

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, SOUTH ELM DEVELOPMENT GROUP, LLC, a North Carolina limited liability company (hereinafter the “Master Developer”), party of the second part, and GREENLINE HOLDINGS, LLC and its permitted assigns (hereinafter the “Component Developer”), party of the third part, is made and entered into as of the date of the last execution of this Agreement by the Commission, the Master Developer, and the Component Developer (hereinafter the “Effective Date”).

RECITALS

WHEREAS, the Commission, a North Carolina municipal corporation organized under the laws of the State of North Carolina, for purposes of carrying out urban renewal and community development all as set forth under North Carolina General Statutes Chapter 160A within its jurisdiction of the City of Greensboro (the “City”); and

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

WHEREAS, all of the 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 Street Redevelopment Plan, as amended, (the “Redevelopment Plan”) which has been duly approved by the Commission and adopted by the City of Greensboro; and

WHEREAS, the Commission, with the approval of the City of Greensboro, entered into with the Master Developer that certain Master Development Agreement, dated June 12, 2013 as amended by that certain Amendment to Master Development Agreement, dated January 23, 2015 (collectively the “MDA”) to develop the SERA and for Master Developer to assist the Commission to establish planning and development criteria, including design guidelines and “green” development 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 for the Commission subject to the Redevelopment Plan and the planning and development criteria developed by the Master Developer; and

WHEREAS, pursuant to the MDA, Commission granted to the Master Developer an option to acquire property within the SERA pursuant to the MDA; and

WHEREAS, the Commission and the Master Developer desire to assign to the Component Developer its exclusive option to acquire from the Commission certain property within the SERA pursuant to the MDA and to have the Commission at Closing convey the Property directly to the Component Developer for the development and construction by the Component Developer of residential units and commercial and retail space within the SERA and in consideration of the Commission’s willingness to convey the Property to the Component Developer, all in consideration of the Component Developer shall have obligations for development and construction of certain improvements on the Property as described in the attached **Exhibit A: Proposed Development Plan**, and 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 Master Developer and 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, the Master Developer, and the Component Developer do hereby mutually agree as follows:

Article 1. Agreement Purpose: Engagement; Scope of Redevelopment Activities

1.1 Definitions

For the purposes of this Agreement each of the following terms shall have the meaning specified with respect thereto and further shall set forth the general terms, provisions, and obligations of the sale and development of the Property hereby defined:

- A. Affordable Housing: Residential units sold or rented to households with income at or below 80% of Area Median Income (AMI) for the Department of Housing and Urban Development's (HUD) Greensboro-High Point, NC HUD Metro FMR Area as defined and updated annually by HUD.
- B. Certificate of Completion: The Certificate of Completion issued to the Component Developer by the Commission upon completion of each phase of Improvements built, which will certify that all requirements of this Agreement have been satisfied. A copy of the form of the Certificate of Completion is attached as **Exhibit B: Certificate of Completion**.
- C. Common Areas: Areas within the Property not intended to be sold or leased for residential or commercial use, including walks, open spaces, drives, etc. as shown and labeled as "Common Areas" on the attached **Exhibit A: Proposed Development Plan**.
- D. Closing(s): The Closing(s) 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 (hereinafter the "Special Warranty Deed"). The parties contemplate that the Property may be conveyed to the Component Developer in phases and any reference to a Closing or Special Warranty Deed shall mean the Closing or Special Warranty Deed for a particular phase if required by the context.
- E. Declaration of Covenants, Conditions and Restrictions for Union Square at South Elm (hereinafter the "DCCRs"): The DCCRs, recorded, April 4, 2015 at BK: R 7690, PG: 2835-2894, as amended. A copy of the DCCRs is attached as **Exhibit F: Declaration of Covenants, Conditions and Restrictions**.
- F. Federal Requirements: All applicable federal, state, and local requirements, rules, and regulations, including, but not limited to those governing the federal Community Development Block Grant program, the Final Rule which was adopted by the Department of Housing and Urban Development (hereinafter "HUD") effective December 11, 1995 (codified at 24 CFR Part 570) and subsequent amendments thereto.
- G. Improvements: All construction, buildings, paving, parking, landscaping, and any other improvements or development on the Property to be performed by the Component Developer are hereby collectively defined as the Improvements, including Horizontal and Vertical Improvements.

