

**AMENDMENT TO
SALE AND DEVELOPMENT AGREEMENT
(Alternate A – Arlington and East Lee)**

THIS AMENDMENT TO SALE AND DEVELOPMENT AGREEMENT (the “Amendment”), by and between the REDEVELOPMENT COMMISSION OF GREENSBORO, a North Carolina municipal corporation (hereinafter the “Commission”), party of the first part, and UNION SQUARE CAMPUS INC., a North Carolina non-profit corporation (hereinafter the “Component Developer”), party of the second part, is made and entered into as of the date of the last execution of this Agreement by the Commission and the Component Developer (hereinafter the “Effective Date”).

RECITALS

A. The Commission and Component Developer have heretofore entered into a Sale and Development Agreement (the “Agreement”) concerning the sale and development of Property together with an option granted to the Component Developer to develop Additional Property, all of said property located within the SERA; and

B. The Agreement as approved by the Commission is still in the statutory approval process set forth in NCGS Section 160A-514, having not yet been approved by the City Council of the City of Greensboro, North Carolina; and

C. The Commission and Component Developer have agreed to certain revisions and amendments to the Agreement which are hereafter set forth to correctly reflect the approximate acreage of the Property and minimum building construction and to further eliminate two (2) of the three (3) parcels in the Option so that the Option granted to develop Additional Property only extends to one (1) parcel.

NOW, THEREFORE, for and in consideration of the premises and the terms and provisions hereinafter set forth, the Commission and the Component Developer do hereby mutually agree as follows:

1. The Agreement as heretofore approved is attached hereto as Exhibit A and incorporated herein by reference. All capitalized words shall have the meaning set forth in the Agreement.

2. Section 1. is hereby amended to provide that the Property shall be no more than 1.10 acre. Sections 2. and 10 are hereby amended to provide that the minimum building square footage shall be 83,000 square feet. Section 14. is hereby amended to reflect that the option to acquire Additional Property shall only extend to that 0.9 acre parcel at the southeast intersection of South Elm Street and East Lee Street and the term “Additional Property” shall only refer to that parcel and not to any other property.

3. Except as hereby amended all other terms of the Agreement remain in full force and effect. The Commission and Component Developer further agree that the attached Exhibit B SALE AND DEVELOPMENT AGREEMENT correctly and accurately restates their entire Agreement as amended by this Amendment, the terms of said Exhibit B being incorporated herein by reference as if herein fully repeated.

IN WITNESS WHEREOF, the Commission and the Component Developer have caused this Amendment to Agreement to be executed under seal all by authority duly given.

REDEVELOPMENT COMMISSION OF GREENSBORO

By: _____
Chair

ATTEST:

Assistant Secretary

Printed Name: _____

Date: _____

UNION SQUARE CAMPUS, INC.

By: _____ (SEAL)

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A
SALE AND DEVELOPMENT AGREEMENT

THIS SALE AND DEVELOPMENT AGREEMENT (the “Agreement”), by and between the REDEVELOPMENT COMMISSION OF GREENSBORO, a North Carolina municipal corporation (hereinafter the “Commission”), party of the first part, and UNION SQUARE CAMPUS INC., a North Carolina non-profit corporation (hereinafter the “Component Developer”), party of the second part, is made and entered into as of the date of the last execution of this Agreement by the Commission and the Component Developer (hereinafter the “Effective Date”).

RECITALS

A. The Commission is a North Carolina municipal corporation chartered and engaged in redevelopment activities within the corporate limits of the City of Greensboro; and

B. All of the Property (hereinafter defined) and the Additional Property (hereinafter defined) is owned by the Commission and located within the redevelopment area known as the South Elm Redevelopment Area (the “SERA”) and is subject to the South Elm Redevelopment Plan, as amended, which has been duly adopted by the Commission and approved by the City of Greensboro (the “Redevelopment Plan”); and

C. Under the authority of the North Carolina General Statutes §160A-500, et seq., the Commission has authority and power to sell and transfer property for purposes of redevelopment, which it owns within redevelopment areas such as the SERA; and

D. The Commission, with the approval of the City of Greensboro under that certain Master Development Agreement, dated June 12, 2012 (“MDA”) to develop the SERA has contracted with the South Elm Development Group, LLC (the “Master Developer”) to assist the Commission, subject to approval of the City of Greensboro, to establish planning and development criteria, including design guidelines and “green” standards for the overall development of the SERA under the name Union Square at South Elm and to procure buyers and developers of component parts of the SERA from the Commission subject to the Redevelopment Plan and the planning and development criteria developed by the Master Developer and approved by the Commission, and has granted to the Master Developer an exclusive option to acquire property within the SERA pursuant to the MDA; and

E. The Component Developer desires to acquire from the Commission for the Component Developer’s immediate development certain Property within the SERA, and to obtain a grant of preemptive rights to acquire Additional Property within the SERA for its future acquisition and further development, and the Commission is willing to sell the Property to the Component Developer and to grant preemptive rights in the Additional Property to the Component Developer, all in consideration of the Component Developer’s obligations for development of the Property, and for future development of the Additional Property, if acquired by the Component Developer, pursuant to the terms and provisions contained in this Agreement

and subject to the requirements of the Redevelopment Plan and the planning and development criteria for the SERA developed by the Component Developer in conjunction with the Commission and approved by the City of Greensboro.

NOW, THEREFORE, for and in consideration of the premises and the terms and provisions hereinafter set forth, the Commission and the Component Developer do hereby mutually agree as follows:

1. **PROPERTY DESCRIPTION.** The property that is the subject of this Agreement consists of approximately [1.00 acres] at the southwest intersection of Arlington Street and East Lee Street in the City of Greensboro, North Carolina, as the same is shown in green on that site plan of the SERA attached hereto as Exhibit A and incorporated herein by reference; provided that the actual property description and acreage shall be determined by survey prepared at Commission expense and approved by the Component Developer (the "Survey"), which Survey shall delineate not only the legal description but the actual computed acreage of the property to be conveyed by the Commission to the Component Developer under this Agreement (the "Property"). In addition, the Commission shall grant to the Component Developer the preemptive rights defined in Section 14 of this Agreement with respect to the Additional Property.

2. **CONSIDERATION.** The consideration to the Commission for the transfer, conveyance and sale of the Property to the Component Developer is the promise of the Component Developer to perform and complete fully all of its obligations set forth herein for the construction of contemplated improvements to the Property, subject to the approvals and in conformity to the planning and development criteria hereafter set forth, consisting generally of a three-story 85,000 square foot building to be used for healthcare and allied health education and training, including classrooms, faculty offices, student support areas, clinical and health assessment labs and various simulated healthcare environments. In reliance on the Component Developer's promises to develop the Property as above stated, the Component Developer and the Commission agree that the Component Developer shall pay no further consideration for the transfer and conveyance of the Property.

3. **DELIVERY OF DOCUMENTS.** Within ten (10) business days after the Effective Date of this Agreement, the Commission shall provide to the Component Developer copies of all surveys, environmental reports, title policies and any other plans or documents within its possession pertaining to the title and condition of the Property.

4. **INSPECTIONS AND INDEMNITY.** From and after the Effective Date until Closing, as hereafter defined, the Component Developer shall have the right, at its own expense, to enter on the Property and conduct any and all inspections, examinations, surveys and drillings of any nature necessary for the Component Developer to ascertain and to be satisfied that the Property to be transferred is satisfactory for its intended use, not subject to any matters that are uncorrectable or not acceptable and to further conduct such tests and engineering inspections as it deems necessary and appropriate for it to proceed with Closing. If the Component Developer determines that the Property to be transferred to it at Closing under this Agreement is subject to any unsatisfactory condition or is for any reason unsuitable for its purposes, then it shall give the

Commission notice of the same prior to the Closing Date and if the conditions thereon noted cannot be corrected or remedied prior to Closing then the same shall be treated as notice of termination of this Agreement, in which case neither party shall have any rights or obligations against the other. The Component Developer agrees and acknowledges that the Commission shall not be held liable for any injury or damage whatsoever that may arise as a result of the activities, inspections or examinations by the Component Developer, its agents, employees or persons acting for or on behalf of the Component Developer occurring on the Property, and the Commission shall not be held liable for any injury or death occurring on the Property, nor for loss, damage, theft or casualty to the Property of whatsoever nature or other loss of any type whatsoever, from any cause occurring on the Property arising out of the Component Developer's inspection of the Property related to this Agreement, and the Component Developer agrees to fully indemnify and hold harmless the Commission from and against any and all such claims, causes of action, losses, damages, expenses or liabilities arising from the same, including attorney fees reasonably and actually incurred at regular hourly rates for the defense of such claims.

