

## OPTION AGREEMENT

**THIS OPTION AGREEMENT** (this “**Agreement**”) is made and entered into as of the Effective Date by and between MONCURE HOLDINGS, LLC, a North Carolina limited liability company (“**Seller**”), and CHATHAM COUNTY, a body politic and corporate of the State of North Carolina (“**Purchaser**”). The Effective Date of this Agreement is the date it is executed by Purchaser.

### WITNESSETH

**WHEREAS**, Seller is the owner of those certain tracts or parcels of real estate located in Haw River Township, Chatham County, North Carolina, more particularly described on Appendix 1, attached hereto and made a part hereof, together with all improvements, rights, privileges, easements and appurtenances belonging or appertaining thereto (collectively the “**Property**”); and

**WHEREAS**, Seller desires to grant Purchaser an option to purchase the Property (or any parts or portions thereof) as provided herein, and Purchaser desires to acquire such option pursuant to the terms hereof.

### AGREEMENT

**NOW, THEREFORE**, for and in consideration of the foregoing recitals, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of Option. In consideration of the terms and conditions of this Agreement and the Option Fee (as hereinafter defined), Seller hereby grants and conveys to Purchaser the exclusive right and option (the “**Option**”) to purchase the Property, or any portion or portions thereof from Seller during the Option Period (as hereinafter defined) for the Purchase Price (as hereinafter defined), upon the terms and conditions set forth in this Agreement. In the event Purchaser elects to purchase less than all of the Property the term “Property” hereunder shall include only the portion (or portions, if the Option is exercised more than once) of the Property selected by Purchaser.

2. Option Fee. The **Option Fee** shall be the sum of **\$1.00**, which shall be delivered to Seller on the Effective Date of this Agreement. The Option Fee shall be nonrefundable except as otherwise provided herein. The Option Fee shall be applied to the Purchase Price if the Option is exercised during the Option Period.

3. Option Period.

(a) The **Option Period** shall commence on the Effective Date and shall exist and continue until 12:01 a.m. on the fifth (5th) anniversary of the Effective Date (the “**Option Expiration Date**”). Purchaser shall have the Option Period to conduct its investigation of the Property, including, without limitation, determining the suitability of the Property for its intended use which shall be for an industrial, commercial or manufacturing facility (“**Intended Use**”), conducting a survey of the Property, securing financing, and, at its option, obtaining an owner’s title insurance commitment for the

Property. The costs and expenses of all of the foregoing items shall be borne by Purchaser.

- (b) Seller shall act reasonably to cooperate with Purchaser in its investigation of the Property, including without limitation, its surveying of the Property, obtaining title insurance, and inspecting the Property.
- (c) Seller agrees that, during the Option Period, Purchaser may make surveys, inspections, tests (including subsurface test) and other examinations (collectively, the “**Inspection**”), with respect to the Property. Purchaser and its agents, servants, employees, and contractors (collectively, each a “**Purchaser Party**”) shall have the right to enter upon the Property for the purpose of conducting the Inspection. In performing the Inspection, Purchaser shall not damage the Property and shall leave it in the same condition, reasonable wear and tear excepted, as it was prior to Purchaser’s entry. Should Purchaser or a Purchaser Party damage the Property, Purchaser shall repair all such damage promptly. Purchaser shall ensure that each party that performs work at the Property on behalf of Purchaser shall maintain commercial general liability insurance in amounts reasonable in light of the work performed by such party.
- (d) Seller agrees to deliver to Purchaser as soon as reasonably possible after the commencement of the Option Period, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies or title opinions, attorney’s opinions on title, surveys, covenants, deeds, notes and deeds of trust and easements relating to the Property, and all plans, specifications, environmental, engineering and mechanical data relating to the Property, and reports such as soils reports and environmental audits, real property and other ad valorem tax bills and utility bills which are in Seller’s possession or which Seller can obtain with reasonable effort (the “**Property Information**”). Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney’s file to Purchaser and Purchaser’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 Purchaser and Purchaser’s agents and attorneys.
- (e) Purchaser shall advise Seller in writing of any objections to title or survey matters affecting the Property prior to the end of the Option Period and Seller shall within ten days after receipt of such objections advise Purchaser if Seller shall cure same, and if Seller agrees to do so, Seller shall act with diligence to cure, and if Seller does not respond to Purchaser, Seller shall be deemed to have refused to cure, in which case, Purchaser may either (i) terminate this Agreement and receive back the Option Fee, or (ii) waive its objections and proceed to Closing hereunder. All title exceptions of record affecting the Property and not objected to by Purchaser and thereafter cured by Seller shall be referred to herein as the “**Permitted Exceptions.**”

- (f) Purchaser and Seller stipulate and agree that in connection with the Option and the purchase and sale of the Property as contemplated by this Agreement, (i) the City of Sanford, North Carolina (the “**City**”) has been awarded a conditional development grant (the “**Grant**”) from the Golden LEAF Foundation (the “**Foundation**”) and (ii) the City’s eligibility to receive Grant funding (“**Funding**”) and to participate with Purchaser in a project, or more than one, contemplated by the Grant, is conditioned upon compliance with certain guidelines set forth in that certain document attached hereto as Appendix 2 (the “**Guidelines**”). The Guidelines contemplate, among other things, the delivery of the documents identified more particularly in the Guidelines (collectively, “**Grant Documents**”). To the extent compliance with the Guidelines and/or delivery of any Grant Document requires Seller’s cooperation and/or action, Seller agrees to cooperate and/or act to the extent reasonably necessary to enable the City to receive Funding and/or the other reasonable requests of the Foundation in connection therewith. Without limiting the generality of the foregoing, Purchaser and Seller stipulate that a fully-executed copy of this Agreement is a Grant Document, and a copy of this Agreement shall be delivered to the Foundation promptly following the due execution hereof.