- i. Horizontal Improvements shall mean all components of site preparation and site infrastructure, including but not limited to underground utilities, landscaping, surface parking, and Common Areas;
 - ii. Vertical Improvements shall mean all residential units, both for-sale and for rent, commercial/retail space, and associated structured parking areas.
- H. Lots: Divisions within the Property that will be subdivided in accordance with a final site plan approved by the Commission and sold or leased for residential or commercial use, as shown on the attached **Exhibit A: Proposed Development Plan**.
- I. Parcel(s): The individual Parcels acquired by the Commission for the purpose of redevelopment that comprise the Property, as shown on the attached **Exhibit D: City Survey** and further described in Section 1.2.
- J. Phase(s): Phases of construction development known as “Phase I: For-Sale Townhouses” and “Phase II: Mixed-use Building,” as shown on the attached **Exhibit A: Proposed Development Plan**, a final version of which shall be submitted by the Component Developer and approved by the Commission.
- K. Plat(s): Preliminary and final subdivision plats for the Property as recorded in whole or in sections, which will be based on site plans approved by the Commission and the City.
- L. Property: Approximately three (3) acres owned by the Commission and intended for sale to the Component Developer that is the subject of this Agreement, as described on attached **Exhibit C: Property Description** and as shown on **Exhibit D: City Survey**, and further described in Section 1.2. Site preparation and site infrastructure shall refer to activity on the Property.
- M. Purchaser(s): Future buyer(s) of residential townhouse units, a portion of which shall be sold as Affordable Housing as provided in this Agreement.
- N. Renter(s): Future tenants of apartments within the Phase II: Mixed-use Building, a minimum of 20% of which shall be Affordable Housing.
- O. Restrictions: All covenants, restrictions, encroachments, and other matters of record, including, but not limited to any restrictions included in the deeds of Parcels to the Component Developer or Lots to Purchasers.
- P. Supplemental Declarations: Supplemental Declarations to add the Property being conveyed pursuant to this Agreement to the DCCRs.

1.2 Property Description. The property that is the subject of this Agreement consists of part or all of that property located in Greensboro, North Carolina, having a total area of approximately three (3) acres bounded on the north by the right-of-way of West Gate City Boulevard, on the east by the right-of-way of South Elm Street, on the south by the right-of-way of the Downtown Greenway along West Bragg Street and on the west by the eastern right-of-way line of the Norfolk Southern Railway, more described in Exhibit D and shown on the survey attached hereto marked as **Exhibit D: City Survey** and incorporated herein by reference, and subject to the Restrictions.

It is contemplated the Property will be conveyed based on closing schedules for each of the two (2) Vertical Improvement construction phases. Phase I, approximately 2.25 acres, includes the following Parcels:

Parcel #	Address	Acre	Phase
0000501	728 South Elm St	.68	1
	Private alley	.04	1
0000502	702-714 South Elm St	.28	1
0000503	724 South Elm St	.11	1
0000504	730 South Elm St	.18	1
0000505	734 South Elm St	1.00	1

Phase II, approximately .75 acres, includes the following Parcels:

Parcel #	Address	Acre	Phase
0000499	125 West Gate City Blvd	.18	2
0000510	123 West Gate City Blvd	.02	2
0000509	121 West Gate City Blvd	.03	2
0000500	700 South Elm St	.50	2

Component Developer and the Commission shall have the right to amend, increase or decrease, or reconfigure the contemplated phases without the joinder or consent of the Master Developer.

1.3 Interpretation of Recitals. The Commission, the Master Developer, and the Component Developer agree that all words and terms contained within the Recitals are for purposes of historical perspective and the words and terms set forth in the Recitals shall not be construed, interpreted or obligate any of the Commission, the Master Developer, or the Component Developer in any manner whatsoever as pertains to the terms and provisions of this Agreement it being the express intent that this Agreement shall be solely limited to the express terms and provisions set forth herein without regard to any words and terms set forth in the Recitals.

