and such other officers and agents of County are hereby authorized to execute any and all documents necessary in the opinion of counsel to County to effectuate any of the transactions contemplated herein.
5. That this RESOLUTION be entered in the official minutes of the Board of Commissioners of County and that the Clerk to the Board certify copies of this RESOLUTION as may be necessary in the opinion of counsel to County.

This the ____ day of July, 2014.

CRAVEN COUNTY

BY: _____
_____, CHAIRMAN

ATTEST:

GWENDOLYN BRYAN, CLERK

**AGREEMENT CONVEYING REAL PROPERTY
FOR ECONOMIC DEVELOPMENT PURPOSES**

THIS AGREEMENT CONVEYING REAL PROPERTY FOR ECONOMIC DEVELOPMENT PURPOSES made and entered into this ____ day of July, 2014, by and between **CRAVEN COUNTY** and **MINGES BUILDING ACCOUNT, LLC**, is as follows:

W I T N E S S E T H :

ARTICLE I

Definitions

Certain terms having specific definitions are used in this Agreement, and these terms and definitions, unless the context clearly indicates to the contrary, are as set forth in this Article. The defined terms appearing in this Article are set forth in exact form as they appear between the quotation marks. When the same term is used in this Agreement with the meaning as assigned herein, it shall appear in the identical capitalized form. Otherwise, the meaning shall be as used in the context of the sentence in which it appears and not necessarily that as defined herein.

1.1 "Agreement" – means and refers to this Agreement Conveying Real Property for Economic Development Purposes.

1.2 "Note" – means and refers to that Promissory Note attached hereto and incorporated herein by reference.

1.3 "Minges" – means and refers to Minges Building Account, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of North Carolina.

1.4 "Deed of Trust" – means and refers to that Deed of Trust attached hereto and incorporated herein by reference.

1.5 "County" – means and refers to Craven County, a body politic and corporate.

1.6 "Real Estate Contract" – means and refers to that certain Agreement for Purchase and Sale of Real Property between County and Minges Building Account, LLC.

1.7 "Effective Date" – means and refers to _____, 2014.

1.8 "Parties" – means and refers to County and Minges collectively.

1.9 "New Facility" – means and refers to Minges' +/- 11,600 square foot facility for the storage and distribution of soft drinks and related products, to be constructed on Lot 30.

1.10 "Lot 30" – means and refers to that certain real property more particularly described as follows:

**** add description ****

ARTICLE II

Recitals

2.1 County has determined that County has historically suffered a degree of economic and fiscal distress which can be remedied in part by the expansion of industries currently located in County.

2.2 Citizens in County have an average wage level that is below average state wage levels, a deficiency which can be remedied in part by the expansion of industries currently located in County. County also suffers an unemployment rate higher than state and national unemployment rates.

2.3 The expansion and retention of industries located in County will benefit County and its citizens by increasing and diversifying both the personal property and real property ad valorem tax bases and thus tax revenue, which will make available to County more funds with which to improve the general health, safety and welfare of County's citizens; by providing a greater number of jobs with higher salaries and better benefits than are now available to citizens of County; by stimulating secondary economic activity which is directly beneficial to County and its citizens, including residential real estate development and the expansion of existing services and businesses; by increasing and improving the infrastructure of County; by increasing the economic opportunity available to County's citizens and by improving the general technical training of County's workforce.

2.4 Minges intends to construct the New Facility in County on Lot 30, the New Facility to be valued at \$2,000,000.00, and to make investments in equipment and machinery valued at \$230,000.00 for the New Facility. Minges also intends to locate 23 existing employees at the New Facility and intends to hire 28 new employees at the New Facility, each such employee to be paid an expected weekly average wage of \$788.08, a rate above the average rate paid to other employees in County. Minges' proposed investment and employment will aid tremendously in remedying the previously identified economic and fiscal distresses suffered by County and its citizens.

2.5 Pursuant to N.C. Gen. Stat. § 158-7.1, local governments, including County, are authorized:

[T]o make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises,

making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by the levy of property taxes pursuant to [G.S. 153A-149](#) and [160A-209](#) and by the allocation of other revenues whose use is not otherwise restricted by law.

Furthermore, N.C. Gen. Stat. § 158-7.1(d) also permits local governments, including County, to convey property held for industrial or commercial use after notice to the public, a public hearing and a determination of the probably hourly wage to be paid by the prospective industry. Moreover, N.C. Gen. Stat. § 158-7.1(d2) allows County in arriving at the value of the consideration that it receives for the conveyance of property held for economic development purposes to consider prospective tax revenues coming to the County for 10 years after the conveyance provided that County determines that the conveyance will stimulate the local economy, promote business and result in the creation of a substantial number of jobs that pay at or above the median average wage in County and further provided that County contractually binds the grantee of the property to construct the improvements expected to generate said tax revenues within 5 years.

2.6 In an effort to reward and encourage Minges' investment and similar investments by other industries, County does desire to convey to Minges Lot 30 at a purchase price less than the fair market value of Lot 30. Moreover, County has determined that the agreements herein will necessarily result in an overall economic effect many times greater than the value of the agreements specified herein, that the proposed conveyance will stimulate the local economy, promote business and result in the creation of a substantial number of jobs that pay at or above the average wage in County.

2.7 County has determined that the probable average hourly wage to be paid by Minges to employees working at the New Facility is \$19.70 and that the expected tax revenues to be received by County from the New Facility, excluding tax revenues on account of the value of the underlying real estate, will exceed the difference between the fair market value of Lot 30 and the price to be paid by Minges for Lot 30.

2.8 Minges has agreed that in the event for any reason it does not construct the New

Facility that County may declare a default and foreclose upon Lot 30, all pursuant to the Note and Deed of Trust.

2.9 CRAVEN COUNTY COMMITTEE OF 100, LTD. has separately awarded Minges a grant to offset all or a portion of the impact fees expected to be charged Minges for its New Facility by the City of New Bern, thereby giving Minges further reward and incentive for the construction of same.

2.10 Accordingly, Minges and County do hereby desire to execute this Agreement to memorialize the agreements and understandings of the Parties relative to the matters and transactions herein contemplated.

ARTICLE III

Term of the Agreement

The term of this Agreement shall be a period of time beginning on the Effective Date and ending December 31, 2016.

ARTICLE IV

Responsibilities of Minges

As consideration for this Agreement, Minges agrees to:

4.1 Construct the New Facility on Lot 30, and to obtain a final certificate of occupancy for the New Facility on or before December 31, 2015.

4.2 Execute, deliver and record the Note and Deed of Trust, on or before the Effective Date.

4.3 Maintain Minges' existing employment of 23 individuals, and hire and maintain 28 additional employees at the Facility from December 31, 2015 until at least December 31, 2016.

4.4 Pay timely and before delinquency all ad valorem property taxes assessed by County as to Minges.

4.5 Timely perform all its obligations under the Real Estate Contract.

4.6 Provide information to County as reasonably necessary to confirm total employment at the New Facility from December 31, 2015 through December 31, 2016.

4.7 At all times act in accordance with a standard of good faith and fair dealing with County.

ARTICLE V

Responsibilities of County

As consideration for this Agreement, County agrees to:

5.1 Timely perform its obligations under the Real Estate Contract.

5.2 Prior to exercising its rights under the Note and Deed of Trust, and to the extent permitted by applicable law (including but not limited to N.C. Gen. Stat. § 158-7.1), County agrees to not act arbitrarily or capriciously but rather agrees to give Minges an opportunity to demonstrate its progress on the improvements herein contemplated and that any delays in the construction of the improvements herein contemplated were caused by events of force majeure beyond the control of Minges. County further agrees to fairly and in good faith examine all relevant factors in light of the purposes and intent behind state laws controlling this Agreement before making any decision to exercise its rights under the Note and Deed of Trust.