4. Exercise of the Option. Purchaser may exercise the Option at any time, and from time to time, during the Option Period by providing written notice to Seller, which notice shall be delivered to Seller on or before the expiration of the Option Period, and shall indicate the portion of the Property selected by Purchaser, which may include all or any portion thereof but must include contiguous acreage, and if Purchaser selects less than all of the Property, Purchaser may continue to exercise the Option with respect to the remaining acreage during the Option Period by delivering one or more written notices of exercise to purchase contiguous acreage of the Property, at one or more times, so long as any portion of the Property remains that is not under Option. Upon the exercise of the Option at one or more times by Purchaser as aforesaid, this Agreement shall constitute a binding agreement for the purchase and sale of the Property, or such portion thereof as is selected by Purchaser. If the Option is not exercised during the Option Period, the Option shall lapse and thereafter be null and void and of no legal effect.

5. Sewer Line Easement. Following written request (the “**Easement Notice**”) from Purchaser to Seller delivered at any time during the Option Period, Seller agrees to and shall promptly grant Purchaser, at no cost or charge, a sewer line easement, twenty (20) feet in width, with a ten (10) foot temporary construction easement on either side (collectively, the “**Sewer Line Easement**”), to carry wastewater conveyance from a location north of the Moncure Mega Site (those several parcels containing approximately, 2,285 acres, including the Property, in the location generally depicted on Appendix 3, attached hereto and made a part hereto (the “**Easement Area**”)) to a pump station to be constructed by the City to serve the Moncure Mega Site. Upon Purchaser’s delivery of the Easement Notice, (i) the specific location and description of the Sewer Line Easement shall be mutually and reasonably agreed upon between Seller and Purchaser but would generally follow a route on the eastern side of the former Performance Fiber site and the rail spur traversing the main portion of the former Performance Fiber site; and (ii) the Sewer Line Easement, and the agreed-to location and description of the same, shall be memorialized pursuant to a commercially-reasonable document of conveyance in a form suitable for recording (the

“**Sewer Line Deed of Easement**”). The Sewer Line Deed of Easement shall be recorded at Purchaser’s cost and expense.

6. Purchase Price; Payment. The purchase price for the Property shall be **\$25,000.00** for each acre purchased as determined in accordance with a survey prepared by and at the cost of Purchaser and reasonably acceptable to Seller, with the price for any partial acre purchased being prorated (the “**Purchase Price**”). The Purchase Price (less the Option Fee for the first closing) shall be payable to Seller at Closing in cash or by delivery of certified funds as hereinafter provided.

7. Closing. Closing, or Closings if there be more than one (1), of the purchase and sale of the Property shall occur in Chatham County, North Carolina at the office of Purchaser’s attorney, on a date and time which shall be specified by Purchaser in its notice exercising the option (the “**Closing Date**”), but in no event shall the Closing take place earlier than fifteen (15) days nor later than forty-five (45) days after the date of exercise, or at such other place and time as the parties hereto shall mutually agree (the “**Closing**”). At each Closing:

(a) Seller shall:

(i) Execute and deliver to Purchaser, or such other grantee as named by Purchaser, a special warranty deed to the Property, in reasonable form and content satisfactory to Purchaser in Purchaser's reasonable discretion, conveying good and marketable title in fee simple, and based upon a legal description of the Property from a survey prepared for Purchaser, and reasonably acceptable to Seller, or in the event Purchaser elects to purchase all of the Property and does not obtain a survey, the property description on Appendix 1 shall be used to prepare the deed from Seller to Purchaser. Title shall be conveyed subject only to the following:

(a) Zoning ordinances in effect;

(b) All easements and rights of way of record that will not materially and adversely affect Purchaser’s Intended Use of the Property;

(c) Taxes for the year in which the closing takes place (which shall be prorated on the calendar year basis to the Closing Date);

(d) Such other exceptions as are approved in writing by Purchaser;

Notwithstanding the foregoing, Seller shall satisfy and discharge of record any and all liens, mortgages, or deeds of trust encumbering the Property (unless any such liens or judgements are due to an act or omission of Purchaser in which event Purchaser shall remove same) and in no event shall any such lien, mortgage, or deed of trust

be considered a Permitted Exception.

- (ii) Execute and deliver to Purchaser, or such other grantee as named by Purchaser, the Sewer Line Easement provided for in Section 5 hereof.
- (iii) Pay Seller's closing costs as hereinafter specified;
- (iv) Deliver to Purchaser an affidavit indicating that Seller is not a foreign entity;
- (v) Deliver to Purchaser and Purchaser's title insurer an affidavit and indemnity agreement in standard form regarding contractor's and materialmen's liens on the Property reasonably acceptable to Purchaser's title insurer; and
- (vi) If requested, deliver to Purchaser a resolution reasonably satisfactory to Purchaser, authorizing the transaction contemplated herein.