1.4 Exhibits. This Agreement contains the following Exhibits, which are incorporated herein by reference and all terms and provisions contained therein shall be fully binding upon the Commission, the Master Developer, and the Component Developer as if herein fully set forth:

Exhibit A: Proposed Development Plan

Exhibit B: Certificate of Completion

Exhibit C: Property Description

Exhibit D: City Survey, D-3161A, dated 3/2/2017

Exhibit E: Notice of Brownfields Property, dated 10/8/2014

Exhibit F: Declaration of Covenants, Conditions and Restrictions, dated 4/10/2015

Exhibit G: Environmental Impact Statement Waiver, dated 10/15/2015

Exhibit H: South Elm Development Group M/WBE Participation Plan, dated 2/4/2013

Exhibit I: City of Greensboro M/WBE Program, effective 1/1/2014

Exhibit J: Union Square at South Elm Design Guidelines, dated 4/15/2014

Exhibit K: Union Square at South Elm Green Development Guidelines, dated 4/15/ 2014

Notwithstanding the foregoing, any of the Exhibits or agreements referenced in the Exhibits between the Commission and HUD, or any other federal agency or subagency are binding and enforceable only against the Commission unless (i) the Component Developer has specifically agreed to

be bound by any provision or obligation therein, or (ii) the provision or obligation is contained in the Restrictions.

1.5 Term of Agreement. Subject to early termination as expressly provided in this Agreement, the term of this Agreement and of the Component Developer's designation and status hereunder shall be and continue for the latter of the completion of all activities to be performed under this Agreement or three (3) years from the date of full execution hereof. In the event termination occurs as a result of the running of the three-year period from date of full execution by the parties hereto then all of each parties rights and obligations shall terminate and cease as of said date except as to any continuing obligations under other contracts fully executed between the Commission and the Component Developer as contemplated by this Agreement which have not been completed as of the date of termination. Should market conditions require that additional time be required to complete the activities to be performed under this agreement, the Component Developer may request in writing that the Commission consider an Agreement extension for an additional period of one (1) year. The term of this Agreement, including extension shall not exceed four (4) years in total. Approval of such extension request shall not be unreasonably withheld.

1.6 Limitation of Agreement; No Public Funding. Component Developer acknowledges and agrees that this Agreement does not obligate or commit any public funds of the Commission or the City. The Agreement contemplates that one or more separate Agreement(s) may be entered into between the City, the Component Developer, and the Commission regarding the funding and construction of site preparation and streetscape/infrastructure improvements and assistance for provision of Affordable Housing units as set forth in Article 4, but the inclusion or indication of the need for such agreement(s) in no manner shall be deemed to be, construed or interpreted as an obligation on the part of the Commission or the City to execute any such agreement merely by virtue of its mention as a condition within this Agreement.

Article 2. Overall Conduct of the Parties

2.1 Quality of Work under This Agreement. All the activities performed pursuant to this Agreement shall be conducted in accordance with (a) generally accepted standards for similar developments in North Carolina; (b) standards, criteria and other requirements imposed by applicable statutes, regulations, ordinances, and orders of all governmental authorities having jurisdiction; (c) the same standards of care and diligence that the Component Developer employs in carrying out other similar projects for which it is the Developer; and (d) the terms of this Agreement.

2.2 Cooperation. The Commission, the Master Developer, and the Component Developer shall cooperate with one another in good faith to perform and complete all obligations of this Agreement. Such cooperation shall include reasonable efforts to respond to one another as expeditiously as possible with regard to requests for information or approvals required hereby and prompt proactive sharing of information pertinent to the carrying out and orderly progression of the activities contemplated hereby, including forwarding of all relevant correspondence, directives, and other relevant written material. With regard to materials or documents requiring the approval of one or more parties, if such materials or documents are not approved as initially submitted, then the parties shall engage in such communication as is necessary under the circumstances to resolve the issues resulting in such disapproval. A spirit of good faith and a mutual desire for the success of the development contemplated hereby shall govern the parties' relationship under this Agreement.

2.3 Compliance with Laws and Permits. The Component Developer shall use commercially reasonable efforts to assure that the parties contracted by or through Component Developer

constructing Improvements on the Property construct those Improvements in compliance with all applicable federal, state and local laws, codes, ordinances, rules and regulations and with all permits. The Component Developer shall fully comply with all applicable laws and regulations with respect to workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions, licensing, and other employer-employee related matters, including, without limitation, all laws, rules, and regulations with respect to non-discrimination based on race, sex or otherwise.

2.4 Certain Approvals. The Commission and the Component Developer agree that from time to time periodic approvals from both parties may be required hereunder. The parties acknowledge and agree that any contract with third party contractors, lenders, or other parties for any services, materials or other matters of any form, which is intended to obligate another party hereto in any manner including payment of the same must be expressly approved by such other party.