5.3 Convey Lot 30 subject to conditions and restrictions customarily applied to properties located in the Craven County Industrial Park.

5.4 Act in accordance with a standard of good faith and fair dealing with Minges.

ARTICLE VI

Termination

6.1 Mutual Termination: This Agreement may not be terminated by either party except as provided herein or by a written agreement signed by both parties.

6.2 Insolvency of Minges: County shall have the right, in its discretion, to declare the Agreement terminated, if (1) by the order of a court of competent jurisdiction, a receiver, liquidator, custodian or trustee of Minges, or of a major part of its property, shall be appointed and the order shall not have been discharged within sixty (60) days, or if, by decree of such a court, Minges shall be adjudicated insolvent or a major part of its property shall have been sequestered and such decree shall have continued undischarged and unstayed for sixty (60) days after the entry thereof, or if a petition to reorganize Minges pursuant to the Federal Bankruptcy Code or any other similar statute applicable to Minges, as now or hereinafter in effect, shall be filed against Minges and such petition shall not be dismissed within sixty (60) days after such filing, or Minges shall be adjudicated bankrupt or shall file a petition in voluntary bankruptcy under any provision of any bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any such law; or (2) Minges shall make an assignment for the benefit of its creditors, shall admit in writing

its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of a major part of its property.

6.3 Default: In the event Minges fails to perform its obligations under the Agreement in the Real Estate Contract, County may terminate this Agreement as a result of such failure upon a 30 day written notification.

ARTICLE VII

Indemnity and Representations

7.1 Minges shall indemnify County against all expenses, liabilities and claims of every kind, including reasonable attorneys' fees, incurred in favor of any person or entity arising out of either a failure by the Minges to perform any of the terms or conditions of this Agreement, or failure by Minges to comply with any law of any governmental authority which may arise in the course of the performance of this Agreement.

7.2 Minges and County represent and warrant that they have the legal right and authority to enter into this agreement and to perform their respective obligations hereunder.

ARTICLE VIII

Miscellaneous

8.1 Amendment: This Agreement may not be modified or amended except by subsequent written agreement authorized by each party and signed by authorized representatives of both parties.

8.2 Severability: If any of the provisions of this Agreement shall be held by a court of competent jurisdiction to be unconstitutional or unenforceable, the decision of such court shall not affect or impair any of the remaining provisions of this Agreement, and the parties shall, to the extent they deem to be appropriate, take such actions as are necessary to correct any such unconstitutional or unenforceable provision. It is hereby declared to be the intent of the parties to this Agreement that this Agreement would have been approved and executed had such an unconstitutional or unenforceable provision been excluded therefrom.

8.3 Entire Agreement: This document contains the entire Agreement between the Parties, and no statement, oral or written, made by either party or agent of either party that is not contained in this Agreement shall be valid or binding.

8.4 Remedies: This Agreement shall be enforceable by the Parties hereto by all remedies available at law or in equity, including but not limited to specific performance. Failure or delay to exercise any right, remedy or privilege hereunder shall not operate as a waiver of such right, remedy or privilege nor prevent subsequent enforcement thereof.

8.5 Covenant of Further Assurances: County and Minges agree that from and after the date of execution hereof, each will, upon the request of the other, execute and deliver such other documents and instruments and take such other actions as may be reasonably required to carry out the purpose and intent of this Agreement and that each shall have an ongoing duty of good faith and fair dealing with the other..

8.6 Assignment: No assignment (in whole or in part), delegation, transfer, or novation of this Agreement or any part thereof shall be made unless approved by both County and Minges.

8.7 Multiple Originals: This Agreement shall be executed by the parties hereto in duplicate originals, each of which, when executed, shall constitute one and the same Agreement and one of which shall be retained by each party.

8.8 Governing Law: This Agreement shall be governed in accordance with the laws of the State of North Carolina and, as applicable, the laws of the United States of America.

8.9 Confidentiality: The Parties agree that the terms and conditions of this Agreement shall be held in the strictest of confidence and shall not, except with the prior approval of the other Party (not to be unreasonably withheld), in any manner be shared with or disseminated to parties who are not Parties to this Agreement, except the Parties may share the terms and conditions with their advisors, for enforcement and defense of rights and duties hereunder, and as required by law, including specifically but not limited to Chapter 132 of the General Statutes of North Carolina.

8.10 Limitations of Liability: Neither Party shall be liable for consequential, incidental, indirect, punitive or special damages, however caused including without limitation for breach of warranty, breach or repudiation of contract, detrimental reliance, tort, strict liability, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.

8.11 Representations and Warranties: Except as specifically agreed to herein, neither part makes any representations or warranties in relation to the subject matter of this Agreement.

ARTICLE IX

Notices

Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed given as of the date it is (a) delivered by hand; (b) mailed, postage prepaid return receipt requested, to the parties at the addresses listed below or later specified in writing; or (c) sent, shipping prepaid, return receipt requested, by a national courier service, to the parties occupying the positions indicated at the addresses listed below.

County: Craven County Board of Commissioners
c/o County Manager
406 Craven Street
New Bern, North Carolina 28560

With copies to: Craven County Economic Developer
406 Craven Street
New Bern, North Carolina 28560

Sumrell Sugg, Attorneys
Attn: Jimmie B. Hicks, Jr. or Arey W. Grady, III
Post Office Drawer 889
New Bern, North Carolina 28563-0889

Minges: Minges Bottling Group
c/o Jeff Minges
PO Box 520
Ayden, NC 28513

IN WITNESS HEREOF, the parties hereto, intending to be bound, have executed this Agreement in duplicate originals the day and year first above written.

CRAVEN COUNTY

BY: _____
_____, CHAIRMAN

ATTEST:

GWENDOLYN BRYAN, CLERK

MINGES BUILDING ACCOUNT, LLC

BY: _____
_____, its _____

EXHIBIT A
[Note and Deed of Trust]

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

**DEED OF TRUST AND
SECURITY AGREEMENT**

THIS DEED OF TRUST AND SECURITY AGREEMENT (this “**Deed of Trust**”) is made and entered into this ____ day of _____, 2014, by and between MINGES BUILDING ACCOUNT, LLC, a North Carolina limited liability company, to JIMMIE B. HICKS, JR., Trustee of Craven County, North Carolina, for the benefit of CRAVEN COUNTY, a North Carolina unit of local government, Beneficiary, is as follows:

RECITALS:

A. Pursuant to the terms of an Agreement Conveying Real Property for Economic Development Purposes (the “**Agreement**”) dated as of July, 2014 by and between Grantor and Beneficiary, Grantor is indebted to Beneficiary in the principal amount of SIXTY SEVEN THOUSAND and No/100 Dollars (\$67,000.00). This obligation is evidenced by a Promissory Note (as the same may be amended or modified from time to time, the “**Note**”) in the amount of \$67,000.00, dated as of July _____, 2014, executed and delivered by Grantor to Beneficiary, which is payable in accordance with its terms, but in no event shall the principal amount of the Note mature later than December 31, 2016. Other charges are payable as and at the rates specified in the Note, as it may be amended or modified from time to time.

B. Grantor desires to secure the payment of the indebtedness evidenced by the Note and any modifications, renewals or extensions thereof, in whole or in part; any payments or advances made by Beneficiary in accordance with the terms of this Deed of Trust; and the fulfillment and performance of the covenants and agreements set forth in the Note, in this Deed of Trust and in the Agreement, by the conveyance of the Land and the other property described below.