5. TITLE EXAMINATION; OBJECTIONS. The Component Developer shall at the Component Developer's expense have the right to cause a title examination (the "Title Examination") to be made of the Property before Closing. On or before Closing, the Component Developer shall notify the Commission in writing of its objections, if any, to any exceptions, legal descriptions or any other matters shown or disclosed as a result of the Title Examination and the Survey, if any, of the Property that will render title unmarketable, constitute violations of law or violations of recorded instruments, materially diminish the market value of the Property, render the Property not suitable for the Component Developer's use in its sole discretion, adversely impact access to and from the Property or that are otherwise unacceptable to the Component Developer in its absolute and sole discretion (collectively the "Disapproved Exceptions"). Failure to notify the Commission shall be deemed approval of all matters that should have been shown by such Title Examination or Survey and any exceptions not objected to shall be deemed to be "Permitted Exceptions" as allowed by the Special Warranty Deed to be executed by the Commission at Closing to convey and transfer the Property to the Component Developer. As further provided hereafter, the Component Developer acknowledges that the Property is or will be subject to (a) a Notice of Brownfields Property, with attached Brownfields Agreement, substantially in the form set forth as Exhibit B attached hereto and incorporated herein by reference (the "Brownfields Notice") and (b) a Declaration of Covenants, Conditions and Restrictions for Union Square at South Elm, with attached Articles of Incorporation and Bylaws for Union Square Assembly, Inc., substantially in the form attached hereto as Exhibit C and incorporated herein by reference (the "Union Square DCCRs"), all of which are Permitted Exceptions. Within ten (10) days after receipt of notice of the Component Developer's objections to title, the Commission shall notify the Component Developer in writing of which, if any, of the Disapproved Exceptions (i) the Commission agrees to remove by Closing, (ii) the Commission will attempt to remove by Closing or (iii) the Commission will neither remove nor attempt to remove. The Commission hereby agrees to remove, satisfy and discharge any "Monetary Encumbrance," defined to mean any lien, claim or encumbrance including deeds of trust, mortgages, liens of judgments, and tax liens that may be satisfied by the payment of the same on, before or with Closing and such Monetary Encumbrance shall not be a Permitted Exception but shall not constitute a Disapproved Exception. If the Commission does not agree

prior to Closing to remove any and all Disapproved Exceptions by Closing, the Component Developer may either (x) take title subject to the Permitted Exceptions and the Disapproved Exceptions that the Commission has not agreed to remove without change in the terms of this Agreement or (y) cancel this Agreement, in which case neither party shall have any further rights or obligations hereunder. The Component Developer shall notify the Commission of its election in writing within ten (10) days after receipt of notice from the Commission to the Component Developer of its actions, if any, as to the Disapproved Exceptions. In the event the Component Developer notifies the Commission of any Disapproved Exceptions, then the date of Closing shall be extended for a period not to exceed thirty (30) days from the date of Closing as hereinafter defined to allow the Component Developer and the Commission the time to resolve any and all issues pertaining to the Disapproved Exceptions as provided herein.

6. WARRANTIES AND REPRESENTATIONS OF COMPONENT DEVELOPER.

(a) *Organization and Powers.* The Component Developer represents and warrants that it is a non-profit corporation validly existing and in good standing under the laws of the State of North Carolina. The Component Developer has the power and authority to own its assets and properties, to carry on its activities as now conducted by it, and to execute, deliver and perform under this Agreement. The execution, delivery and performance by the Component Developer of this Agreement have been duly authorized by all requisite action.

(b) *Litigation, Limited Denial of Participation or Debarment.* There is no action, suit or proceeding pending or threatened before any court or government or administrative body or agency which may reasonably be expected to (i) result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of the Component Developer, or (ii) impair the ability of the Component Developer to perform its obligations under this Agreement. The Component Developer is not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or any governmental or administrative body or agency.

7. WARRANTIES AND REPRESENTATIONS OF COMMISSION.

(a) *Organization and Powers.* The Commission represents and warrants that (i) the Commission is a duly organized, validly existing municipal corporation organized under the laws of the State of North Carolina for the purposes of acting within its jurisdiction of the City of Greensboro for the purposes of carrying out urban renewal and community development all as set forth under the North Carolina General Statutes Chapter 160A, (ii) the Commission has all necessary power and authority under North Carolina law to own its assets and properties and to carry on its activities as now conducted by it, (iii) this Agreement has been duly entered into and is the legally binding obligation of the Commission, and (iv) this Agreement will not violate any judgment, law, consent decree or agreement to which the Commission is a party or is subject to and will not violate any law or ordinance under which the Commission is organized.

(b) *Environmental.* The Commission warrants and represents that it has not itself caused the release, disposal or storage of any hazardous or toxic waste or substances, all as presently defined or listed within any local, state or federal laws or regulations, upon or on the

Property or the Additional Property. The Commission and the Component Developer acknowledge that the Property has heretofore been contaminated with such substances as evidenced by environmental reports received or maintained by the Commission and made available to the Component Developer and that the Property and the Additional Property have been subjected to various reclamation activities, all to the extent required by and agreed to by North Carolina Department of Environment and Natural Resources (“DENR”) and is or will be set forth within the Brownfields Agreement to be entered into between the Commission and DENR in the form to be attached to the Brownfields Notice. The Component Developer and the Commission acknowledge that all required environmental assessments have been completed prior to execution of this Agreement. The Component Developer acknowledges that the Brownfields Agreement will require that the Component Developer submit an environmental management plan to DENR and receive DENR’s approval prior to any construction activities on the Property and the Additional Property.

(c) *Warranty of Title.* The Commission hereby warrants, represents and covenants to the Component Developer that it has good and marketable fee simple title to the Property and the Additional Property free and clear of all liens and encumbrances except any Monetary Encumbrances that the Commission warrants will be removed or released upon or prior to the conveyance or transfer of the Property or the Additional Property, subject further to rights-of-way and utility easements, restrictions under the Brownfields Notice and the Union Square DCCRs.

8. CLOSING. The “Closing” contemplated herein shall mean the sale and transfer of the Property by execution, delivery and recording of a special warranty deed by the Commission to the Component Developer (the “Special Warranty Deed”), which Special Warranty Deed shall be subject to a condition subsequent and right of re-entry on the Property by the Commission in the event that the Component Developer shall default in its obligations to develop the Property in accordance with the terms of this Agreement. The Closing shall occur within [180] days after the Effective Date (the “Closing Date”) at the offices of the Commission or at such other location in the City of Greensboro as may hereafter be mutually agreed between the Commission and the Component Developer.

9. COSTS OF CLOSING AND PRORATION. Each of the Commission and the Component Developer shall pay its own attorney fees and all costs and expenses, including professional and legal fees for inspections and title examinations, relating to the Property. The Commission shall pay for the Survey. The Component Developer shall pay the cost of recording the Special Warranty Deed. As both the Commission and the Component Developer are exempt from the payment of ad valorem taxes, there need be no proration of ad valorem taxes as of the Closing Date.