(b) Purchaser shall:

- (i) Pay the Purchase Price as herein defined;
- (ii) Pay Purchaser's closing costs as hereinafter specified;

Closing costs at the Closing shall be paid as hereinafter specified:

(c) By Seller:

- (i) All taxes due on the Property for years prior to the year of the Closing;
- (ii) Seller's portion of the prorated ad valorem real property taxes for the year of Closing on the Property;
- (iii) Seller's brokerage fees;
- (iv) Seller's attorney's fees;
- (v) The cost of deed preparation, revenue stamps required by law, any assessments, pending or confirmed, and the cost to clear any lien, encumbrance, or other title exception on the Property required to be cleared by Seller;
- (vi) All late payment penalties, if any, and personal property taxes on the Property for the entire year in which the Closing occurs; and
- (vii) Such other incidental costs and fees customarily paid by sellers in

Chatham County, North Carolina land transactions of this nature.

- (d) By Purchaser:
  - (i) Purchaser's attorney's fees;
  - (ii) Purchaser's portion of the prorated ad valorem real property taxes for the year of the Closing on the Property;
  - (iii) The cost of recording the special warranty deed to the Property;
  - (iv) The cost of the surveys and fees and premiums for the Commitment for title insurance; and fees and premiums for the policies of title insurance for the Property, if any; and
  - (v) Such other incidental costs and fees customarily paid by purchasers in Chatham County, North Carolina land transactions of this nature.

After the Closing, Seller agrees that it will take such actions and properly execute and deliver to Purchaser such further instruments of assignment, conveyance, and transfer as may be reasonably necessary to assure the full and effective transfer and conveyance of the Property and title thereto.

8. Condition of Property.

(a) With its signature below, Purchaser acknowledges and agrees that, except as expressly provided in this Agreement and in the deed from Seller to Purchaser at Closing, the Property is to be purchased and accepted by Purchaser in its condition as of the Closing, "as is", without any implied or express warranty or representation by Seller, with all patent and latent defects. Except as otherwise specifically set forth in this Agreement (and the special warranty of title to be set forth in the special warranty deed), Seller disclaims the making of any representations or warranties, express or implied regarding the Property or matters affecting the Property, including, without limitation, title to or the boundaries of the Property, topography, climate, air, water rights, utilities, leases, water, present and future zoning, any covenants or restrictions, physical condition, soil condition, pest control matters, engineering characteristics, traffic patterns, purposes to which the Property may be suited, value, potential for development, environmental contamination, drainage, access to public roads, proposed routes of roads or extensions thereof, and compliance with building, health, safety laws, environmental laws, land use laws and regulations to which the Property may be subject and all other matters in any way affecting the Property, or the use or ownership thereof (hereinafter collectively called the "**Property Matters**"). Purchaser, moreover, acknowledges that Seller cannot and does not make any warranty or representation whatsoever concerning the completeness or the accuracy of information contained in any documents provided by Seller for the Property, that Purchaser is not relying upon any representations and warranties, other than those specifically set forth in this Agreement (and the special warranty of title to be set forth in the special warranty deed), made by Seller or anyone acting or claiming to act on Seller's behalf concerning the Property. Purchaser further acknowledges that it has not received from Seller any accounting, tax, legal, architectural, engineering, property management, environmental or other advice with respect to this transaction and is relying solely upon the advice of its own

accounting, tax, legal, architectural, engineering, property management, environmental and other advisors. THEREFORE, EXCEPT AS EXPRESSLY SET FORTH HEREIN (AND THE SPECIAL WARRANTY OF TITLE TO BE SET FORTH IN THE SPECIAL WARRANTY DEED), SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, TO PURCHASER, AND SELLER IS TRANSFERRING AND PURCHASER IS PURCHASING THE PROPERTY IN ITS "AS-IS" CONDITION AT CLOSING, AND PURCHASER ASSUMES THE RISK THAT ADVERSE PHYSICAL, ENVIRONMENTAL, ECONOMIC OR LEGAL CONDITIONS MAY NOT HAVE BEEN REVEALED BY ITS REVIEW OF THE PROPERTY AND PURCHASER, FOR ITSELF AND ITS AGENTS, AFFILIATES, SUCCESSORS AND ASSIGNS, HEREBY RELEASES AND FOREVER DISCHARGES SELLER, ITS AGENTS, AFFILIATES, SUCCESSORS AND ASSIGNS FROM ANY AND ALL RIGHTS, CLAIMS AND DEMANDS AT LAW OR IN EQUITY, WHETHER KNOWN OR UNKNOWN AT THE TIME OF THIS AGREEMENT, WHICH PURCHASER HAS OR MAY HAVE IN THE FUTURE, ARISING OUT OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC OR LEGAL CONDITION OF THE PROPERTY. IN GIVING THIS RELEASE, PURCHASER EXPRESSLY WAIVES THE BENEFIT OF ANY STATUTORY PROVISION OR DECISIONAL LAW, IF ANY, THAT WOULD PRECLUDE THE EXTENSION OF THIS RELEASE TO CLAIMS WHICH PURCHASER DID NOT KNOW OR SUSPECT TO EXIST AT THE TIME OF EXECUTION OF THIS AGREEMENT, WHICH, IF KNOWN BY PURCHASER, MAY HAVE MATERIALLY AFFECTED THE GIVING OF THIS. THIS WAIVER AND RELEASE BY PURCHASER SHALL EXTEND AND BE BINDING UPON PURCHASER FOREVER. The acknowledgments contained in this Section constitute a conclusive admission that Purchaser, as a sophisticated, knowledgeable investor in real estate, has, except as herein specifically provided, relied upon its own judgment as to any matter germane to the Property, or its purchase or contemplated use thereof, and that any other statement with respect thereto, whether oral, written, constructive express or implied, is immaterial to Purchaser.