GRANTING CLAUSE

NOW, THEREFORE, in consideration of these premises and for the purposes aforesaid, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor has given, granted, bargained, sold, conveyed, assigned, and transferred and does hereby give, grant, bargain, sell, convey, assign and transfer unto Trustee, his heirs, administrators, legal representatives, successors and assigns, all of its right, title and interest in the tract(s) or parcel(s) of land lying and being in the City of New Bern, Craven County, North Carolina, and more particularly described in Exhibit A attached hereto (the “**Land**”).

TOGETHER with all buildings, structures and other improvements now or hereafter located on the Land, or any part or parcel thereof (collectively called the “**Improvements**”); and

TOGETHER with all rights, title and interest of Grantor in and to the minerals, shrubs, timber and other emblements now or hereafter located on the Land, or under or above the Land; and

TOGETHER with all and singular the tenements, hereditaments, easements, privileges and appurtenances thereunto belonging or in anywise appertaining to the Land, and the reversion or reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, claim and demand whatsoever of Grantor of, in and to the same and of, in and to every part and parcel of the Land; and

TOGETHER with a security interest in all machinery, apparatus, equipment, fittings, fixtures, whether actually or constructively attached or to be attached to the Land or the Improvements, and articles of personal property of every kind and nature whatsoever (collectively called the “**Equipment**”), now or hereafter located in, upon or under the Land and used or usable in connection with any present or future operation of the Land or the Improvements and now owned or hereafter acquired by Grantor, including, but without limiting the generality of the foregoing, all heating, air conditioning, freezing, lighting, laundry, incinerating and power equipment; engines; pipes; pumps; tanks; motors; conduits; switchboards; plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, ranges, furnaces, oil burners or units thereof; appliances; air-cooling and air-conditioning apparatus; vacuum cleaning systems; elevators;

escalators; shades; awnings; screens; storm doors and windows; stoves; wall beds; refrigerators; attached cabinets; partitions; ducts and compressors; rugs and carpets; draperies; furniture and furnishings; together with all building materials and equipment now or hereafter delivered to the Land or stored with other supplies to be used in construction of the Improvements on the Land, including without limitation, in a warehouse or at the factory of supplier, and intended to be installed therein, together with all warehouse receipts or other evidence of ownership; together with all additions thereto and replacements thereof (Grantor hereby agreeing with respect to all additions and replacements to execute and deliver from time to time such further instruments as may be requested by Trustee to confirm the conveyance, transfer and assignment of any of the foregoing); and

TOGETHER with any and all rents and security deposits which are now due or hereafter become due by reason of the renting, leasing and bailment of the Land, the Improvements or the Equipment; and

TOGETHER with any and all awards or payments (including but not limited to condemnation awards and insurance proceeds), including interest thereon, and the right to receive the same, as a result of: (a) the exercise of the right of eminent domain; (b) the alteration of the grade of any street; or (c) any other injury, damage or casualty to or taking or loss of, or decrease in the value of, the Land, the Improvements or the Equipment, to the extent of all amounts which may be secured by this Deed of Trust at the date of receipt of any such award or payment by Trustee and of the reasonable attorneys' fees, costs and disbursements incurred by Trustee in connection with the collection of such award or payment.

TO HAVE AND TO HOLD all of the Land, the Improvements, the Equipment and all of the foregoing rights and privileges (collectively called the "**Property**") to Trustee, his heirs, administrators, legal representatives, successors and assigns, in fee simple forever, upon the trust and for the uses and purposes hereinafter set forth. The Deed of Trust will be subordinate at all times to any financing obtained by Grantor (i) to purchase the Property, (ii) construct improvements on the Property, or (iii) refinance any debt related to items (i) and (ii) above. If necessary, Beneficiary agrees to execute an agreement subordinating the lien of this Deed of Trust as required in the immediately preceding sentence.

WARRANTY OF TITLE

Grantor hereby covenants, warrants and represents that it is seised of the Property in fee, and that it has the right to convey the same in fee simple; that the Property is free and clear of all liens and encumbrances; and that it will warrant and defend the title to the Property against the claims of all persons whomsoever. Grantor shall, upon request of Beneficiary, execute and deliver such further instruments or assurances as may be necessary or proper to carry out the true intent and purpose of this Deed of Trust.

SPECIAL TRUST

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if Grantor shall pay or cause to be paid or satisfied the Note in accordance with the terms thereof, and any renewals, extensions or modifications thereof, and shall comply with all of the covenants, terms and conditions of this Deed of Trust and the Agreement, then this conveyance shall be null and void and may be canceled of record at the request and cost of Grantor. But if at any time there shall be any default (whether by acceleration or otherwise) under the Note or the Agreement, or if there shall be any default in the payment of any of the amounts required to be paid under this Deed of Trust or under the Agreement, or if there shall be any default in any other of the terms and conditions of the Note, this Deed of Trust or the Agreement, and if such default is not cured within any applicable notice and cure period, if any, specified in the Agreement, then, at the option of Beneficiary, the entire indebtedness hereby secured shall immediately become due, payable and collectible without notice, regardless of maturity, and this Deed of Trust may be foreclosed by judicial proceedings, or Trustee or the successor of Trustee is hereby authorized and empowered to enter and take possession of the Property, and enter into contracts for the completion of the Property, personally or through his agent, and it shall be lawful for and the duty of Trustee, and he is hereby authorized and empowered, to expose to sale and to sell the Property, in whole or in part and in any order, at public sale for cash, in compliance with the requirements of the laws of the State of North Carolina relating to nonjudicial foreclosure sales in effect on the date such foreclosure is commenced; and at the time and place fixed for the sale to sell the Property, personally or through his agent, to the highest bidder for cash, free from any equity of redemption, homestead, dower or curtesy, and all other exemptions, all of which are

hereby expressly waived. Upon such sale, Trustee shall execute a conveyance in fee simple to and deliver possession to the purchaser, and such sale by Trustee or his agent will create the relation of landlord and tenant at will between the purchaser at such sale and Grantor, or its successors, lessees and assigns. Without notice and upon default of such party in surrendering possession of the Property, such party may be removed by a writ of ejectment at the suit of either the purchaser or Trustee for the use and benefit of the purchaser. Trustee may sell the Equipment in whole or in part and in any order, together with the Land and the Improvements or separately, and the Equipment may be assembled for such sale by Trustee on the Land or elsewhere, in Trustee's sole discretion. Beneficiary may bid and become the purchaser at any sale under this Deed of Trust. After retaining not more than one percent (1%) of the gross proceeds of the sale as compensation to Trustee, plus all expenses incurred by him including, but not limited to, the reasonable attorneys' fees for legal services actually performed, Trustee shall apply the residue of the proceeds first to pay the expense of making, maintaining and executing this trust and protecting the Property, second to the payment of the indebtedness secured hereby and the balance, if any, shall be paid as required by law. Trustee may require the successful bidder at any sale to deposit immediately with Trustee cash or a certified check in an amount not to exceed ten percent (10%) of the bid, provided notice of such requirement is contained in the advertisement of sale. The bid may be rejected if the deposit is not immediately made, and thereupon the next highest bidder may be declared to be the purchaser. Such deposit shall be refunded without interest, in case a resale is had; otherwise, it shall be applied to the purchase price.

GRANTOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Covenant to Pay Indebtedness and Taxes.

(a) Grantor will pay the indebtedness secured hereby, including principal (as defined in the Note), as and when due, and will pay prior to delinquency all taxes (subject to the provisions of paragraph 1(b) hereof), assessments, levies and other charges of every character upon or against the Property.