10. COMPONENT DEVELOPER’S OBLIGATIONS FOR DEVELOPMENT OF AND IMPROVEMENTS TO PROPERTY.

(a) *Improvements.* Subject to and only upon all approvals specified in this Section 10, the Component Developer shall construct a three-story building with a minimum of 85,000 square feet on the Property, which building shall be designed to serve the uses and purposes as

heretofore set forth in Section 2. No construction, including but not limited to grading of or on the Property, shall occur until the Component Developer shall submit and receive approval by the Commission, or its designee, employees and agents, of all site plans, construction plans, drawings, specifications, facades, elevations and any and all documents and drawings and plans of whatsoever nature fully setting forth details of all building improvements relating to exterior architectural facades and interior layouts as well as any other matters pertaining to the proposed construction and improvements for said proposed uses and purposes, all of which must be approved in full prior to commencement of any construction and work on any Improvements. All construction, buildings, paving, parking, landscaping and any other improvements or development on the Property are hereby collectively defined as the "Improvements." After approval of such initial construction of the Improvements, no subsequent modification, change or alteration of the Improvements by the Component Developer shall be made without the Component Developer first submitting to and receiving the approval by the Commission as to the same and further approvals of the same under Subsection 10(c).

(b) *Financial Responsibility.* The Component Developer shall provide, prior to commencement of construction of any Improvements, such documentation as may be required by the Commission to evidence the projected construction costs and the Component Developer's financial ability, through capital contributions, grants, loans or otherwise, to complete the Improvements in accordance with this Agreement.

(c) *Other Approval.* Prior to commencement of construction of the Improvements and in addition to the approval by the Commission of such construction as provided above, the Component Developer shall further obtain approvals as required from DENR under the Brownfields Notice and as required under the Union Square DCCRs. Any documentation or matters of any nature submitted for such approvals shall be exactly the same and in complete conformity with all documentation submitted to the Commission for its approval.

(d) *Construction Requirements.* In all aspects of preparation for and performance of the contemplated construction of Improvements, the Component Developer shall fully adhere to the following: (i) the Redevelopment Plan, (ii) the Union Square at South Elm Design Guidelines, (iii) the Union Square at South Elm "Green" Standards, and (iv) the City of Greensboro's Compliance and Guidelines for HUB/MWBE/DBE, all of the same being attached hereto respectively in the same order as Exhibits D, E, F and G and each incorporated herein by reference as if herein fully repeated. The Component Developer agrees that it will further require its contractors and their subcontractors to adhere to such HUB/MWBE/DBE Guidelines.

(e) *Master Developer as Agent.* The Component Developer acknowledges that the Master Developer has entered into a Master Development Agreement dated June 12, 2012 with the Commission regarding the overall development of the SERA which includes the Property, by which the Master Developer is obligated to perform inspections and other activities related to the development of the SERA, including the development of the Property, and as such the Master Developer acts as agent on behalf of the Commission. The Component Developer agrees to cooperate with the Master Developer in and during its development activities on the Property.

(f) *Commencement and Completion of Improvements.* The Component Developer agrees, conditioned on the timely review and approval of the Component Developer's plans for construction of the Improvements under Subsections 10(a) and 10(c) above, and the timely inspection of those Improvements by the Master Developer during the course of their construction in accordance with Subsection 10(c) above, to commence the construction of the Improvements on the Property within one hundred eighty (180) days after Closing and to complete such Improvements within two (2) years after Closing; provided, however, that such time periods shall be tolled for any period during which the Component Developer's plans for construction of the Improvements shall have been pending for any approval under Subsections 10(a) and 10(c) for more than thirty (30) days. During the course of such construction, the Master Developer and the Commission and their agents and employees will have the right to inspect the Property from time to time and to perform the final inspection to determine whether or not the Improvements have been completed in accordance with the terms hereof.

(g) *Timeliness of Work.* It is expressly understood that the timely commencement and completion of the construction of the Improvements on the Property are of the essence of this Agreement, that the time allowance for said construction of the Improvements takes into consideration all causes for delays within the control of the Component Developer, whether foreseen or unforeseen at the time of the execution of this Agreement, but excluding Acts of God or other force majeure. It is further agreed that during the time of such construction, the Master Developer (or the Commission in the event of default by the Master Developer) and its agents and employees shall have the right to check the progress of the work and it shall not be considered completed until approval of the same by final inspection by the Master Developer (or the Commission in the event of default by the Master Developer).

(h) *Certification of Completion.* Promptly after the completion of the Improvements on the Property, the Commission will furnish a "Certificate of Completion of Improvements" on the Property that shall nullify the Commission's condition subsequent and right of reentry created in the Special Warranty Deed for the Property. The execution by the Commission of the Certificate of Completion of Improvements shall further serve to evidence the Commission's agreement that the Component Developer has satisfied its obligations under this Agreement.

(i) *Changes to Improvements.* Any other improvements to the Property other than those specified in this Agreement and previously approved shall also require the approval of the Commission and under the Union Square DCCRs, as provided in Subsections 10(a) and 10(c) above, which approvals shall not be unreasonably withheld provided such additional improvements do not foreseeably impact the construction of the Improvements planned and otherwise required under this Agreement. Any such approved additional improvements shall not alter or affect the time of commencement or completion of the Improvements as heretofore provided in this Agreement.

11. NONSPECULATIVE. The Component Developer represents and hereby agrees that the purchase of the Property is for the purpose of redevelopment of the Property and not for speculation in land holding. The Component Developer acknowledges and agrees that this Agreement is not assignable and that the Property, will not be transferred, conveyed, sold or leased prior to completion of all Improvements on the Property and issuance of the Certificate of

Completion of Improvements for same; in the event of any assignment of this Agreement or the transfer or threatened transfer of the Property, then the same shall be treated as a breach of this Agreement and in addition to the right of reentry and repossession of the Property by the Commission as provided by the Special Warranty Deed, the Commission shall further have the right to recover any consideration received by the Component Developer from the assignment of the Agreement or transfer, conveyance, or sale of such Property less the direct and actual cost of Improvements made to the Property to the extent that an appraisal by an MAI appraiser certifies that such costs of the Improvements have in fact increased the fair market value of the Property transferred in excess of the appraised value of the Property at Closing.

12. NONLIABILITY OF COMMISSION. Neither the Commission nor any member, official, commissioner or employee of the Commission shall be monetarily liable to the Component Developer, nor to any successor in interest to the Component Developer, in the event of any default or breach by the Commission under the terms of this Agreement and the Component Developer's sole remedy shall be in equity for the specific performance of this Agreement.

13. INSPECTION. The Commission or its agent, the Master Developer, shall have the right to inspect the Property at any reasonable time during the time of work and thereafter until all obligations of the Component Developer under this Agreement are fulfilled.

14. COMPONENT DEVELOPER OPTION TO ACQUIRE ADDITIONAL PROPERTY. Component Developer is hereby granted the option (the "Option") to acquire an additional approximately 0.9 acre parcel of property hereafter described at no further cost but subject to all of the following terms:

(a) The terms of the Option as set forth herein shall be memorialized in an option agreement ("Option Agreement") executed by the Commission and the Component Developer at Closing and recorded immediately following the Special Warranty Deed conveying the Property to the Component Developer.

(b) The Option shall be for a term of five (5) years from the date of recording of the Option Agreement (the "Term"). The giving of notice of the exercise of the Option in accordance with subsection (d) below within the Term shall satisfy this requirement even if closing and conveyance occurs beyond the Term.

(c) The property subject to the Option shall be those three (3) parcels each approximately 0.9 acres in area located within the SERA, as the same are shown in red on the site plan of the SERA attached hereto as Exhibit A and incorporated herein by reference (the "Additional Property"), provided the actual property description and acreage of each parcel of the Additional Property shall be determined by a survey (the "Additional Property Survey") prepared at the expense of the Commission and approved by the Component Developer prior to Closing and recordation of the Option Agreement. The Additional Property Survey shall not be recorded but shall be used to provide the legal description for each of the identified parcels of the Additional Property which shall be set forth in the Option Agreement.

(d) The Option may be exercised by the Component Developer, if it not then be in default of this Agreement, at any time within the Term by giving written notice (the "Notice") of the same to the Commission in accordance with Section 18 of this Agreement, which Notice shall specifically identify the parcel of the Additional Property that the Component Developer intends to acquire.