Article 3. Warranties/Duties/Responsibilities of the Master Developer

3.1 Organization and Powers. The Master Developer represents and warrants that it is a North Carolina limited liability company validly existing and in good standing under the laws of the State of North Carolina. The Master 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 Master Developer of this Agreement have been duly authorized by all requisite action.

3.2 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 (a) result in a material adverse change in the activities, operations, assets, or properties or in the condition, financial or otherwise, of the Master Developer, or (b) impair the ability of the Master Developer to perform its obligations under this Agreement. The Master 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.

3.3 Specific Activities to be Performed by Master Developer. Master Developer shall cause to be performed and approved by the Commission within one hundred and twenty days (120) of the Effective Date and, in any event, prior to the Initial Closing (as defined herein), the following:

- A. Revisions to DCCRs and Supplemental Declarations: Prepare amendments to and/or Supplemental Declarations for the Property for Commission review and approval. Amendments and/or Supplemental Declarations shall ensure consistency with the Property's inclusion within the Business Improvement District (BID), allow for reversion of rights and responsibilities to the Union Square Assembly in the event Property is no longer subject to the BID, and make the Property subject to the DCCRs. Approval shall be obtained from the Commission prior to recording either amendments or Supplemental Declarations. The Master Developer shall be responsible for the associated cost of preparing and recording these documents.
- B. Updated Master Plan: Prepare a revised Master Plan for Commission review and approval and for Component Developer review. The Master Developer shall be responsible for the associated cost of preparing these documents.
- C. Assignment of Option to Purchase Land: Assign option, rights, and interest under the Option to acquire and/or purchase Property subject to this Agreement under the MDA as evidenced by the Memorandum of Option to Purchase (the "Memorandum") recorded in Book 7657, Page 1222,

Guilford County Public Registry, including a memorandum of the assignment to be recorded in the Guilford County Public Registry.

Article 4. Warranties/Duties/Responsibilities of the Component Developer

4.1 Organization and Powers. The Component Developer represents and warrants that it is a North Carolina limited liability company 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.

4.2 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 (a) 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 (b) 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.

4.4 Taxes, Insurance and Other Assessments. The Component Developer shall pay all taxes and assessments with respect to the Property after conveyance thereof to it, if any, when due and require the same of all subcontractors and leaseholders who have been given such responsibilities. General liability insurance coverage must be written showing the names of the insured to be the Component Developer, the City, and the Commission as their interests may appear. The Component Developer shall provide evidence of such insurance to the Commission prior to closing.

4.5 Documents: The Component Developer warrants and represents that all contract documents submitted to the Commission by the Component Developer will be valid, complete, and accurate.

4.6 Inspections and Indemnity. Ninety (90) days from the Effective Date (the "Inspection Period"), 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 end of the Inspection Period and, if the conditions thereon noted cannot be corrected or remedied to the satisfaction of the Component Developer 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.

4.7 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 each Closing to convey and transfer the Property to the Component Developer. As further provided hereafter, the Component Developer acknowledges that the Property is subject to (a) a Notice of Brownfields Property, with attached Brownfields Agreement, **Exhibit E: Notice of Brownfields Property** attached hereto and incorporated herein by reference, as amended, (the "Brownfields Notice") and (b) the DCCRs as previously defined, with attached Articles of Incorporation and Bylaws for Union Square Assembly, Inc., attached hereto as **Exhibit F: Declaration of Covenants, Conditions, and Restrictions** and incorporated herein by reference, 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 which, if any, of the Disapproved Exceptions (a) the Commission agrees to remove by Closing, (b) the Commission will attempt to remove by Closing or (c) 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 (a) 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 (b) 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.

4.8 Planning Oversight. Component Developer is responsible for overseeing all development activities and using commercially reasonable efforts to ensure that these activities conform to the goals and objectives of the revitalization project envisioned under the Redevelopment Plan, including development planning, solicitation of prospective subdevelopers, negotiating and assisting in preparation of subcomponent developer agreement(s), soliciting prospective builders and subcontractors, plan approvals and permitting, construction oversight and marketing, all as more specifically outlined in this Agreement.

4.9 Personnel. Component Developer represents that it has or will secure, at its own expense, all personnel required to perform the services required of it pursuant to this Agreement.