(b) Notwithstanding anything herein to the contrary, if Grantor in good faith believes that any tax, assessment or other charge payable by it shall be invalid, excessive or unenforceable in whole or in part, Grantor, upon written notice to Beneficiary in accordance with paragraph 9 below, may, at its sole expense, contest the validity, amount or enforceability of any such tax, assessment or other charge, provided that such tax is bonded off or other security satisfactory to Beneficiary has been posted so that the Property, or any part thereof, is not in danger of being forfeited. In such event, Grantor shall comply with all requirements of law as to conditions precedent to making any contest, and Grantor covenants to protect Beneficiary against foreclosure of any lien resulting from imposition of any tax, assessment or other charge which Grantor may contest.

2. **Insurance;Restoration.** Grantor will keep the buildings and other improvements now or hereafter located on the Property insured against loss and damage by fire, flood (if any of the Improvements is located in an area having “special flood hazards,” as defined in the Federal Flood Protection Act of 1973), tornado and windstorm, with builder’s risk or extended coverage, as applicable, against all risks in an amount not less than one hundred percent (100%) of the full replacement cost of such property, and against such other hazards as Beneficiary may reasonably require, including public liability coverage (combined single limit minimum of One Million and No/100 Dollars [\$1,000,000.00]). All such insurance shall be in amounts satisfactory to Beneficiary if not otherwise specified above, but not less than the amounts sufficient to prevent any coinsurance liability, and shall be for the benefit of Beneficiary, with loss, if any, to be made payable in the policy or policies of insurance to Beneficiary as its interest may appear, the loss payable clauses to be in such form as Beneficiary may require. All such policies shall name Beneficiary as an additional insured and shall contain such provisions as Beneficiary may deem necessary or desirable to protect its interest, including but not limited to (a) a standard noncontributing mortgagee clause, and (b) a provision requiring that thirty (30) days’ written notice be given to Beneficiary before any such policy is canceled or not renewed for any reason, including but not limited to nonpayment of premiums, or before there is any material change in the risks or coverages insured or the deductibles thereon. All insurance shall be in companies approved by Beneficiary with a Best’s Insurance Guide rating of at least A:XII; and originals or certified true copies of the policies and renewals thereof shall, when issued, be immediately delivered to Beneficiary, and Grantor will pay all premiums for said policies. In the event of a

transfer of the Property, including a transfer by foreclosure or deed in lieu of foreclosure, Grantor's interest in the insurance policies referred to above and any return premiums in connection therewith shall automatically be transferred to the successor in title to Grantor's interest in the Property. Each of the foregoing insurance policies shall be renewed and evidence thereof submitted to Beneficiary at least thirty (30) days prior to expiration. If Grantor fails or refuses to keep the Property so insured, Beneficiary may obtain such insurance without prejudice to its right to foreclose this Deed of Trust by reason of such default. If any insurance policy or part thereof shall expire or be withdrawn, or become void or subject to cancellation by reason of the breach of any condition thereof, or become void by reason of the failure or impairment of the capital of any company in which the insurance shall be carried, or if for any reason whatsoever the insurance shall be unsatisfactory to Beneficiary, Beneficiary may procure such insurance as it deems necessary to protect its sole interests in the Property.

In the event of casualty or damage to or loss of any of the Property, Grantor will give immediate oral and written notice to Beneficiary, who may make proof of loss if not made promptly by Grantor. Beneficiary shall have the option, in Beneficiary's sole discretion, to apply all or any part of any insurance proceeds from any such casualty, damage or loss to the reduction of the indebtedness secured hereby in any order chosen by Beneficiary.

3. **Beneficiary's Self-Help Remedy.** If Grantor: (a) defaults in the payment of any tax, lien, assessment, charge or any utility charge, whether public, private, levied or assessed against the Property; (b) defaults in the payment of any insurance premiums; (c) fails to keep the Property in repair; (d) commits, suffers or permits waste; or (e) fails in the performance or observance of any other covenant, condition or term of this Deed of Trust; or if any action at law or equity or any proceeding affecting the title to the Property is commenced, Beneficiary at its option may, without waiving any rights or recourse against Grantor for such default and regardless of whether any period granted to Grantor in the Note, this Deed of Trust or the Agreement to cure any such default has expired, pay said tax, lien, assessment, charge, utility charge or premium, perform any obligation or make such repairs and take such steps as are necessary to prevent or cure such waste, and may appear in any such necessary action as Beneficiary deems advisable in Beneficiary's sole discretion, and for any of said purposes, Beneficiary may, but shall not be obligated to, advance such sums of money as it deems

necessary. All advances made by Beneficiary in connection therewith shall be secured by this Deed of Trust, and shall, upon demand, immediately be repaid by Grantor to Beneficiary with interest thereon at the rate of twelve percent (12%), or the highest rate permitted by law, whichever is less, per annum. Beneficiary shall be the sole judge, in the exercise of reasonable discretion, of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium; of the necessity for any such action and of the amount necessary to be paid in satisfaction thereof. Beneficiary, subject to the rights, if any, of tenants or subtenants in lawful possession of the Property, is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such default, covenant, condition or term, without thereby becoming liable to Grantor or to any person in possession holding under Grantor.

4. **Grantor's Property Maintenance Covenant.** Grantor will keep and maintain the Property in first-class order, repair and condition; and it will not commit or permit any waste. Beneficiary shall have the right to inspect the Property at all reasonable times, and access thereto shall be permitted for that purpose to it or its authorized agents. Grantor shall neither permit nor perform any act which would impair the value of the Property or increase the risk of fire or other hazard to the Property. Nor shall Grantor remove any fixture owned by it located thereon unless said fixture is replaced by a fixture of equal value and utility. Grantor shall give notice orally and in writing to Beneficiary of any material loss or damage to the Property caused by any casualty.

5. **Removal and Replacement of Trustee.** Beneficiary shall at any time and from time to time have the irrevocable right to remove Trustee without notice or cause and to appoint his successor by an instrument in writing, duly acknowledged, in such form as to entitle such written instrument to be recorded in the Craven County Public Registry, and in the event of the death or resignation of Trustee, Beneficiary shall have the right to appoint his successor by such a written instrument; and upon the recordation of any such instrument, any substitute trustee so appointed shall be vested with the title to the Property, and shall possess all the powers, duties and obligations herein conferred on Trustee in the same manner and to the same extent as though he were originally named herein as Trustee.

6. **Compliance With Laws; Zoning.** Grantor will promptly comply with any applicable legal requirements of the State of North Carolina or any other governmental entity, agency or instrumentality relating to the use or condition of the Property including, without limitation, all zoning conditions, and will not cause, suffer or permit any change in the zoning of the Property. Grantor shall comply with the terms of all restrictions, easements and utility agreements affecting the Property.

7. **Appointment of Receiver.** Beneficiary shall have the right, after default in any of the terms, covenants or agreements contained in this Deed of Trust, or contained in the Note or the Agreement, and upon the expiration of any applicable grace period specified in the Agreement, to the appointment of a receiver to take possession of the Property and to collect the rents and profits from the Property without consideration of the value of the Property or the solvency of any person liable for the payment of the amounts then owing; and all amounts collected by the receiver shall, after paying the expenses of the receivership which Beneficiary deems necessary, be applied to the payment of the indebtedness secured hereby; and Beneficiary, at its option, in lieu of an appointment of a receiver, shall have the right to do the same. If such receiver is appointed, or if there is a sale of the Property, as provided above, Grantor, or any person in possession of all or part of the Property thereunder, as tenant (except a tenant under a lease that is superior to the lien of this Deed of Trust) or otherwise, shall become a tenant at will of the receiver or of the purchaser and may be removed by a writ of ejectment, summary or other lawful remedy. Grantor will pay to Beneficiary upon demand all expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions contained in this paragraph 7 and all such expenses shall be secured by this Deed of Trust and shall bear interest at the rate of twelve percent (12%), or the highest rate permitted by law, whichever is less, per annum from the date advanced until paid.