(e) Upon the providing of Notice, the rights, obligations, terms and provisions by which the Additional Property identified in the Notice shall be acquired shall be the exact same terms and provisions herein set forth in this Agreement for the original Property except as hereby modified:

- (1) The Effective Date shall be the date of the Notice;
- (2) The "Property" shall be defined as the identified parcel of Additional Property set forth in the Notice;
- (3) The consideration for the transfer and conveyance, which shall not require the payment of any cash consideration by the Component Developer to the Commission, shall be the Component Developer's promise and obligation to develop and construct improvements of at least a 3-story 75,000 square foot building to be used for higher education and collateral purposes that shall be defined as the "Improvements" on the identified parcel of Additional Property;
- (4) No parking in addition to that required as a condition to Closing on the original Property shall be required as a contingency; and
- (5) Except as modified by the terms set forth in this Subsection 14(e), all other terms and provisions of this Agreement shall apply and be in full force and effect as if the identified parcel of the Additional Property had been the original Property and the subject of this Agreement.

In the event that Closing of the identified parcel of Additional Property does not occur through no breach or default by the Component Developer, then the Component Developer shall retain its Option as to the other remaining parcels of the Additional Property.

(f) Notwithstanding the grant of the Option hereby given to the Component Developer, the Commission subject to the provisions herein set forth shall be allowed to continue to market, solicit and negotiate an offer for sale, transfer and development with third parties to this Agreement for any of the Additional Property. At such time as the Commission reasonably determines that a third party to this Agreement has serious interest in acquiring any of the Additional Property, the Commission shall give written notice to the Component Developer in accordance with Section 18 of such interest (the "Interest Notice"), which Interest Notice shall include the following: (1) a description of the parcel of Additional Property subject to such interest; and (2) the name of the interested third party. Upon the giving of such Interest Notice, the Component Developer shall have ninety (90) days from date of receipt of such Interest Notice to give the Commission Notice of its exercise of its Option as to the same parcel of Additional Property. If the Component Developer does not give such Notice within said 90 days, then the same shall be treated as a release of the Component Developer's Option on such property; provided that if the Commission and the third party developer identified in the Interest Notice do not enter into a binding agreement for the sale and development of the same property within six (6) months from the expiration of said 90-day period, or if an agreement is executed

but closing or conveyance of said property does not occur, then the Component Developer's Option as to said parcel of Additional Property shall be reinstated. If the Component Developer has released its Option under the terms of this Subsection 14(f), the Component Developer shall provide at closing and conveyance of the said property a release in recordable form of its Option as to the same.

(g) The Option and Option Agreement shall automatically terminate and have no further effect upon the first of the following events to occur:

- (1) Expiration of the Term;
- (2) All of the parcels comprising the Additional Property have been transferred and conveyed to third party developers as allowed under Subsection 14(f);
- (3) The transfer and conveyance of a parcel of the Additional Property to the Component Developer;
- (4) The Component Developer ceases to own the Property; or
- (5) The Component Developer is in breach or default of this Agreement, and such breach or default has resulted in a termination of this Agreement by the Commission or the reentry and taking of possession of the Property by the Commission.

15. DEED OF TRUST. At Closing, the Component Developer shall execute a Deed of Trust for the benefit of the Commission securing with the Property the obligations of the Component Developer set forth herein under the terms of this Agreement. The Commission agrees that the Deed of Trust will be subordinated to any construction or permanent financing deeds of trust Component Developer will be required to execute to receive its financing needed to perform and accomplish its construction and ownership of the Property and the Improvements, as such financing has been submitted to and approved by the Commission. The Deed of Trust shall provide that in the event of a breach or default that remains uncured as provided in Section 17, in addition to any other remedies available to the Commission, then said breach or default shall further constitute default under the Deed of Trust and subject the Property to immediate foreclosure. The execution by the Commission of the Certificate of Completion of Improvements shall further be deemed to be a satisfaction of the Deed of Trust and the Commission agrees to take any other action necessary to then have the Deed of Trust cancelled of record.

16. MASTER DEVELOPER RELEASE. Closing is conditioned upon the Commission receiving from the Master Developer an executed and acknowledged release of its right and option to purchase the Property and Additional Property granted to the Master Developer under the MDA, which release of the Master Developer's rights under the MDA shall be recorded upon Closing and immediately preceding the Special Warranty Deed for the Property.

17. BREACH.

(a) *Component Developer's Failure to Close.* In the event that the Component Developer fails to close on the purchase of the Property or fails to comply with any conditions precedent to Closing contained in this Agreement, then the Commission shall have the right to declare this Agreement terminated and to pursue any other remedies available to it.

(b) *Other Breaches by Component Developer.* In the event the Component Developer fails to commence or complete construction within the times set out in this Agreement or in the event there is any breach or default by the Component Developer of any other terms and provisions of this Agreement, all of which terms and provisions are hereby determined to be material, and the same shall not be cured within thirty (30) days after written demand by the Commission to the Component Developer (or if the breach or default be one for which the cure cannot be completed within thirty (30) days, the Component Developer shall fail to commence the cure within thirty (30) days after written demand by the Commission and complete the cure within ninety (90) days after written demand by the Commission), then the Commission shall have the right to reenter and take possession of the Property and to terminate and reinvest in the Commission all right and interest in the Property and/or pursue any other remedies available to it, including an action for specific performance. In the event it is necessary for the Commission to reenter and take possession of the Property, the Component Developer shall forfeit all rights in the Property, including any proceeds from the resale of the Property.

(c) *Breaches by Commission.* In the event there is any breach or default by the Commission of any of the terms and provisions of this Agreement, all of which terms and provisions are hereby determined to be material, and the same shall not be cured within thirty (30) days after written demand by the Component Developer to the Commission (or if the breach or default be one that cannot be cured within thirty (30) days, the Commission shall have commenced the cure within thirty (30) days after written demand by the Component Developer and shall have completed the cure within ninety (90) days after written demand by the Component Developer), then the Component Developer may enforce its rights by any legal or equitable remedy available to it, including an action for specific performance.

(d) *Expense and Cost.* In the event of any breach by either party of the terms or conditions of this Agreement, or the deed conveying the Property to the Component Developer, the breaching party shall pay all expenses and costs, including court costs and attorney's fees, incurred by the non-breaching party incident to enforcement of its rights under this Agreement.

18. NOTICE AND DEMAND. Any notice or demand under this Agreement by either party to the other shall be deemed given upon proof of mailing by registered or certified mail, postage prepaid, return receipt requested as follows:

To the Component Developer, addressed to:

Union Square Campus, Inc.
Attn: John Merrill
c/o Gateway University Research Park
South Campus
2901 East Lee Street, Suite 2500
Greensboro, NC 27401
Fax: 336.375.9661
Email: JohnM@GatewayURP.com

To the Redevelopment Commission, addressed to:

Redevelopment Commission of Greensboro
Attn: Dyan Arkin
Post Office Box 3136
Greensboro, N.C. 27402-3136
Fax: 336.412.6315
Email: dyan.arkin@greensboro-nc.gov

19. PARKING. Prior to Closing and as a condition thereof there shall be an agreement or arrangement satisfactory to the Component Developer among the Commission, the Component Developer, the Master Developer, and the City of Greensboro that will result, within one (1) year after Closing, in the development and construction, other than at the expense of the Component Developer, of not less than 250 parking spaces in a surface parking lot and/or parking deck located within the SERA, which parking shall be available to the Component Developer, its tenants, employees, agents, and other invitees, on a non-exclusive basis in common with other occupants of the SERA.

20. DEED DOES NOT IMPAIR CONTRACT. Any deed transferring title to the Property from the Commission to the Component Developer or any successor in interest shall not be deemed to impair the provisions and covenants of this Agreement, which shall survive Closing and transfer of title and not be merged therein.

21. NO ASSIGNMENT. The Component Developer and the Commission acknowledge and agree that this Agreement is not assignable, in whole or in part, by either of them except upon the consent of the non-assigning party, which consent shall be given or not given in the sole discretion of the non-assigning party.

22. BROKERS. The Component Developer and the Commission warrant and represent, one to the other, that there are no brokers involved or that have any rights to commissions, fees or proceeds of any nature arising out of this transaction.