4.10 Access to Records. The Commission, and any of its duly authorized representatives, shall have access to any books, documents, papers, and records of the Component Developer that are not attorney-client privileged and are directly related to the Component Developer's services under this Agreement for the purpose of making audit, examination, excerpts, and transcriptions at all times during the term and duration of this Agreement and thereafter for seven (7) years from the completion of Component Developer's services under this Agreement or termination of this Agreement, whichever is later. Component Developer agrees to reasonably cooperate with the Commission in granting access to such books and records. The Commission's access to such books and records shall be at the location at which such books and records are kept in the course of the Component Developer's business, the Component Developer shall not be required to compile or prepare special studies or analyses, and any inspections by the Commission shall be conducted during normal business hours and in a manner so as not to unreasonably disrupt or interfere with Component Developer's business operations. Additionally, Component Developer agrees to allow on-site visits by representatives of the City's Internal Audit Division and will allow them to review Component Developer's applicable records. All inspections and copying shall be made at the Commission's cost. The Component Developer may redact any financial information that is not directly related to this Agreement.

4.11 Monitoring and Reporting. During the term of this Agreement, Component Developer will provide written monthly, quarterly, and annual reports to the Commission.

4.12 Construction Requirements. The Component Developer acknowledges that federal funding was used by the Commission to acquire, assess, and remediate the Property and hereby assures and certifies to conduct and administer the activities and funds under this Agreement in compliance with to the extent applicable to all applicable requirements referenced herein. In all aspects of preparation for and performance of the contemplated construction of Improvements, the Component Developer shall fully adhere to the following: (a) the South Elm Street Redevelopment Plan, which can be viewed on the City's website at <https://www.greensboro-nc.gov/departments/planning/learn-more-about/plans-studies>, (b) the Union Square at South Elm Design Guidelines, attached as Exhibit K, (c) the Union Square at South Elm Green Standards, attached as Exhibit L, (d) the City of Greensboro Downtown Design Manual, which can be viewed on the City's website at <https://www.greensboro-nc.gov/departments/planning/learn-more-about/zoning-rezoning/land-development-ordinance/special-district-design-standards/downtown-design>, (f) the HUD EIS Waiver, attached as Exhibit G, and (g) the South Elm Street Brownfields Notice, attached as Exhibit E, each incorporated herein by reference as if fully repeated herein.

4.13 Improvements. Subject to and only upon all approvals specified in this paragraph, the Component Developer shall construct for-sale townhouses, rental apartments, and commercial space, and other Improvements in accordance with **Exhibit A: Proposed Development Plan**, attached hereto.

In addition to compliance with City zoning and development regulations, all Improvements shall adhere to the requirements of and be approved according to the processes outlined in the DCCRs, the Downtown Design Manual, and the South Elm Street Redevelopment Plan.

Three phases of construction are anticipated by this Agreement, which may be implemented concurrently or as sub-phases:

- A. Horizontal site preparation and infrastructure improvements and streetscape installation within City rights-of-way along South Elm Street between Gate City Boulevard and Bragg

Street and West Gate City Boulevard between South Elm Street and the Norfolk Southern Railroad Tracks to the west.

- B. Phase I Vertical Improvement construction of approximately 60 townhomes for sale. Not less than 51% of for-sale units shall be Affordable Housing.
- C. Phase II Vertical Improvement construction of a mixed-use building to include approximately 39 rental apartments and 8000 square feet of space for commercial and/or retail use. Not less than 20 percent of rental apartment units shall be Affordable Housing.

Compliance with initial occupancy requirements shall be the responsibility of the Component Developer. The Component Developer agrees to provide the required occupancy information to the Commission and the City prior to closing with a Purchaser. Additional owner-occupancy or income requirements may be required under specific conditions at the time of sale to Purchaser(s).

No site preparation, including but not limited to grading of or on the Property, shall occur until the Component Developer shall submit and receive design review and approval as specified in the DCCRs and approval by the Commission, or its designee, employees, or agents, of site plans, which must be approved in full prior to commencement of any construction and work on any Horizontal Improvements. After approval of such initial construction of the Horizontal Improvements, no subsequent modification, change or alteration of the Horizontal 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.