8. **No Waiver of Default or Remedy.** No delay or forbearance by Beneficiary in exercising any or all of its rights under this Deed of Trust or rights otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default as set forth herein or in the event of any subsequent default hereunder, and all such rights shall be cumulative. In case Beneficiary or Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the Property or to protect the lien of this Deed of Trust,

11. **Grantor's Covenant of Performance as Lessor.** Grantor will faithfully perform the covenants of the lessor contained in any present or future lease by it of any part or all of the Property, and in pursuance thereof, will neither do anything nor neglect to do anything, nor permit anything to be done which would cause the modification or termination (other than for tenant default) of any of said leases, or of the obligation of any tenant, his or its successors and assigns, or the rents provided for therein. To the extent permitted by law, all leases shall be subordinate or superior to the lien of this Deed of Trust, at the election of Beneficiary. To the extent permitted by law, if at any time there is any conflict between any provision of this Deed of Trust and any provision of the aforesaid leases, then such provision of this Deed of Trust shall govern and apply.

12. **Assignment of Leases and Rents.** Grantor agrees not to enter into any leases affecting the Property without the prior written consent of Beneficiary. If Grantor enters into any such leases, Grantor hereby assigns and sets over to Beneficiary all leases and all rents and security deposits hereafter accruing from the Property as additional security for the indebtedness secured hereby, and Beneficiary is given a prior and continuing lien thereon. Grantor hereby appoints Beneficiary its attorney to collect such rents with or without suit, and to apply the same, less expenses of collection, to said indebtedness and to repairs in such manner as Beneficiary may elect; provided, that until there occurs a default by Grantor in the performance of its agreements and undertakings under this Deed of Trust or under the Note, Grantor may continue to collect and enjoy said rents as they fall due without accountability to Beneficiary. This assignment and power of attorney shall apply to all leases, security deposits, rentals and other amounts received from tenants in the future, whether by present or by future owners of the Property; shall be in addition to other remedies herein provided for in event of default; and may be put into effect independently or concurrently with any of such remedies, but no liability shall attach to Beneficiary on account of failure or inability to collect any such rents.

13. **Severability.** If any clauses or provisions contained in this Deed of Trust shall operate or would prospectively operate to invalidate this Deed of Trust in whole or in part, then such clauses and provisions only shall be held for naught, as though not contained in this Deed of Trust, and the remainder of this Deed of Trust shall remain operative and in full force and effect.

14. **Definition of Terms.** The words “Grantor,” “Trustee” and “Beneficiary” shall include all individuals, corporations and any and all other persons or entities, and the respective heirs, executors, administrators, legal representatives, successors and permitted assigns of the parties hereto; and all those holding under any of them, and the pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the word “Note” shall also include one or more notes and the grammatical construction of sentences shall conform thereto. The term “Beneficiary” and the phrase “holder of the Note secured hereby” shall be treated as interchangeable.

15. **Security Agreement.** Grantor hereby grants to Beneficiary to secure payment and performance of the indebtedness evidenced by the Note a security interest in all portions of the Property that are or are deemed to be personal property and not a part of the realty. Grantor covenants and agrees that the terms and conditions of this Deed of Trust, insofar as they govern the relationships between Grantor on the one hand and Trustee and Beneficiary on the other, shall be deemed to apply appropriately as the terms and conditions of a Security Agreement under the Uniform Commercial Code (the “UCC”) as adopted in North Carolina, the lien of which shall be perfected by filing financing statements showing the Beneficiary’s interest as a lienholder or creditor with respect to any class of items constructed, installed, placed, planted or growing on the Property or related to or arising out of the operation of the Property and described in any UCC financing statements filed by or on behalf of Beneficiary. In the event of default, Beneficiary, as secured party, and Grantor, as debtor, shall have, without limitation, all of the rights and remedies provided for in the UCC.

16. **Subrogation of Beneficiary to Rights of Third Parties.** Beneficiary shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid by Beneficiary as provided in paragraph 3 above.

17. **Releases and Extensions.** Without affecting the liability of any person (other than any person released pursuant to the provisions of this paragraph) for payment of any indebtedness secured hereby, and without affecting the priority or extent of the security title hereof upon any property not specifically released pursuant hereto, Beneficiary may at any time and from time to time (a) release any person liable for payment of any indebtedness secured

hereby; (b) extend the time or agree to alter the terms of payment of any of the indebtedness; (c) accept additional security of any kind; (d) release any portion of the Property; or (e) consent to the creation of any easement on or over the Property or any covenants restricting the use or occupancy thereof.

18. **Further Documentation.** At any time, and from time to time, upon request by Beneficiary, Grantor will make, execute and deliver or cause to be made, executed and delivered, to Beneficiary any and all other further instruments, certificates and other documents, including without limitation financing statements with respect to all additions and replacements of the Property, as may be necessary in order to effectuate, complete, enlarge or perfect or to continue and preserve the obligation of Grantor under the Note and the priority of this Deed of Trust. Upon any failure by Grantor to execute and deliver such instruments, certificates and other documents within thirty (30) days after receipt of written request therefor, Beneficiary may make, execute and record any and all such instruments, certificates and documents for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor so to do.

19. **Governing Law.** This agreement is delivered and is intended to be performed in the State of North Carolina and shall be construed in accordance with the laws of said State.

20. **Election of Remedies.** The rights of Trustee and Beneficiary, granted and arising under the clauses and covenants contained in this Deed of Trust, the Note and the Agreement, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which Trustee and Beneficiary may have in law or equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under this Deed of Trust, the Note and the other Loan Documents, and preservation of security as provided at law. No act of Trustee or Beneficiary shall be construed as an election to proceed under any one provision, or an election of remedies to the bar of any other remedy allowed at law or in equity.

21. **Condemnation.** Grantor agrees to notify Beneficiary immediately in writing of the commencement of any eminent domain or condemnation proceedings affecting the Property. All monies and awards payable as damages and/or compensation, for the taking of title to or

possession of, or for damages to, or on account of change of grade affecting, any portion of the Property by reason of any condemnation, eminent domain, change of grade, or other proceeding shall at the sole option and discretion of Beneficiary be paid to Beneficiary, unless otherwise expressly agreed in writing between Grantor and Beneficiary. Such moneys and awards are hereby assigned to Beneficiary, and judgment therefor shall be entered in favor of Beneficiary, and when paid may, at the option of Beneficiary: (a) be applied, in whole or in part, by Beneficiary upon any indebtedness (including accrued but unpaid interest and other amounts secured hereby or payable under the Note or hereunder) or obligation secured hereby, whether the same be matured or unmatured, and in such order as Beneficiary may determine; (b) be used in whole or in part to replace or restore the Property to a condition satisfactory to Beneficiary; (c) be used in whole or in part to fulfill any of the covenants contained herein as Beneficiary may determine; or (d) be released to Grantor. Grantor hereby covenants and agrees, upon request by Beneficiary, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid moneys and awards to Beneficiary free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

22. **Liens.** Grantor agrees to ensure that no liens are filed against the Property by reason of any services or materials supplied thereto, whether such services or materials are supplied to Grantor or to some person, firm or corporation in possession of all or a part of the Property through or under Grantor, or, if any such lien is filed against all or part of the Property, to, within fifteen (15) days after notice of the filing of any lien, cause the same to be discharged by deposit, bond, order or otherwise.