23. STATUTORY AUTHORIZATION. Any sale, transfer and disposition of the Property is subject to and conditioned on the approval of the Commissioners of the Commission pursuant to North Carolina General Statutes §160A-514 and 160A-269 and of the City Council of the City of Greensboro.

24. HEADINGS. The headings and titles of these paragraphs in this Agreement are for convenience and reference only and shall not be deemed or construed to be a part of any term or provision of this Agreement.

25. CONSTRUCTION. This Agreement shall be interpreted and construed in accordance with the laws of the State of North Carolina.

26. BINDING AGREEMENT. This Agreement shall be binding upon the parties to this Agreement, their members (if applicable), heirs, executors, administrators, successors and assigns; the provisions hereof shall survive the execution and delivery of all documents of transfer or other instruments required to be prepared to effectuate the terms of this Agreement; this Agreement contains the entire Agreement between the parties hereto and they shall not be bound by any terms, conditions, statements, warranty representations, whether oral or written not herein contained; and that any amendment to this Agreement shall not be effective or binding upon the parties unless in writing and signed by the parties to be bound thereto.

IN WITNESS WHEREOF, the Commission and the Component Developer have caused this Agreement to be executed under seal all by authority duly given.

REDEVELOPMENT COMMISSION OF GREENSBORO

By: _____
Chair

ATTEST:

Assistant Secretary
Printed Name: _____
Date: _____

UNION SQUARE CAMPUS, INC.

By: _____(SEAL)
Printed Name: _____
Title: _____
Date: _____

EXHIBIT B
SALE AND DEVELOPMENT AGREEMENT
RESTATED

THIS SALE AND DEVELOPMENT AGREEMENT (the “Agreement”), by and between the REDEVELOPMENT COMMISSION OF GREENSBORO, a North Carolina municipal corporation (hereinafter the “Commission”), party of the first part, and UNION SQUARE CAMPUS INC., a North Carolina non-profit corporation (hereinafter the “Component Developer”), party of the second part, is made and entered into as of the date of the last execution of this Agreement by the Commission and the Component Developer (hereinafter the “Effective Date”).

RECITALS

A. The Commission is a North Carolina municipal corporation chartered and engaged in redevelopment activities within the corporate limits of the City of Greensboro; and

B. All of the Property (hereinafter defined) and the Additional Property (hereinafter defined) is owned by the Commission and located within the redevelopment area known as the South Elm Redevelopment Area (the “SERA”) and is subject to the South Elm Redevelopment Plan, as amended, which has been duly adopted by the Commission and approved by the City of Greensboro (the “Redevelopment Plan”); and

C. Under the authority of the North Carolina General Statutes §160A-500, et seq., the Commission has authority and power to sell and transfer property for purposes of redevelopment, which it owns within redevelopment areas such as the SERA; and

D. The Commission, with the approval of the City of Greensboro under that certain Master Development Agreement, dated June 12, 2013 (“MDA”) to develop the SERA has contracted with the South Elm Development Group, LLC (the “Master Developer”) to assist the Commission, subject to approval of the City of Greensboro, to establish planning and development criteria, including design guidelines and “green” standards for the overall development of the SERA under the name Union Square at South Elm and to procure buyers and developers of component parts of the SERA from the Commission subject to the Redevelopment Plan and the planning and development criteria developed by the Master Developer and approved by the Commission, and has granted to the Master Developer an exclusive option to acquire property within the SERA pursuant to the MDA; and

E. The Component Developer desires to acquire from the Commission for the Component Developer’s immediate development certain Property within the SERA, and to obtain a grant of preemptive rights to acquire Additional Property within the SERA for its future acquisition and further development, and the Commission is willing to sell the Property to the Component Developer and to grant preemptive rights in the Additional Property to the Component Developer, all in consideration of the Component Developer’s obligations for development of the Property, and for future development of the Additional Property, if acquired

by the Component Developer, pursuant to the terms and provisions contained in this Agreement and subject to the requirements of the Redevelopment Plan and the planning and development criteria for the SERA developed by the Component Developer in conjunction with the Commission and approved by the City of Greensboro.

NOW, THEREFORE, for and in consideration of the premises and the terms and provisions hereinafter set forth, the Commission and the Component Developer do hereby mutually agree as follows:

1. **PROPERTY DESCRIPTION.** The property that is the subject of this Agreement consists of approximately no more than 1.10 acres at the southwest intersection of Arlington Street and East Lee Street in the City of Greensboro, North Carolina, as the same is shown in green on that site plan of the SERA attached hereto as Exhibit A and incorporated herein by reference; provided that the actual property description and acreage shall be determined by survey prepared at Commission expense and approved by the Component Developer (the "Survey"), which Survey shall delineate not only the legal description but the actual computed acreage of the property to be conveyed by the Commission to the Component Developer under this Agreement (the "Property"). In addition, the Commission shall grant to the Component Developer the preemptive rights defined in Section 14 of this Agreement with respect to the Additional Property.

2. **CONSIDERATION.** The consideration to the Commission for the transfer, conveyance and sale of the Property to the Component Developer is the promise of the Component Developer to perform and complete fully all of its obligations set forth herein for the construction of contemplated improvements to the Property, subject to the approvals and in conformity to the planning and development criteria hereafter set forth, consisting generally of at least a three-story 83,000 square foot building to be used for healthcare and allied health education and training, including classrooms, faculty offices, student support areas, clinical and health assessment labs and various simulated healthcare environments. In reliance on the Component Developer's promises to develop the Property as above stated, the Component Developer and the Commission agree that the Component Developer shall pay no further consideration for the transfer and conveyance of the Property.

3. **DELIVERY OF DOCUMENTS.** Within ten (10) business days after the Effective Date of this Agreement, the Commission shall provide to the Component Developer copies of all surveys, environmental reports, title policies and any other plans or documents within its possession pertaining to the title and condition of the Property.

4. **INSPECTIONS AND INDEMNITY.** From and after the Effective Date until Closing, as hereafter defined, the Component Developer shall have the right, at its own expense, to enter on the Property and conduct any and all inspections, examinations, surveys and drillings of any nature necessary for the Component Developer to ascertain and to be satisfied that the Property to be transferred is satisfactory for its intended use, not subject to any matters that are uncorrectable or not acceptable and to further conduct such tests and engineering inspections as it deems necessary and appropriate for it to proceed with Closing. If the Component Developer determines that the Property to be transferred to it at Closing under this Agreement is subject to

any unsatisfactory condition or is for any reason unsuitable for its purposes, then it shall give the Commission notice of the same prior to the Closing Date and if the conditions thereon noted cannot be corrected or remedied prior to Closing then the same shall be treated as notice of termination of this Agreement, in which case neither party shall have any rights or obligations against the other. The Component Developer agrees and acknowledges that the Commission shall not be held liable for any injury or damage whatsoever that may arise as a result of the activities, inspections or examinations by the Component Developer, its agents, employees or persons acting for or on behalf of the Component Developer occurring on the Property, and the Commission shall not be held liable for any injury or death occurring on the Property, nor for loss, damage, theft or casualty to the Property of whatsoever nature or other loss of any type whatsoever, from any cause occurring on the Property arising out of the Component Developer's inspection of the Property related to this Agreement, and the Component Developer agrees to fully indemnify and hold harmless the Commission from and against any and all such claims, causes of action, losses, damages, expenses or liabilities arising from the same, including attorney fees reasonably and actually incurred at regular hourly rates for the defense of such claims.