(b) The Property must be in substantially the same or better condition at Closing as on the Effective Date, as determined by Purchaser in Purchaser's reasonable discretion; provided, however, Seller shall have the right to enter into one or more agreements for the sale of the timber located on the Property (each a "Timber Deed") so long as any such agreement is terminable upon ninety (90) days written notice (which Seller acknowledges and agrees that Purchaser may provide such notice to the holder of any Timber Deed directly), does not allow clear-cutting, and has an initial term of no greater than thirty-six (36) months.

9. Possession. Possession of the Property shall be delivered by Seller to Purchaser on the Closing Date subject to the Timber Deed. Seller shall remove, by the date possession is delivered to Purchaser, all personal property, if any, which is not a part of the purchase, and all garbage and debris from the Property.

10. Delay in Closing: If a party is unable to complete Closing by the Closing Date but intends to complete the transaction and is acting in good faith and with reasonable diligence to proceed to Closing ("**Delaying Party**"), and if the other party is ready, willing and able to complete Closing on the Closing Date ("**Non-Delaying Party**") then the Delaying Party shall give as much notice as possible to the Non-Delaying Party and shall be entitled to a delay in Closing. If the parties fail to complete Closing within fifteen (15) business days of the Closing Date, or to further extend the Closing Date by written agreement, then the Delaying Party shall be in default and the

Non-Delaying Party may terminate this Agreement and shall be entitled to enforce any remedies available to such party under this Agreement for the breach.

11. Conditions Precedent to Purchaser's Obligations. If the Option is exercised by Purchaser, the obligations and liabilities of Purchaser hereunder shall be in all respects conditioned upon satisfaction of each of the following conditions precedent (the "**Conditions Precedent**") at or prior to Closing:

- (a) Neither Seller nor the Property shall be subject to any judgment or decree of competent jurisdiction, or to any litigation or administrative proceeding which would adversely affect the Property or which would adversely affect Seller's right to enter into this Agreement.
- (b) All representations and warranties made by Seller in this Agreement shall be true and accurate in all material respects and remain in full force and effect as of the date of Closing, and for a period of one hundred and eighty (180) days thereafter.
- (c) The present zoning of the Property shall not have been changed or modified and no application for any change or modification by Seller shall be pending as of the date of Closing.
- (d) There shall be no restrictive covenants which prevent, restrict, or limit in any way Purchaser's Intended Use.
- (e) The City shall have received Funding from the Foundation.

12. Covenants of Seller. To induce Purchaser to enter into this Agreement and to purchase the Property, Seller hereby makes the following representations, warranties and covenants with respect to the Property, which are true as of the date of this Agreement and shall also be true as of the date of the exercise of the Option and shall survive Closing, upon each of which Seller acknowledges and agrees that Purchaser is entitled to rely and has relied:

- (a) Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of North Carolina.
- (b) Seller has the lawful right, power, authority and capacity to enter into and to perform this Agreement.
- (c) To the best of Seller's knowledge, Seller has complied with all applicable laws, ordinances, regulations and restrictions relating to the Property.
- (d) Seller has neither caused nor does Seller have any knowledge of any Hazardous Materials having been placed, held, stored, located, dumped or disposed of on the Property in a manner which violates applicable law. If such knowledge becomes available, Seller shall immediately notify Purchaser in writing. For purposes of this Agreement, the term "Hazardous Materials" means any substance: (i) in the presence of which requires investigation or remediation under any applicable law or federal, state or



local statute, regulation, rule, ordinance, order, action, policy or common law; or (ii) which is or becomes defined as a "hazardous substance," pollutant or contaminant under any applicable law or federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); or (iii) which is toxic, radioactive, carcinogenic or otherwise hazardous and is or becomes regulated by any governmental authority; or (iv) which contains polychlorinated biphenyls (PCBs), asbestos or area formaldehyde insulation.

- (e) To the best of Seller's knowledge, there are no parties, other than Seller, occupying any portion of the Property as lessees, or otherwise, and there are no leases applicable to or affecting the Property other than short-term hunting leases which Seller shall terminate on or before Closing.
- (f) Seller has received no notice of and Seller has no knowledge of any pending or threatened condemnation or similar proceeding or special assessment affecting the Property, or any part thereof and Seller has no knowledge of any such proceeding or assessment contemplated by any Governmental Authority. As used herein, the term "Governmental Authority" shall mean the United States, the State of North Carolina, and any agency, department, commission, board, bureau or instrumentality of any of them, including any North Carolina city or county. If Seller receives such notice during the term of this Agreement, Seller shall immediately notify Purchaser in writing.
- (g) Seller has no knowledge of any unpaid charges, debts, liabilities, claims or obligations arising from the construction, occupancy, ownership, use or operation of the Property, which could give rise to any mechanics' or materialmen's or other statutory lien against the Property, or any part thereof.
- (h) There is no pending, or to Seller's knowledge, threatened litigation or administrative proceedings which could adversely affect title to the Property or any part thereof or the ability of Seller to perform any of its obligations hereunder. If such notice or knowledge becomes available to the Seller during the term of this Agreement, Seller shall immediately notify Purchaser in writing.
- (i) To the best of Seller's knowledge performance of this Agreement will not result in any breach of, or 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.
- (j) To the best of Seller's knowledge, all documents and information delivered or to be delivered by Seller to Purchaser are complete, true and correct in

all material respects unless otherwise stated, provided that Seller is not warranting in any way the accuracy or correctness of any statement made by third parties within such documents.