23. **Grantor's Estoppel.** Grantor, upon ten (10) days' prior written notice, shall furnish Beneficiary a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any offsets or defenses exist against such principal and interest.

24. **Grantor's Waivers.** To the extent permitted by law, the Grantor hereby waives the right of redemption, any homestead exemptions and any right of appraisalment.

25. **Hazardous Wastes.**

(a) To the best of Grantor's knowledge and except as set forth in the environmental reports provided to Beneficiary, (i) No Hazardous Materials (as defined below) are unlawfully stored or otherwise unlawfully located in, on or under the Property, and no part of the Property, including the groundwater located thereon and thereunder, is presently unlawfully contaminated by any such substances; (ii) no improvements on the Property contain any friable asbestos or substances containing asbestos and deemed hazardous by any federal, state or local laws, regulations or orders respecting such material; (iii) there have been no releases by the Grantor or any other party of Hazardous Materials on the Property; and (iv) the foregoing statements are true and correct with respect to all of the real property adjoining any of the Property.

(b) To the best of the Grantor's knowledge, the Property has never been used as or for a mine, a landfill, a dump or other disposal facility, a gasoline service station, or a petroleum products storage facility, and none of the Property is located on a site which, pursuant to any Environmental Law (as defined below), has been placed on the "National Priorities List" or "CERCLIS List" (or any similar state list) of hazardous waste sites.

(c) To the best of Grantor's knowledge and except as set forth in the environmental reports provided to Beneficiary, there are no underground storage tanks situated on the Property and no subsurface storage tanks have ever been situated on the Property.

(d) All activities and operations of the Grantor meet the requirements of all applicable Environmental Laws, as defined below.

(e) The Grantor has never sent a Hazardous Material to a site which, pursuant to any Environmental Law, (1) has been placed on the "National Priorities List" of hazardous waste sites, or (2) which is subject to a claim, an administrative order or other request to take "removal" or "remedial" action, as defined in any Environmental Law, or to pay for the costs of cleaning up such a site.

(f) The Grantor is not involved in any suit or proceeding and has not received any notice from any governmental agency or authority with respect to a release of Hazardous

Materials and has not received notice of any claims from any person or entity relating to Property damage or to personal injuries from exposure to Hazardous Materials.

(g) The Grantor has timely filed all material reports required to be filed, has acquired all necessary and material certificates, approvals and permits and has generated and maintained in all material respects all required data, documentation and records under all Environmental Laws.

(h) The Grantor shall not, in violation of any Environmental Law, bring onto the Property any Hazardous Materials, and if any such substance is brought or found thereon, it shall be immediately removed, with proper disposal, and all required environmental cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws, and the Grantor's obligations hereunder shall survive any foreclosure of this Deed of Trust.

(i) The Grantor shall promptly, after any officer of the Grantor learns or obtains knowledge of the occurrence thereof, give written notice to the Beneficiary of receipt of any written notices of violation or noncompliance from any governmental agency or authority with respect to Environmental Laws.

(j) The Grantor shall indemnify the Beneficiary pursuant to an Environmental Indemnity Agreement dated the date hereof by Grantor in favor of Beneficiary, which Environmental Indemnity Agreement is hereby incorporated herein by reference as if fully set forth herein. Notwithstanding the foregoing, the indemnity of Grantor shall not extend to any Hazardous Materials first placed on the Property following the date that Beneficiary or its designee first acquires possession of the Property, whether by foreclosure, deed in lieu of foreclosure, or otherwise.

(k) Beneficiary shall have, and Grantor hereby grants to Beneficiary, the right to enter upon the Property to verify compliance by Grantor with the terms of this paragraph 25 and to conduct such environmental assessments and audits as Beneficiary shall deem advisable; *provided, however,* GRANTOR ACKNOWLEDGES THAT IT SHALL HAVE THE SOLE RESPONSIBILITY FOR ALL HAZARDOUS WASTE HANDLING PRACTICES AND

ENVIRONMENTAL PRACTICES, AND GRANTOR HAS FULL DECISION MAKING POWER WITH RESPECT THERETO.

As used herein, “Hazardous Materials” means any substances or materials (i) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants or toxic substances under any Environmental Law; (ii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, mutagenic or otherwise hazardous and are or become regulated by any governmental agency or authority; (iii) the presence of which require investigation or remediation under any Environmental Law or common law; (iv) which are deemed to constitute a nuisance, a trespass or pose a health or safety hazard to persons or neighboring properties; (v) which include, without limitation, underground or aboveground storage tanks, whether empty, filled or partially filled with any substance; and/or (vi) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil or any fraction thereof, nuclear fuel, natural gas or synthetic gas.

As used herein, “Environmental Laws” shall mean any and all federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, guidances, interpretations, orders of courts and governmental agencies or authorities and all other legal requirements relating to the protection of human health or the environment, including, but not limited to, requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials. Environmental Laws include, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 *et. seq.*) (“CERCLA”), the Hazardous Material Transportation Act (49 U.S.C. § 1801 *et. seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et. seq.*) (“RCRA”), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et. seq.*), the Clean Air Act (42 U.S.C. § 7401 *et. seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et. seq.*), the Safe Drinking Water Act (42 U.S.C. § 300, *et. seq.*), the Environmental Protection Agency’s regulations relating to underground storage tanks (40 C.F.R. Parts 280 and 281), and the Occupational Safety and Health Act (29 U.S.C. § 651 *et. seq.*) (“OSHA”), as such laws have been or are in the future

amended or supplemented and any analogous future federal, or present or future applicable state or local statutes, and the rules and regulations promulgated thereunder.

26. **Captions**. All captions used herein are for organizational purposes only and in no way limit, expand or otherwise affect the meaning or effect of the provisions hereof.

[Remainder of page is left blank intentionally.]

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust and Security Agreement as of the day and year first above written.

GRANTOR:

MINGES BUILDING ACCOUNT, LLC,
A NORTH CAROLINA LIMITED LIABILITY
COMPANY

By: _____

Name: _____

Title: _____

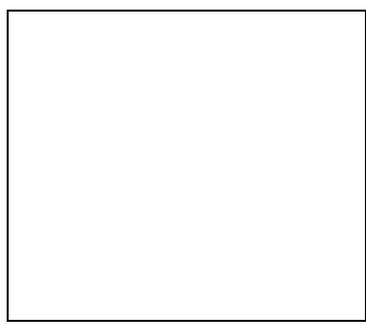
NORTH CAROLINA
CRAVEN COUNTY

I, the undersigned Notary Public of the County of _____ and State of North Carolina, do hereby certify that _____ personally appeared before me this day and acknowledged (i) that he/she is the _____ of **MINGES BUILDING ACCOUNT, LLC**, a limited liability company, and (ii) that by authority duly given and as the act of such limited liability company, he signed the foregoing instrument in the name of such limited liability company on such limited liability company's behalf as its act and deed.

WITNESS my hand and notarial seal, this _____ day of July, 2014.

My Commission Expires:

NOTARY PUBLIC



NOTARY SEAL/STAMP MUST APPEAR
LEGIBLY IN ABOVE BOX

EXHIBIT A

LEGAL DESCRIPTION

PROMISSORY NOTE

\$67,000.00

New Bern, North Carolina

July ___, 2014

FOR VALUE RECEIVED, the receipt of which is acknowledged, Minges Building Account, LLC, a North Carolina limited liability company (the “**Borrower**”) promises to pay to Craven County, a North Carolina unit of local government (the “**Lender**”), or order, at such other place as the legal holder hereof may designate in writing, the principal sum of SIXTY SEVEN THOUSAND AND NO/100 DOLLARS (\$67,0000.00), as provided herein. The entire unpaid principal balance of this Note shall be due and payable on December 31, 2016.