5. TITLE EXAMINATION; OBJECTIONS. The Component Developer shall at the Component Developer's expense have the right to cause a title examination (the "Title Examination") to be made of the Property before Closing. On or before Closing, the Component Developer shall notify the Commission in writing of its objections, if any, to any exceptions, legal descriptions or any other matters shown or disclosed as a result of the Title Examination and the Survey, if any, of the Property that will render title unmarketable, constitute violations of law or violations of recorded instruments, materially diminish the market value of the Property, render the Property not suitable for the Component Developer's use in its sole discretion, adversely impact access to and from the Property or that are otherwise unacceptable to the Component Developer in its absolute and sole discretion (collectively the "Disapproved Exceptions"). Failure to notify the Commission shall be deemed approval of all matters that should have been shown by such Title Examination or Survey and any exceptions not objected to shall be deemed to be "Permitted Exceptions" as allowed by the Special Warranty Deed to be executed by the Commission at Closing to convey and transfer the Property to the Component Developer. As further provided hereafter, the Component Developer acknowledges that the Property is or will be subject to (a) a Notice of Brownfields Property, with attached Brownfields Agreement, substantially in the form set forth as Exhibit B attached hereto and incorporated herein by reference (the "Brownfields Notice") and (b) a Declaration of Covenants, Conditions and Restrictions for Union Square at South Elm, with attached Articles of Incorporation and Bylaws for Union Square Assembly, Inc., substantially in the form attached hereto as Exhibit C and incorporated herein by reference (the "Union Square DCCRs"), all of which are Permitted Exceptions. Within ten (10) days after receipt of notice of the Component Developer's objections to title, the Commission shall notify the Component Developer in writing of which, if any, of the Disapproved Exceptions (i) the Commission agrees to remove by Closing, (ii) the Commission will attempt to remove by Closing or (iii) the Commission will neither remove nor attempt to remove. The Commission hereby agrees to remove, satisfy and discharge any "Monetary Encumbrance," defined to mean any lien, claim or encumbrance including deeds of trust, mortgages, liens of judgments, and tax liens that may be satisfied by the payment of the same on, before or with Closing and such Monetary Encumbrance shall not be a Permitted

Exception but shall not constitute a Disapproved Exception. If the Commission does not agree prior to Closing to remove any and all Disapproved Exceptions by Closing, the Component Developer may either (x) take title subject to the Permitted Exceptions and the Disapproved Exceptions that the Commission has not agreed to remove without change in the terms of this Agreement or (y) cancel this Agreement, in which case neither party shall have any further rights or obligations hereunder. The Component Developer shall notify the Commission of its election in writing within ten (10) days after receipt of notice from the Commission to the Component Developer of its actions, if any, as to the Disapproved Exceptions. In the event the Component Developer notifies the Commission of any Disapproved Exceptions, then the date of Closing shall be extended for a period not to exceed thirty (30) days from the date of Closing as hereinafter defined to allow the Component Developer and the Commission the time to resolve any and all issues pertaining to the Disapproved Exceptions as provided herein.

6. WARRANTIES AND REPRESENTATIONS OF COMPONENT DEVELOPER.

(a) *Organization and Powers.* The Component Developer represents and warrants that it is a non-profit corporation validly existing and in good standing under the laws of the State of North Carolina. The Component Developer has the power and authority to own its assets and properties, to carry on its activities as now conducted by it, and to execute, deliver and perform under this Agreement. The execution, delivery and performance by the Component Developer of this Agreement have been duly authorized by all requisite action.

(b) *Litigation, Limited Denial of Participation or Debarment.* There is no action, suit or proceeding pending or threatened before any court or government or administrative body or agency which may reasonably be expected to (i) result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of the Component Developer, or (ii) impair the ability of the Component Developer to perform its obligations under this Agreement. The Component Developer is not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or any governmental or administrative body or agency.

7. WARRANTIES AND REPRESENTATIONS OF COMMISSION.

(a) *Organization and Powers.* The Commission represents and warrants that (i) the Commission is a duly organized, validly existing municipal corporation organized under the laws of the State of North Carolina for the purposes of acting within its jurisdiction of the City of Greensboro for the purposes of carrying out urban renewal and community development all as set forth under the North Carolina General Statutes Chapter 160A, (ii) the Commission has all necessary power and authority under North Carolina law to own its assets and properties and to carry on its activities as now conducted by it, (iii) this Agreement has been duly entered into and is the legally binding obligation of the Commission, and (iv) this Agreement will not violate any judgment, law, consent decree or agreement to which the Commission is a party or is subject to and will not violate any law or ordinance under which the Commission is organized.

(b) *Environmental.* The Commission warrants and represents that it has not itself caused the release, disposal or storage of any hazardous or toxic waste or substances, all as

presently defined or listed within any local, state or federal laws or regulations, upon or on the Property or the Additional Property. The Commission and the Component Developer acknowledge that the Property has heretofore been contaminated with such substances as evidenced by environmental reports received or maintained by the Commission and made available to the Component Developer and that the Property and the Additional Property have been subjected to various reclamation activities, all to the extent required by and agreed to by North Carolina Department of Environment and Natural Resources (“DENR”) and is or will be set forth within the Brownfields Agreement to be entered into between the Commission and DENR in the form to be attached to the Brownfields Notice. The Component Developer and the Commission acknowledge that all required environmental assessments have been completed prior to execution of this Agreement. The Component Developer acknowledges that the Brownfields Agreement will require that the Component Developer submit an environmental management plan to DENR and receive DENR’s approval prior to any construction activities on the Property and the Additional Property.

(c) *Warranty of Title.* The Commission hereby warrants, represents and covenants to the Component Developer that it has good and marketable fee simple title to the Property and the Additional Property free and clear of all liens and encumbrances except any Monetary Encumbrances that the Commission warrants will be removed or released upon or prior to the conveyance or transfer of the Property or the Additional Property, subject further to rights-of-way and utility easements, restrictions under the Brownfields Notice and the Union Square DCCRs.

8. CLOSING. The “Closing” contemplated herein shall mean the sale and transfer of the Property by execution, delivery and recording of a special warranty deed by the Commission to the Component Developer (the “Special Warranty Deed”), which Special Warranty Deed shall be subject to a condition subsequent and right of re-entry on the Property by the Commission in the event that the Component Developer shall default in its obligations to develop the Property in accordance with the terms of this Agreement. The Closing shall occur within 180 days after the Effective Date (the “Closing Date”) at the offices of the Commission or at such other location in the City of Greensboro as may hereafter be mutually agreed between the Commission and the Component Developer.

9. COSTS OF CLOSING AND PRORATION. Each of the Commission and the Component Developer shall pay its own attorney fees and all costs and expenses, including professional and legal fees for inspections and title examinations, relating to the Property. The Commission shall pay for the Survey. The Component Developer shall pay the cost of recording the Special Warranty Deed. As both the Commission and the Component Developer are exempt from the payment of ad valorem taxes, there need be no proration of ad valorem taxes as of the Closing Date.

10. COMPONENT DEVELOPER’S OBLIGATIONS FOR DEVELOPMENT OF AND IMPROVEMENTS TO PROPERTY.

(a) *Improvements.* Subject to and only upon all approvals specified in this Section 10, the Component Developer shall construct a minimum three-story building with a minimum

of 83,000 square feet on the Property, which building shall be designed to serve the uses and purposes as heretofore set forth in Section 2. No construction, including but not limited to grading of or on the Property, shall occur until the Component Developer shall submit and receive approval by the Commission, or its designee, employees and agents, of all site plans, construction plans, drawings, specifications, facades, elevations and any and all documents and drawings and plans of whatsoever nature fully setting forth details of all building improvements relating to exterior architectural facades and interior layouts as well as any other matters pertaining to the proposed construction and improvements for said proposed uses and purposes, all of which must be approved in full prior to commencement of any construction and work on any Improvements. All construction, buildings, paving, parking, landscaping and any other improvements or development on the Property are hereby collectively defined as the "Improvements." After approval of such initial construction of the Improvements, no subsequent modification, change or alteration of the Improvements by the Component Developer shall be made without the Component Developer first submitting to and receiving the approval by the Commission as to the same and further approvals of the same under Subsection 10(c).

(b) *Financial Responsibility.* The Component Developer shall provide, prior to commencement of construction of any Improvements, such documentation as may be required by the Commission to evidence the projected construction costs and the Component Developer's financial ability, through capital contributions, grants, loans or otherwise, to complete the Improvements in accordance with this Agreement.