No Vertical Improvement construction on the Property shall occur until the Component Developer shall submit and receive design review and approval as specified in the DCCRs and approval by the Commission, or its designee, employees, or 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 façades 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 vertical construction and work on any Vertical Improvements. After approval of such initial construction of the Vertical Improvements, no subsequent modification, change or alteration of the vertical 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.

4.14 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 to commence the construction of the Improvements on the Property within sixty (60) days after Closing and to complete such Improvements within three (3) 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 or approvals under Section 4.15 shall have been pending for any approval for more than thirty (30) days. During the course of such construction, the Commission and its 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. Should market conditions require that additional time be required to complete the activities to be performed under this agreement, the Component Developer may request in writing that the Commission consider an Agreement extension as provided in Section 1.5 herein above. Term of this Agreement, including extension shall not exceed four (4) years in total. Approval of such extension requests shall not be unreasonably withheld.

4.15 Specific Activities to be performed by Component Developer. Component Developer shall cause to be performed or produced and approved by the Commission prior to the Initial Closing on the Property the following:

- A. Final site plan;
- B. Final development program and phasing schedule;
- C. Proposed development budget with sources and uses;
- D. Marketing plan for sale and rental of residential units;
- E. Drawings, specifications, and other documents fully setting forth details relating to exterior architectural façades and interior layout of all building improvements;
- F. Any other matters pertaining to the proposed construction and improvements contemplated;
- G. Documentation as to the projected costs of the construction of Improvements;
- H. Evidence of financial ability, through capital contributions, grants, loans or otherwise, to complete the Improvements in accordance with this Agreement;
- I. Execution of one or more agreement(s) with the City regarding funding and construction of site preparation, streetscape, and infrastructure improvements for the Property.

4.16 Other Approvals. 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 by the City, the North Carolina Department of Environmental Quality (hereinafter “DEQ”) under the Brownfields Notice, and as required under the 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.

Article 5 Warranties/Duties/Responsibilities of the Commission

5.1 Organization and Powers. The Commission represents and warrants that (a) 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, (b) 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, (c) this Agreement has been duly entered into and is the legally binding obligation of the Commission, and (d) 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.

5.2 The Commission’s Agent’s Authority. Except as otherwise required by law or regulation, the Commission may designate an officer to act on its behalf for the purposes of issuing to the Component Developer all necessary approvals for such minor modifications or verifications as the same may arise from time to time.

5.3 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. 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 has been subjected to various reclamation activities, all to the extent required by and agreed to by DEQ and is set forth within the Brownfields Agreement entered into between the Commission and DEQ and 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 DEQ and receive DEQ's approval prior to any construction activities on the Property.

5.4 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 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, subject further to rights-of-way and utility easements, restrictions under the Brownfields Notice, and the DCCRs.

5.5 Federal Requirements. The Commission shall be responsible for compliance with all federal statutes, rules, and regulations which may be applicable to the contemplated development of the Property except to the extent that responsibility for such compliance is specifically assigned to the Master Developer or the Component Developer hereunder. The Commission will advise Component Developer of the actions that must be taken, in the opinion of Commission, to comply with requirements as soon as practicable, and in no event later than forty-five (45) days of the effective date hereof, which are applicable to the Component Developer, and will assist Component Developer in meeting such requirements. Component Developer will cooperate with the Commission in meeting the federal requirements for which the Commission is responsible during the term of this Agreement. Federal requirements include those imposed by use of Community Development Block Grant Funds, Community Development Block Grant Funds under the Section 108 Loan Guarantee Program, and the Environmental Impact Statement (EIS) Waiver for South Elm Street Redevelopment Project, dated October 15, 2015, attached as **Exhibit H: EIS Waiver**.

5.6 In General. The Commission shall promptly review any matter submitted and advise the Component Developer of approval or of why approval is being withheld and what steps or changes are required to obtain the Commission's approval. The Commission's approval or disapproval of any matter required hereunder shall be solely determined in the discretion of the Commission so long as such action is not arbitrary or capricious.

The Commission shall either approve or disapprove as promptly as practicable. If a submission or any portion thereof is disapproved, the Commission shall give specific reasons for disapproval and suggested modifications, and the Component Developer shall, within a reasonable time thereafter, resubmit the material in question with such responsive revisions as the Component Developer may propose. The Commission shall then expeditiously review and act upon the new or corrected deliverable. The provisions of this section relating to time periods for approval, rejection, or resubmission of new or corrected deliverables shall continue to apply until the deliverables have been approved by the Commission or until this Agreement is terminated.