- (k) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1954, as amended.
- (l) Promptly upon obtaining knowledge of the institution of foreclosure or any proceedings for the condemnation of the Property, or any portion thereof, or any other proceedings arising out of injury or damage to the Property, or any portion thereof, Seller will notify Purchaser of the pendency of such proceedings.
- (m) Seller shall not knowingly act in a manner that would cause any of Seller's representations and warranties to be breached between the date hereof and the exercise of the Option or Closing, provided that Seller shall have no obligation, nor shall this Agreement be affected by, acts of third parties that are inconsistent with such representations.
- (n) To the best of Seller's knowledge there are no confirmed or proposed special assessments against the Property, and should there be any Seller shall fully discharge the same at or prior to closing.
- (o) Seller shall deliver to Purchaser the following items related to the Property (hereinafter the "Preliminary Information"):
  - (i) Copies of any notices received by Seller from governmental authorities relating to the utilities on the Property, the water and/or sewer systems, roads, wetlands, or other similar information in Seller's possession which may help the Purchaser in its inspection of the Property.
  - (ii) Copies of the latest survey in Seller's possession.

The terms "to the best of Seller's knowledge" or "Seller has no knowledge" or similar phraseology shall mean the actual, conscious awareness of Jason Kaplan, in his role as manager of the manager of Seller as of this date without the performance of any due diligence in connection with the execution of this Agreement.

13. Conditions Precedent to Seller's Obligations. If this Option is exercised by Purchaser, Seller's obligations hereunder are conditioned upon performance by Purchaser of the following conditions precedent:

- (a) All representations and warranties made by Purchaser in this Agreement shall be true and accurate and remain in full force and effect.
- (b) Payment by Purchaser at Closing of the balance of the Purchase Price in the manner herein provided.

14. Remedies on Default.

- (a) Remedies of Seller. In the event of a default or breach by Purchaser, after the exercise of the Option, of any of the terms and provisions of this Agreement, as its sole and exclusive remedies hereunder, Seller shall have the right to (i) pursue specific performance of this Agreement against Purchaser and to retain the Option Fee, or (ii) terminate this Agreement.
- (b) Remedies of Purchaser. In the event of a default or breach by Seller of any of the terms and provisions of this Agreement, regardless of whether prior to or after the exercise of the Option, as its sole and exclusive remedies hereunder, the Option Fee shall be refunded to Purchaser upon Purchaser's request and (i) Purchaser shall have the right to terminate this Agreement, or (ii) to pursue specific performance of this Agreement against Seller.

Notwithstanding the foregoing provisions of this Section no default by either party shall entitle the non-defaulting party to terminate this Agreement or take any other action against the defaulting party on account of the default unless the non-defaulting party gives the defaulting party written notice of the default which describes the default with reasonable specificity, and the defaulting party fails to remedy the default within five (5) days after receipt of such notice.

15. Eminent Domain. Notwithstanding anything in this Agreement to the contrary, if after the Effective Date, any part of the Property is condemned, threatened, or appropriated by public authority or any party exercising the right of eminent domain, Purchaser may elect to terminate the Agreement and be entitled to the return of the Option Fee and the parties hereto shall have no further liability to each other hereunder. Should Purchaser elect not to terminate this Agreement, the Purchase Price shall be reduced by the amount of the award received by Seller.

16. Risk of Loss. The risk of loss or damage by fire or any other casualty prior to closing shall be upon Seller. If the improvements, should there be any, on the Property are destroyed or materially damaged prior to exercise of the Option or prior to Closing, Purchaser may terminate this Agreement by written notice delivered to Seller and the Option Fee shall thereupon be refunded to Purchaser. In the event Purchaser does not elect to terminate this Agreement, and provided the Option has been exercised, Purchaser shall be entitled to receive, in addition to the Property, any of Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property, in an amount not to exceed the Purchase Price.

17. Brokerage. Purchaser and Seller shall pay their own brokerage fees. Each party hereto agrees to indemnify, defend, and hold the other party harmless of and from any loss suffered as a result of brokerage fees claimed by any party with whom they have dealt.

18. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party which consent shall not be unreasonably withheld; provided, however, Purchaser shall have the right to assign this Agreement to another governmental entity without the consent of Seller.

19. Survival. All of the representations, warranties, covenants and agreements of Seller and Purchaser made in or pursuant to the Agreement shall survive Closing for a period of 180

days.

20. Miscellaneous. This Agreement constitutes the entire agreement between the parties hereto and it is understood and agreed that all undertakings, negotiations, representations, promises, inducements and agreements heretofore entered into between the parties are merged herein. This Agreement may not be changed orally, but only by an agreement in writing signed by both Purchaser and Seller. No waiver of any of the provisions to this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced. The provisions of the Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns as may be applicable. The provisions of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. Time is of the essence of this Agreement.