(c) *Other Approval.* Prior to commencement of construction of the Improvements and in addition to the approval by the Commission of such construction as provided above, the Component Developer shall further obtain approvals as required from DENR under the Brownfields Notice and as required under the Union Square DCCRs. Any documentation or matters of any nature submitted for such approvals shall be exactly the same and in complete conformity with all documentation submitted to the Commission for its approval.

(d) *Construction Requirements.* In all aspects of preparation for and performance of the contemplated construction of Improvements, the Component Developer shall fully adhere to the following: (i) the Redevelopment Plan, (ii) the Union Square at South Elm Design Guidelines, (iii) the Union Square at South Elm "Green" Standards, and (iv) the City of Greensboro's Compliance and Guidelines for HUB/MWBE/DBE, all of the same being attached hereto respectively in the same order as Exhibits D, E, F and G and each incorporated herein by reference as if herein fully repeated. The Component Developer agrees that it will further require its contractors and their subcontractors to adhere to such HUB/MWBE/DBE Guidelines.

(e) *Master Developer as Agent.* The Component Developer acknowledges that the Master Developer has entered into a Master Development Agreement dated June 12, 2013 with the Commission regarding the overall development of the SERA which includes the Property, by which the Master Developer is obligated to perform inspections and other activities related to the development of the SERA, including the development of the Property, and as such the Master Developer acts as agent on behalf of the Commission. The Component Developer agrees to cooperate with the Master Developer in and during its development activities on the Property.

(f) *Commencement and Completion of Improvements.* The Component Developer agrees, conditioned on the timely review and approval of the Component Developer's plans for construction of the Improvements under Subsections 10(a) and 10(c) above, and the timely inspection of those Improvements by the Master Developer during the course of their construction in accordance with Subsection 10(c) above, to commence the construction of the Improvements on the Property within one hundred eighty (180) days after Closing and to complete such Improvements within two (2) years after Closing; provided, however, that such time periods shall be tolled for any period during which the Component Developer's plans for construction of the Improvements shall have been pending for any approval under Subsections 10(a) and 10(c) for more than thirty (30) days. During the course of such construction, the Master Developer and the Commission and their agents and employees will have the right to inspect the Property from time to time and to perform the final inspection to determine whether or not the Improvements have been completed in accordance with the terms hereof.

(g) *Timeliness of Work.* It is expressly understood that the timely commencement and completion of the construction of the Improvements on the Property are of the essence of this Agreement, that the time allowance for said construction of the Improvements takes into consideration all causes for delays within the control of the Component Developer, whether foreseen or unforeseen at the time of the execution of this Agreement, but excluding Acts of God or other force majeure. It is further agreed that during the time of such construction, the Master Developer (or the Commission in the event of default by the Master Developer) and its agents and employees shall have the right to check the progress of the work and it shall not be considered completed until approval of the same by final inspection by the Master Developer (or the Commission in the event of default by the Master Developer).

(h) *Certification of Completion.* Promptly after the completion of the Improvements on the Property, the Commission will furnish a "Certificate of Completion of Improvements" on the Property that shall nullify the Commission's condition subsequent and right of reentry created in the Special Warranty Deed for the Property. The execution by the Commission of the Certificate of Completion of Improvements shall further serve to evidence the Commission's agreement that the Component Developer has satisfied its obligations under this Agreement.

(i) *Changes to Improvements.* Any other improvements to the Property other than those specified in this Agreement and previously approved shall also require the approval of the Commission and under the Union Square DCCRs, as provided in Subsections 10(a) and 10(c) above, which approvals shall not be unreasonably withheld provided such additional improvements do not foreseeably impact the construction of the Improvements planned and otherwise required under this Agreement. Any such approved additional improvements shall not alter or affect the time of commencement or completion of the Improvements as heretofore provided in this Agreement.

11. NONSPECULATIVE. The Component Developer represents and hereby agrees that the purchase of the Property is for the purpose of redevelopment of the Property and not for speculation in land holding. The Component Developer acknowledges and agrees that this Agreement is not assignable and that the Property, will not be transferred, conveyed, sold or leased prior to completion of all Improvements on the Property and issuance of the Certificate of

Completion of Improvements for same; in the event of any assignment of this Agreement or the transfer or threatened transfer of the Property, then the same shall be treated as a breach of this Agreement and in addition to the right of reentry and repossession of the Property by the Commission as provided by the Special Warranty Deed, the Commission shall further have the right to recover any consideration received by the Component Developer from the assignment of the Agreement or transfer, conveyance, or sale of such Property less the direct and actual cost of Improvements made to the Property to the extent that an appraisal by an MAI appraiser certifies that such costs of the Improvements have in fact increased the fair market value of the Property transferred in excess of the appraised value of the Property at Closing.

12. NONLIABILITY OF COMMISSION. Neither the Commission nor any member, official, commissioner or employee of the Commission shall be monetarily liable to the Component Developer, nor to any successor in interest to the Component Developer, in the event of any default or breach by the Commission under the terms of this Agreement and the Component Developer's sole remedy shall be in equity for the specific performance of this Agreement.

13. INSPECTION. The Commission or its agent, the Master Developer, shall have the right to inspect the Property at any reasonable time during the time of work and thereafter until all obligations of the Component Developer under this Agreement are fulfilled.

14. COMPONENT DEVELOPER OPTION TO ACQUIRE ADDITIONAL PROPERTY. Component Developer is hereby granted the option (the "Option") to acquire an additional approximately 0.9 acre parcel of property hereafter described at no further cost but subject to all of the following terms:

(a) The terms of the Option as set forth herein shall be memorialized in an option agreement ("Option Agreement") executed by the Commission and the Component Developer at Closing and recorded immediately following the Special Warranty Deed conveying the Property to the Component Developer.

(b) The Option shall be for a term of five (5) years from the date of recording of the Option Agreement (the "Term"). The giving of notice of the exercise of the Option in accordance with subsection (d) below within the Term shall satisfy this requirement even if closing and conveyance occurs beyond the Term.

(c) The property subject to the Option shall be that parcel at the southeast intersection of South Elm Street and East Lee Street in the City of Greensboro, North Carolina, approximately 0.9 acres in area adjacent to the Property and located within the SERA, as the same is shown in red on the site plan of the SERA attached hereto as Exhibit A and incorporated herein by reference (the "Additional Property"), provided the actual property description and acreage of the Additional Property shall be determined by a survey (the "Additional Property Survey") prepared at the expense of the Commission and approved by the Component Developer prior to Closing and recordation of the Option Agreement. The Additional Property Survey shall not be recorded but shall be used to provide the legal description for each of the identified parcels of the Additional Property which shall be set forth in the Option Agreement.

(d) The Option may be exercised by the Component Developer, if it not then be in default of this Agreement, at any time within the Term by giving written notice (the "Notice") of the same to the Commission in accordance with Section 18 of this Agreement, which Notice shall specifically state that the Component Developer intends to acquire the Additional Property.

(e) Upon the providing of Notice, the rights, obligations, terms and provisions by which the Additional Property identified in the Notice shall be acquired shall be the exact same terms and provisions herein set forth in this Agreement for the original Property except as hereby modified:

- (1) The Effective Date shall be the date of the Notice;
- (2) The "Property" shall be defined as the identified Additional Property set forth in the Notice;
- (3) The consideration for the transfer and conveyance, which shall not require the payment of any cash consideration by the Component Developer to the Commission, shall be the Component Developer's promise and obligation to develop and construct improvements of at least a 4-story 85,000 square foot building, to be used for higher education and collateral purposes that shall be defined as the "Improvements" on the identified Additional Property;
- (4) No parking in addition to that required as a condition to Closing on the original Property shall be required as a contingency; and
- (5) Except as modified by the terms set forth in this Subsection 14(e), all other terms and provisions of this Agreement shall apply and be in full force and effect as if the identified Additional Property had been the original Property and the subject of this Agreement.