The principal balance of this Note thereon shall be payable upon a default by Borrower under the Agreement Conveying Real Property for Economic Development Purposes between Borrower and Lender dated as of July ___, 2014 (the “**Agreement**”), the terms and conditions of which are incorporated in this Note by reference. It is agreed that Borrower and Lender are not partners or joint venturers, but that Lender is a creditor and Borrower is a debtor under this Note. The indebtedness evidenced by this Note may be prepaid, in whole or in part, at any time without penalty.

This Note is secured by a Deed of Trust and Security Agreement (the “**Deed of Trust**”) dated as of July ___, 2014, executed and delivered by Borrower to Jimmie B. Hicks, Jr., Trustee for the benefit of Lender, conveying certain real estate and other property described therein, and duly recorded in the Office of the Register of Deeds of Craven County, North Carolina. The Deed of Trust will be subordinate at all times to any financing obtained by Borrower (i) to purchase the property described in the Deed of Trust, (ii) construct improvements on the property described in the Deed of Trust, or (iii) refinance any debt related to items (i) and (ii) above. If necessary, Lender agrees to execute an agreement subordinating the lien of its Deed of Trust as required in the immediately preceding sentence.

Upon the occurrence of any default under the Agreement and the expiration of any applicable notice and cure period specified in the Agreement, Lender shall have the right, at its option and election, to accelerate the indebtedness evidenced by this Note and declare the entire principal balance immediately due and payable in full. Upon such acceleration by Lender, Borrower promises to pay the full principal amount of this Note in accordance with the terms of the

Agreement, together with all costs and expenses incurred in connection with the collection or attempted collection of this Note and the protection of the security for this Note, including reasonable attorneys' fees, whether or not suit is instituted. As used in this Note, the term "reasonable attorneys' fees" shall mean those fees actually charged by attorneys selected by Lender, based upon their standard rates, as opposed to any statutory presumption that may then be in effect in the State of North Carolina.

All parties to this Note, whether principals, sureties, guarantors or endorsers, hereby waive presentment for payment, demand, protest and notice of dishonor, and all defenses on the ground of extension of time for the payment hereof, which may be given by Lender to them or any of them, or to anyone who has assumed the payment of this Note.

No delays on the part of Lender in exercising any right under this Note or under the Loan Agreement shall operate as a waiver thereof or preclude the exercise thereof at any time during the continuance of any default or during the continuance of any subsequent default.

This Note may not be modified or terminated orally. This Note shall be construed and enforced in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, Borrower has executed this Note as of the day and year first above written.

MINGES BUILDING ACCOUNT, LLC,
a North Carolina Limited Liability Company

By: _____

Name: _____

Title: _____

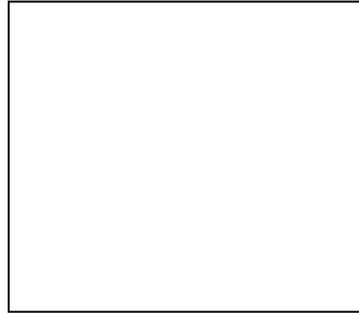
NORTH CAROLINA
CRAVEN COUNTY

I, the undersigned Notary Public of the County of _____ and State of North Carolina, do hereby certify that _____ personally appeared before me this day and acknowledged (i) that he/she is the _____ of **MINGES BUILDING ACCOUNT, LLC**, a limited liability company, and (ii) that by authority duly given and as the act of such limited liability company, he/she signed the foregoing instrument in the name of such limited liability company on such limited liability company's behalf as its act and deed.

WITNESS my hand and notarial seal, this _____ day of July, 2014.

My Commission Expires:

NOTARY PUBLIC



NOTARY SEAL/STAMP MUST APPEAR
LEGIBLY IN ABOVE BOX



AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

North Carolina Association of REALTORS®

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between

Minges Building Account, LLC

a(n) NC Limited Liability Company ("Buyer"), and (individual or State of formation and type of entity)

Craven County

a(n) government entity ("Seller"). (individual or State of formation and type of entity)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 110 Corporate Lane, New Bern, NC 28560. Craven County PIN#: 8-217-5004

Plat Reference: Lot(s) 30, Block or Section G-103-C at Page(s) Craven County, consisting of 8 acres.

[X] If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference,

(For information purposes: (i) the tax parcel number of the Property is: 8-217-5004; and, (ii) some or all of the Property, consisting of approximately 8 acres, is described in Deed Book 1604, Page No. 1010, Craven County.)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on Exhibit A.

\$ 93,000.00 (b) "Purchase Price" shall mean the sum of Ninety-Three Thousand Dollars, payable on the following terms:

\$ 5,000.00 (i) "Earnest Money" shall mean Five Thousand Dollars or terms as follows:

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with Century 21 Zaytoun-Raines (name of person/entity with whom deposited), to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.



This form jointly approved by: North Carolina Bar Association, North Carolina Association of REALTORS®, Inc.

STANDARD FORM 580-T Revised 7/2013 © 7/2013

Buyer Initials Seller Initials

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

\$ _____ (ii) Proceeds of a new loan in the amount of _____ Dollars for a term of _____ years, with an amortization period not to exceed _____ years, at an interest rate not to exceed _____ % per annum with mortgage loan discount points not to exceed _____ % of the loan amount, or such other terms as may be set forth on Exhibit B. Buyer shall pay all costs associated with any such loan.

\$ _____ (iii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____ %) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$ _____ (iv) Assumption of that unpaid obligation of Seller secured by a deed of trust on the Property, such obligation having an outstanding principal balance of \$ _____ and evidenced by a note bearing interest at the rate of _____ percent (_____ %) per annum, and a current payment amount of \$ _____. The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including any assumption fee charged by the lender. At or before Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller, including but not limited to any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited said amounts at Closing.

\$ 88,000.00 (v) Cash, balance of Purchase Price, at Closing in the amount of Eighty-Eight Thousand Dollars.

Buyer Initials  Seller Initials _____

(c) "**Closing**" shall mean the date and time of recording of the deed. Closing shall occur on or before September 11, 2014 or _____

(d) "**Contract Date**" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "**Examination Period**" shall mean the period beginning on the first day after the Contract Date and extending through through 11:59pm (based upon time at the locale of the Property) on August 21, 2014

TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.

(f) "**Broker(s)**" shall mean: _____ ("Listing Agency"),
_____ ("Listing Agent" - License # _____)
Acting as: Seller's Agent; Dual Agent
and Century 21 Zaytoun-Raines ("Selling Agency"),
Michael Raines ("Selling Agent" - License # 217510)
Acting as: Buyer's Agent; Seller's (Sub) Agent; Dual Agent

(g) "**Seller's Notice Address**" shall be as follows:

except as same may be changed pursuant to Section 12.

(h) "**Buyer's Notice Address**" shall be as follows:

312 S Front St
New Bern, NC 28560
Ph (252) 633-3069 / Fax (252) 633-5515

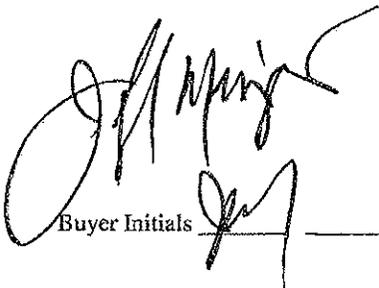
except as same may be changed pursuant to Section 12.