21. Memorandum of Option. This Agreement is not to be recorded. A memorandum hereof substantially in the form set forth on Appendix 4, attached hereto and made a part hereof (“**Memorandum**”) shall be executed by the parties and recorded at Purchaser’s cost and expense. Upon the termination of this Agreement, Buyer and Seller shall cooperate to cause the Memorandum to be promptly terminated in accordance with applicable law at Purchaser’s cost and expense. This Section 21 shall survive the termination of the Agreement.

22. Public Record. This Agreement is a public record and is subject to the North Carolina Public Records Law.

23. Notices. Notices given pursuant to this Agreement shall be in writing, delivered in person, by overnight delivery, or by certified or registered mail, return receipt requested, postage or fees prepaid, addressed to the mailing addresses given herein, and shall be deemed effective upon the date received via personal delivery, five (5) business days after being deposited in the United States Mail, postage prepaid, by certified or registered mail, or one (1) day after delivery to a recognized overnight delivery service (e.g., Federal Express), with delivery charges thereon prepaid. The parties hereto shall be responsible for notifying each other of any change of address. Mailing addresses of the parties are as follows:

SELLER:           Moncure Holdings, LLC  
                      Attn: Jason Kaplan, Manager  
                      282 Century Place  
                      Suite 2000  
                      Louisville, CO 80027

With a copy to:

Dennis Wicker  
Nelson Mullins  
4140 Parklake Avenue  
Suite 200  
Raleigh, NC 27612

PURCHASER: Chatham County  
Attention: County Manager  
Post Office Box 1809  
Pittsboro, North Carolina 27312-1809

[THE SIGNATURE PAGES FOLLOW]

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed effective as the Effective Date.

**PURCHASER:**

**CHATHAM COUNTY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: \_\_\_\_\_.

Date: \_\_\_ day of \_\_\_\_\_, 2017.

Official Signature of Notary: \_\_\_\_\_

Notary's Printed or Typed Name: \_\_\_\_\_, Notary Public

My Commission Expires: \_\_\_\_\_

(Official Seal)

[THE SIGNATURE PAGES CONTINUE]

**SELLER:**

**MONCURE HOLDINGS, LLC**

By: Mountain View Holdings, LLC, its  
manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title \_\_\_\_\_  
Date: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:\_\_\_\_\_.

Date: \_\_\_ day of \_\_\_\_\_, 2017.

Official Signature of Notary:\_\_\_\_\_

Notary's Printed or Typed Name: \_\_\_\_\_, Notary Public

My Commission Expires:\_\_\_\_\_

(Official Seal)

[THIS IS THE FINAL SIGNATURE PAGE]

## **APPENDIX 1**

### **The Property**

#### **TRACTS 1, 2, 3, AND 4:**

BEING all of Tract 1, containing 4.955 acres; Tract 2, containing 18.462 acres; Tract 3, containing 4.577 acres; and Tract 4, containing 827.048 acres, all as shown on "Boundary Survey of Sustainable Forests, L.L.C. Property, Tracts 1-4" by Kenneth Close, Inc., dated October 31, 1998 and recorded in Plat Slide 98-425, Chatham County Registry; together with all right, title and interest, if any, in and to the right-of-way of S.R. 1924.

#### **TRACT 7:**

LYING AND BEING in Chatham County, North Carolina, and more particularly described as follows:

All of that certain tract or parcel of land containing 132.10 acres, more or less, as more particularly shown and defined upon that plat entitled "Survey for Carolina Power & Light Company of land to be acquired from R.C. Dickens Estate, Cape Fear Township, Chatham County, North Carolina - CP&L Drawing No. L-D-9709", and prepared by Davis, Martin, Powell and Associates, Inc., dated July 22, 2002, plat recorded in Plat Slide 2002-405, Chatham County Registry, reference is hereby made for more particular and complete description.

This conveyance is made subject to right of way to Carolina Power & Light Company 100 feet in width for electric transmission as shown and defined on the above-referenced plat.

This conveyance is expressly made subject to and together with all easements, restrictions, reservations and equitable servitudes, if any, as may be of record.

(Note: The foregoing description was copied from a Deed recorded in the Chatham County, North Carolina Registry in Book 1632, Page 237.)



**APPENDIX 2**

**The Guidelines**

(See attached)

**Golden LEAF Foundation**  
**Major Site Development Initiative**  
**Guidelines for Establishing Public Control of Privately Owned Property**

In order to meet the requirement that private land be “publicly controlled” to be eligible to participate in the Golden LEAF Major Site Development Initiative, Golden LEAF has established the following guidelines for obtaining public control of the property through an option:

- 1) The entity securing public control of the property must be a 501(c)(3) charitable organization or a governmental entity.
- 2) The option must extend for a period of at least five years after the grant award date.
- 3) The option must be a valid, legally binding document and include a legal description (either metes and bounds or reference to a recorded plat, no tax maps or tax parcel IDs).
- 4) The applicant must deliver a title insurance commitment for the property that includes the following: (i) the current owner of the property identified in the commitment must be the same as the seller identified in the option, (ii) the proposed insured amount must not be less than the proposed purchase price for the land, (iii) the commitment must not include any exception that would interfere with the development of the proposed project, and (iv) the commitment must insure any appurtenant easement for the use and operation of the proposed project.
- 5) If the property is owned by an organization, the organization must provide a certificate of incumbency showing the authority of the individual executing the option to act on behalf of the organization.
- 6) The option must set a fixed price for its execution.
- 7) The proposed purchaser must provide evidence that the purchase price is not materially in excess of the fair market value of the property as determined by 1) the property’s tax value or 2) a recent third party appraisal of the property by a qualified appraiser. Alternatively, the proposed purchaser may present reasonable evidence that the option price was determined through an arms-length negotiation with the proposed seller. Except in unusual circumstances, if the property is currently offered for sale at a set price, the price set in the option cannot be greater than the price for which the property is offered.
- 8) The amount of debt secured by all deeds of trust and/or liens against the property must be less than the price set in the option.
- 9) The option (or a memorandum of option) must be recorded in the office of the register of deeds in the county in which the property is located.

These requirements are not the exclusive mechanism for acquiring public control; for example, an eligible entity may be able to secure public control through a ground lease or a purchase contract with a due diligence period of adequate duration.

Golden LEAF reserves the right to modify or add to these requirements, and any decision whether a project satisfies the public control test for purposes of the Major Site Development Initiative is in the sole discretion of Golden LEAF.

Provided that the proposed purchaser and seller have negotiated and agreed in principle to an appropriate mechanism to secure public control of the property, the parties may wait to complete the transaction and execute the final documents until after Golden LEAF makes its decision whether or not to award a grant.

In that case, if a grant is awarded, release of grant funds would be conditioned on the grantee finalizing the transaction, including updating the title opinion.

If a grant is awarded, there may be additional requirements related to public control in the Grantee Acknowledgment and Agreement for the project. These may include, but are not limited to, the following:

- 1) The grantee will not take actions regarding the property secured by the option that will result in or give rise to private inurement or impermissible private benefit.
- 2) The infrastructure improvements constructed with Golden LEAF funds must be publicly owned and located on property that the grantee or another governmental entity or 501(c)(3) charitable organization either owns in fee simple or controls through a permanent easement. Golden LEAF may require evidence of this ownership or control.

If you would like to discuss alternative approaches for securing public control or have any questions about these requirements, please contact Ted Lord at [tlord@goldenleaf.org](mailto:tlord@goldenleaf.org) or (252) 442-7474.

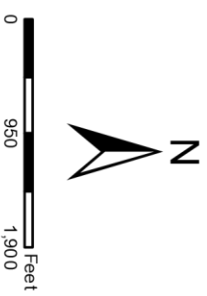
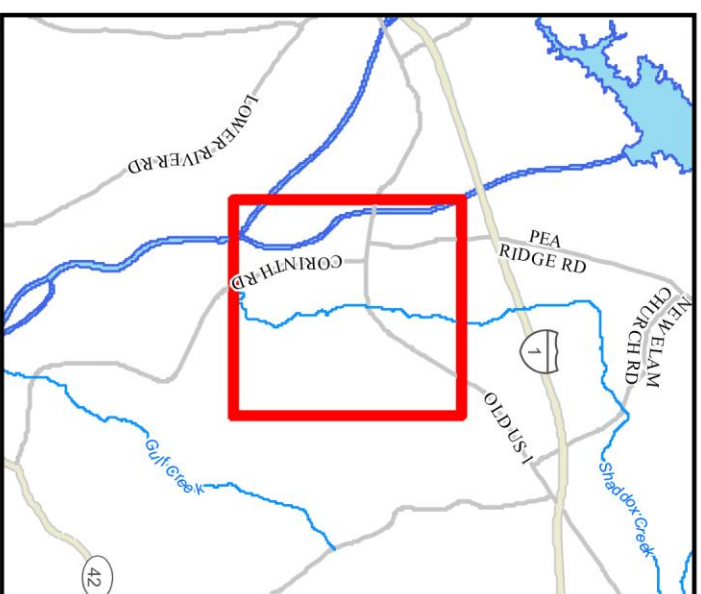
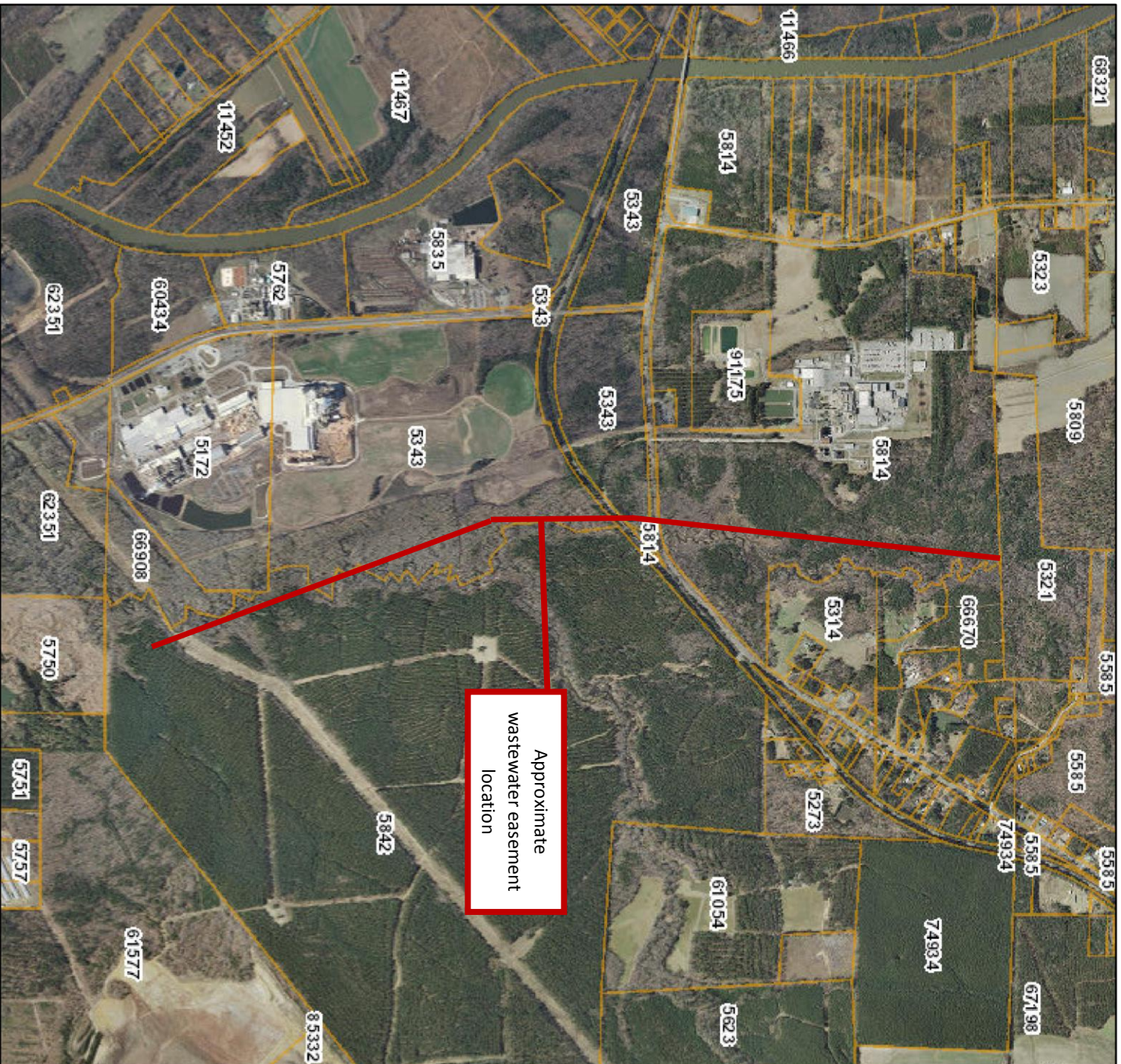
**APPENDIX 3**

