

## RESOLUTION TO CONSIDER EXTENDING OFFSET CREDIT PERIOD

WHEREAS, the City of Greensboro and Sit-In Movement, Inc, ICRCM, LLC, and Civil Rights Museum, LLC (“Borrowers”) executed a Loan Agreement dated August 19, 2014 with an effective date of October 22, 2013 in the principal amount of \$1,500,000.00; and

WHEREAS, the Board of Directors of Sit-In Movement, Inc., is vested with the authority to execute contracts and bind the Corporation and the Affiliated Entities of the Corporation; The Affiliated Entities include: ICRCM, LLC, Museum Landlord, LLC, Museum Tenant, LLC, Civil Rights Museum, LLC; and

WHEREAS, pursuant to the Promissory Note within the Loan Agreement, the balance of the first installment of the Promissory Note is \$10,981.64, which includes interest of \$567.94, as of June 30, 2016 and remains unpaid and owing; and

WHEREAS, the Borrowers are now in default and in addition to the balance due for the first installment, the entire balance of the Promissory Note is hereby declared due and payable on August 1, 2016 in the total amount of \$799,148.78 (\$10,981.64 due on June 30, 2016, \$525,444.76 due on February 20, 2017, and \$262,722.38 due on February 17, 2018); and

WHEREAS, pursuant to the Collateral Assignment of Put and Call Agreement and Security Agreement within the Loan Agreement, the Borrowers unconditionally and absolutely made, transferred, delivered and assigned unto the City and granted to the City a security interest in all of the right, title and interest of Borrower in and to the Put and Call Rights and the City now has the exclusive right to exercise any and all rights under the Put and Call Agreement; and

WHEREAS, Sit-In Movement, Inc now requests that the City agree to extend the fundraising period under the Loan Agreement from July 1, 2015 to February 17, 2018 so that additional net funds raised outside the normal course of business may qualify as loan offset credits as defined under the Loan Agreement; and

WHEREAS, the City is willing to extend this fundraising period, provided Sit-In Movement, Inc., and the Affiliated Entities grant to the City a first deed of trust to secure all sums due against the realty and fixtures of the International Civil Rights Center and Museum as described in Exhibit A of the Deed of Trust recorded in the Guilford County Registry at book 7049, page 739 -753; and

WHEREAS, the City’s security interest would remain subordinate to the Carolina Bank loan as required by the Loan Agreement; and

WHEREAS, this modification will become effective only upon the condition that the City and Sit-In Movement, Inc., and the Affiliated Entities coordinate with the Tax Credit Entities to ensure the Tax Credit Obligations are fulfilled and that the Collateral of the City as referenced in the Loan Agreement is not impaired or altered unless and until a

deed of trust as described above and securing all sums due is executed and delivered to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO THAT the City Council of the City of Greensboro directs the Manager and his designees to attempt to negotiate and formalize an agreement in accordance with findings above, provided said agreement shall not be effective until it is executed with formality to fully bind Sit-In Movement, Inc., and the Affiliated Entities and which includes the terms set out above; until and unless this occurs, the current Loan Agreement and the rights of the City under the Loan Agreement remain unaltered, fully enforceable, and in no way affected by this Resolution, and the City Manager is directed to take all actions necessary to protect the interests of the City under the Loan Agreement.