(i) If this block is marked, additional terms of this Agreement are set forth on **Exhibit B** attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached **Exhibit B**, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following:

See Exhibit B



Buyer Initials _____

Seller Initials _____

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following:

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Section 5. Evidence of Title: Seller agrees to convey fee simple marketable and insurable title to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (if applicable) and (c) matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on Exhibit A) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **New Loan:** The Buyer must be able to obtain the loan, if any, referenced in Section 1(b)(ii). Buyer must be able to obtain a firm commitment for this loan on or before _____, effective through the date of Closing. Buyer agrees to use its best efforts to secure such commitment and to advise Seller immediately upon receipt of lender's decision. On or before the above date, Buyer has the right to terminate this Agreement for failure to obtain the loan referenced in Section 1(b)(ii) by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Notwithstanding the foregoing, after the above date, Seller may request in writing from Buyer a copy of the commitment letter. If Buyer fails to provide Seller a copy of the commitment letter within five (5) days of receipt of Seller's request, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the commitment letter, and Buyer shall receive a return of Earnest Money.

(b) **Qualification for Financing:** If Buyer is to assume any indebtedness in connection with payment of the Purchase Price, Buyer agrees to use its best efforts to qualify for the assumption. Should Buyer fail to qualify, Buyer shall notify Seller in writing immediately upon lender's decision, whereupon this Agreement shall terminate, and Buyer shall receive a return of Earnest Money.

(c) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(d) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

Page 4 of 8

Buyer Initials _____ Seller Initials _____

STANDARD FORM 580-T

Revised 7/2013

© 7/2013

Craven County

Note: For purposes of this Agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller shall pay all owners' association assessments and all governmental assessments confirmed as of the date of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any.

Seller represents that the regular owners' association dues, if any, are \$ _____ per _____.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determinations with respect to conditions related to or occasioned by the existence of such materials at the Property.

Buyer Initials _____ Seller Initials _____


THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

BUYER:

SELLER:

Individual

Individual

Date: _____

Date: _____

Date: _____

Date: _____

Business Entity

Business Entity

Minges Building Account, LLC
(Name of Entity)

Craven County
(Name of Entity)

By: _____

By: _____

Name: See Signature Addendum

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

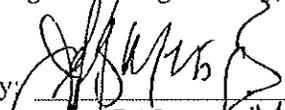
The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

Century 21 Zaytoun-Raines
(Name of Firm)

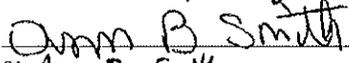
Date: _____

By: Michael Raines

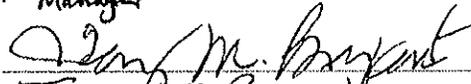
Buyer:
Minges Building Account, LLC

By: 
Name: JEFF Minges
Title: MEMBER/Manager

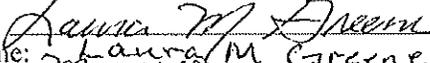
June 9, 2014
Date

By: 
Name: Ann B. Smith
Title: Manager

June 10, 2014
Date

By: 
Name: Terry M. Bryant
Title: Manager

June 11, 2014
Date

By: 
Name: Laura M. Greene
Title: Manager

June 11, 2014
Date

#171773

Exhibit A

Craven County Geographic Information System

Craven County does NOT warrant the information shown on this page and should be used ONLY for tax assessment purposes.
This report was created by Craven County GIS reporting services on 6/6/2014 8:24:12 AM

Parcel ID : 8-217 -5004
Owner : CRAVEN COUNTY
Mailing Address : 406 CRAVEN ST NEW BERN NC 28560
Property Address : 110 CORPORATE LN
Description : LOT 30 ECONOMIC DEV COMMISSION OF THE INDUSTRIAL PARK
Lot Description : 440 X 671.06 IRR



Assessed Acreage :	8.060	Calculated Acreage :	8.050
Deed Reference :	1604-1010	Recorded Date :	6 29 2000
Recorded Survey :	G-103-C		
Estate Number :			
Land Value :	\$209,560	Tax Exempt :	Yes
Improvement Value :	\$0	# of Improvements :	0
Total Value :	\$209,560		
City Name :		Fire tax District :	WEST OF NEW BERN 2
Drainage District :		Special District :	
Land use :	COMM-GENERAL COMMERCIAL USE		

Recent Sales Information

No Sales Information for this parcel

List of Improvements to Site

No improvements listed for this parcel

Seller:
County of Craven
By:
Name: Date
Title:

Exhibit B to
Agreement for Purchase and Sale of Real Property
Between
County of Craven, as "Seller," and
Minges Building Account, LLC, as "Buyer"

1. Additional Conditions to Closing. The Buyer's obligation to purchase the Property is expressly conditioned upon satisfaction of the following additional conditions:
 - a. All utilities needed to serve the Property, including water, sewer and electric, must be located on the Property.
 - b. Buyer must obtain a satisfactory soil condition report confirming that the soil conditions of the Property are suitable for Buyer's intended use of the Property.
 - c. Buyer must receive a binding commitment from the Craven County Committee of 100, Ltd. to pay directly to the City of New Bern (or reimburse Buyer for payment of) impact fees assessed against the Property up to a maximum amount of \$12,000.
 - d. Seller will pay Buyer's real estate agent a commission equal to ten percent (10%) of the Purchase Price.In the event that any one of the conditions listed above are not satisfied in the Buyer's sole discretion, then Buyer shall have the right to terminate this Agreement and receive a full refund of its Earnest Money.
2. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the terms of the Agreement.
3. Conflict of Terms. In the event of a conflict between this Exhibit B and the terms of the Agreement, the terms of this Exhibit B will control.

Seller:

County of Craven

By: Jack B. Veit III

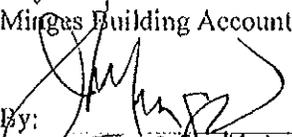
Name: Jack B. Veit III

Title: County Manager

6-30-2014
Date

Signature Page Addendum

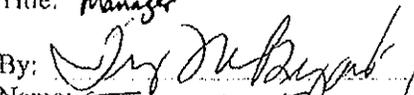
Buyer:
Minges Building Account, LLC

By: 
Name: JEFF MINGES
Title: MEMBER/Manager

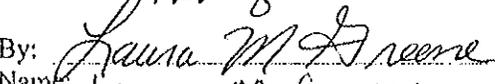
June 9, 2014
Date

By: 
Name: Ann B. Smith
Title: Manager

June 10, 2014
Date

By: 
Name: Terry M. Bryant
Title: Manager

June 11, 2014
Date

By: 
Name: Laura M. Greene
Title: Manager

June 11, 2014
Date

Exhibit B-2

to

Agreement for Purchase and Sale of Real Property
Between
County of Craven, as "Seller" and
Minges Building Account, LLC, as "Buyer"

This Agreement and Closing thereunder is conditioned upon (i) approval by Seller's Board of County Commissioners and (ii) execution by Buyer and Seller of an agreement pursuant to Article 1 of Chapter 158 of the North Carolina General Statutes regarding the treatment as an economic development incentive of the difference between the Purchase Price and \$160,000 (the fair market value of the Property).

Seller:

County of Craven

By: Jack B. Veit III
Name: Jack B. Veit III
Title: County Manager

6-30-2014
Date

Buyer:

Minges Building Account, LLC

By: _____
Name: _____
Title: _____

Date

By: _____
Name: _____
Title: _____

Date

By: _____
Name: _____
Title: _____

Date

By: _____
Name: _____
Title: _____

Date