**Easement Area**

(See attached)



# Chatham County Tax Map



Service Layer Credits: NC911, Chatham County, Chatham County GIS  
 Chatham County, Chatham County GIS

Date: 8/4/2017  
 Time: 8:24:49 AM



**APPENDIX 4**

**Form of Memorandum**

(See attached)

**Return to:**

Chatham County  
Post Office Box 1809  
Pittsboro, North Carolina 27312-1809  
Attn.: County Manager

**NORTH CAROLINA**

**CHATHAM COUNTY**

**MEMORANDUM OF OPTION AGREEMENT**

**THIS MEMORANDUM OF OPTION AGREEMENT** (this “**Memorandum**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2017 (the “**Effective Date**”) by and between **MONCURE HOLDINGS, LLC**, a North Carolina limited liability company (“**Seller**”), and **CHATHAM COUNTY**, a body politic and corporate of the State of North Carolina (“**Purchaser**”).

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is acknowledged, Seller has granted Purchaser the right and option (the “**Option**”) to purchase real property located in Chatham County, North Carolina and being more particularly described on Exhibit A attached to this Memorandum and incorporated herein by reference (the “**Property**”).

The Option shall expire at 12:01 a.m. on the fifth (5th) anniversary of the Effective Date.

The terms of the Option are more fully set forth in that certain Option Agreement between Seller and Purchaser dated as of the Effective Date, the terms of which are incorporated herein by reference as if fully set forth herein.

*[Signatures are on the following pages.]*

IN WITNESS WHEREOF, the Seller and Purchaser have caused this Memorandum to be executed in the manner prescribed by law effective as of the Effective Date.

**PURCHASER:**

**CHATHAM COUNTY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: \_\_\_\_\_.

Date: \_\_\_ day of \_\_\_\_\_, 2017.

Official Signature of Notary: \_\_\_\_\_

Notary's Printed or Typed Name: \_\_\_\_\_, Notary Public

My Commission Expires: \_\_\_\_\_

(Official Seal)

*[Seller's signature page follows.]*



**SELLER:**

**MONCURE HOLDINGS, LLC**

By: Mountain View Holdings, LLC, its manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: \_\_\_\_\_.

Date: \_\_\_ day of \_\_\_\_\_, 2017.

Official Signature of Notary: \_\_\_\_\_

Notary's Printed or Typed Name: \_\_\_\_\_, Notary Public

My Commission Expires: \_\_\_\_\_

(Official Seal)

## **EXHIBIT A**

### **The Property**

#### **TRACTS 1, 2, 3, AND 4:**

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