(f) Notwithstanding the grant of the Option hereby given to the Component Developer, the Commission subject to the provisions herein set forth shall be allowed to continue to market, solicit and negotiate an offer for sale, transfer and development with third parties to this Agreement for any of the Additional Property. At such time as the Commission reasonably determines that a third party to this Agreement has serious interest in acquiring any of the Additional Property, the Commission shall give written notice to the Component Developer in accordance with Section 18 of such interest (the "Interest Notice"), which Interest Notice shall include the following: (1) a description of the parcel of Additional Property subject to such interest; and (2) the name of the interested third party. Upon the giving of such Interest Notice, the Component Developer shall have ninety (90) days from date of receipt of such Interest Notice to give the Commission Notice of its exercise of its Option as to the same parcel of Additional Property. If the Component Developer does not give such Notice within said 90 days, then the same shall be treated as a release of the Component Developer's Option on such property; provided that if the Commission and the third party developer identified in the Interest Notice do not enter into a binding agreement for the sale and development of the same property within six (6) months from the expiration of said 90-day period, or if an agreement is executed but closing or conveyance of said property does not occur, then the Component Developer's Option as to said parcel of Additional Property shall be reinstated. If the Component Developer has released its Option under the terms of this Subsection 14(f), the Component Developer shall provide at closing and conveyance of the said property a release in recordable form of its Option as to the same.

(g) The Option and Option Agreement shall automatically terminate and have no further effect upon the first of the following events to occur:

- (1) Expiration of the Term;
- (2) The transfer and conveyance of the Additional Property in accordance with this agreement;
- (3) The Component Developer ceases to own the Property; or
- (4) The Component Developer is in breach or default of this Agreement, and such breach or default has resulted in a termination of this Agreement by the Commission or the reentry and taking of possession of the Property by the Commission.

15. DEED OF TRUST. At Closing, the Component Developer shall execute a Deed of Trust for the benefit of the Commission securing with the Property the obligations of the Component Developer set forth herein under the terms of this Agreement. The Commission agrees that the Deed of Trust will be subordinated to any construction or permanent financing deeds of trust Component Developer will be required to execute to receive its financing needed to perform and accomplish its construction and ownership of the Property and the Improvements, as such financing has been submitted to and approved by the Commission. The Deed of Trust shall provide that in the event of a breach or default that remains uncured as provided in Section 17, in addition to any other remedies available to the Commission, then said breach or default shall further constitute default under the Deed of Trust and subject the Property to immediate foreclosure. The execution by the Commission of the Certificate of Completion of Improvements shall further be deemed to be a satisfaction of the Deed of Trust and the Commission agrees to take any other action necessary to then have the Deed of Trust cancelled of record.

16. MASTER DEVELOPER RELEASE. Closing is conditioned upon the Commission receiving from the Master Developer an executed and acknowledged release of its right and option to purchase the Property and Additional Property granted to the Master Developer under the MDA, which release of the Master Developer's rights under the MDA shall be recorded upon Closing and immediately preceding the Special Warranty Deed for the Property.

17. BREACH.

(a) *Component Developer's Failure to Close.* In the event that the Component Developer fails to close on the purchase of the Property or fails to comply with any conditions precedent to Closing contained in this Agreement, then the Commission shall have the right to declare this Agreement terminated and to pursue any other remedies available to it.

(b) *Other Breaches by Component Developer.* In the event the Component Developer fails to commence or complete construction within the times set out in this Agreement or in the event there is any breach or default by the Component Developer of any other terms and provisions of this Agreement, all of which terms and provisions are hereby determined to be material, and the same shall not be cured within thirty (30) days after written demand by the Commission to the Component Developer (or if the breach or default be one for which the cure cannot be completed within thirty (30) days, the Component Developer shall fail to commence

the cure within thirty (30) days after written demand by the Commission and complete the cure within ninety (90) days after written demand by the Commission), then the Commission shall have the right to reenter and take possession of the Property and to terminate and reinvest in the Commission all right and interest in the Property and/or pursue any other remedies available to it, including an action for specific performance. In the event it is necessary for the Commission to reenter and take possession of the Property, the Component Developer shall forfeit all rights in the Property, including any proceeds from the resale of the Property.

(c) *Breaches by Commission.* In the event there is any breach or default by the Commission of any of the terms and provisions of this Agreement, all of which terms and provisions are hereby determined to be material, and the same shall not be cured within thirty (30) days after written demand by the Component Developer to the Commission (or if the breach or default be one that cannot be cured within thirty (30) days, the Commission shall have commenced the cure within thirty (30) days after written demand by the Component Developer and shall have completed the cure within ninety (90) days after written demand by the Component Developer), then the Component Developer may enforce its rights by any legal or equitable remedy available to it, including an action for specific performance.

(d) *Expense and Cost.* In the event of any breach by either party of the terms or conditions of this Agreement, or the deed conveying the Property to the Component Developer, the breaching party shall pay all expenses and costs, including court costs and attorney's fees, incurred by the non-breaching party incident to enforcement of its rights under this Agreement.

18. NOTICE AND DEMAND. Any notice or demand under this Agreement by either party to the other shall be deemed given upon proof of mailing by registered or certified mail, postage prepaid, return receipt requested as follows:

To the Component Developer, addressed to:

Union Square Campus, Inc.
Attn: John Merrill
c/o Gateway University Research Park
South Campus
2901 East Lee Street, Suite 2500
Greensboro, NC 27401
Fax: 336.375.9661
Email: JohnM@GatewayURP.com

To the Redevelopment Commission, addressed to:

Redevelopment Commission of Greensboro
Attn: Dyan Arkin
Post Office Box 3136
Greensboro, N.C. 27402-3136
Fax: 336.412.6315

Email: dyan.arkin@greensboro-nc.gov

19. PARKING. Prior to Closing and as a condition thereof there shall be an agreement or arrangement satisfactory to the Component Developer among the Commission, the Component Developer, the Master Developer, and the City of Greensboro that will result, within one (1) year after Closing, in the development and construction, other than at the expense of the Component Developer, of not less than 250 parking spaces in a surface parking lot and/or parking deck located within the SERA, which parking shall be available to the Component Developer, its tenants, employees, agents, and other invitees, on a non-exclusive basis in common with other occupants of the SERA.

20. DEED DOES NOT IMPAIR CONTRACT. Any deed transferring title to the Property from the Commission to the Component Developer or any successor in interest shall not be deemed to impair the provisions and covenants of this Agreement, which shall survive Closing and transfer of title and not be merged therein.

21. NO ASSIGNMENT. The Component Developer and the Commission acknowledge and agree that this Agreement is not assignable, in whole or in part, by either of them except upon the consent of the non-assigning party, which consent shall be given or not given in the sole discretion of the non-assigning party.

22. BROKERS. The Component Developer and the Commission warrant and represent, one to the other, that there are no brokers involved or that have any rights to commissions, fees or proceeds of any nature arising out of this transaction.

23. STATUTORY AUTHORIZATION. Any sale, transfer and disposition of the Property is subject to and conditioned on the approval of the Commissioners of the Commission pursuant to North Carolina General Statutes §160A-514 and 160A-269 and of the City Council of the City of Greensboro.

24. HEADINGS. The headings and titles of these paragraphs in this Agreement are for convenience and reference only and shall not be deemed or construed to be a part of any term or provision of this Agreement.

25. CONSTRUCTION. This Agreement shall be interpreted and construed in accordance with the laws of the State of North Carolina.

26. BINDING AGREEMENT. This Agreement shall be binding upon the parties to this Agreement, their members (if applicable), heirs, executors, administrators, successors and assigns; the provisions hereof shall survive the execution and delivery of all documents of transfer or other instruments required to be prepared to effectuate the terms of this Agreement; this Agreement contains the entire Agreement between the parties hereto and they shall not be bound by any terms, conditions, statements, warranty representations, whether oral or written not herein contained; and that any amendment to this Agreement shall not be effective or binding upon the parties unless in writing and signed by the parties to be bound thereto.

IN WITNESS WHEREOF, the Commission and the Component Developer have caused this Agreement to be executed under seal all by authority duly given.

REDEVELOPMENT COMMISSION OF GREENSBORO

By: _____
Chair

ATTEST:

Assistant Secretary

Printed Name: _____

Date: _____

UNION SQUARE CAMPUS, INC.

By: _____ (SEAL)

Printed Name: _____

Title: _____

Date: _____