5.7 Specific Activities Performed by Commission. Commission shall cause to be performed in a timely manner prior to initial Closing on the Property to Component Developer the following:

- A. Release of Property from the HUD Section 108 Loan Guarantee collateral pool;
- B. Assist with negotiations with the City to provide funding for site preparation and affordable housing subsidies; and

- C. Assist with efforts to obtain approvals or waivers from HUD restrictions if such restrictions are determined to impact the economic feasibility of the project, in the sole discretion of the Commission.

5.8 Information. The Commission shall provide or cause to be provided to Developer all information relating to the ownership and status of the Property and other relevant materials in its possession as expeditiously as possible to facilitate the Developer's performance of its obligations under this Agreement.

5.9 Access to Land. The Commission shall provide the Component Developer, its respective agents, employees, and consultants reasonable access to the Property. All such access shall be at the sole risk of the party entering the Property and no invasive or destructive testing will be done on such without the prior approval of the Commission.

5.10 Inspection by Commission. The Commission reserves the right to enter upon the Property, and/or any portion thereof, for the purposes of inspecting the state thereof, the status of any development activities thereon, and for other proper purposes. All such entries shall be made at the Commission's sole risk and shall be done in such a manner as to not unreasonably interfere with any construction, operation, or other activities thereon being undertaken by or on behalf of the Component Developer.

5.11 Maintenance of the Property. Until such time as portions of the Property are transferred or conveyed to the Component Developer, the Commission shall maintain such portions of the Property not transferred or conveyed in a clean, safe, and sanitary condition and in compliance with applicable law. From and after the time at which any portion of the Property is conveyed to the Component Developer, the same will be responsible for maintenance of that portion of the Property.

5.12 Access to Records. The Commission shall grant access and the right to copy to all reports, data, information, studies, and other materials pertaining or relating to the Property that are in its possession or are reasonably available to it without unreasonable cost or effort to the Component Developer, its contractors, and agents. The Commission will make no representations or warranties as to the content or work product contained in such materials. Such access will include the right to copy those materials at no cost to the Commission.

5.13 Payment of Certain Costs. The Commission will be responsible for the payment of only those costs or expenses expressly stated and specified in this Agreement.

5.14 Certificate of Completion. The Commission shall issue a "Certificate of Completion" for each phase of Improvements, as determined by the final approved phasing schedule as required in Section 4.15, promptly after completion and satisfaction of all applicable obligations and conditions for its development as specified in this Agreement. To determine whether or not a Certificate of Completion shall be executed, the Commission reserves and may conduct such inspections or investigations with respect to such component parcel of the Property and any improvements thereon during all reasonable business hours.

5.15 Issuance of Notice of Environmental Indemnification. Should a situation arise whereby the approved Brownfields Agreement does not indemnify the Component Developer, the Commission will consider providing a Notice of Environmental Indemnification on a case by case basis.

5.16 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.

Article 6. Insurance.

The Component Developer, during the term of this Agreement, shall maintain or cause to be maintained all of the hereinafter specified insurance:

- A. Workers Compensation and Occupational Disease Insurance required by the State of North Carolina.
- B. Commercial Liability Insurance (Primary and Umbrella): Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence, and \$2,000,000 general aggregate for bodily injury, personal injury, and property damage liability. In addition, Component Developer shall obtain umbrella coverage of \$5,000,000. Coverage extensions shall include the following: subcontractors, cross liability, broad form property damage, environmental liability, and blanket contractual liability. The Commission is to be named as an additional insured on a primary non-contributory basis for any liability arising directly or indirectly for the services contemplated by this Agreement.
- C. Automobile Liability Insurance (Primary and Umbrella): When any motor vehicles (owned, leased, or hired) are used in connection with the work to be performed, the Component Developer shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 combined single limit for bodily injury and property damage. The Commission is to be named as an additional insured on a primary non-contributory basis.
- D. Property Insurance: If the Component Developer maintains an office on property owned by the Commission, the Component Developer shall purchase and maintain insurance for its own property utilized at the work to full insurable value thereof. Insurance shall be taken out in a company authorized to do business in the State of North Carolina and reasonably satisfactory to the Commission and shall insure against perils of fire and shall include all risk insurance for physical loss or damage including without duplication, theft, vandalism, and malicious mischief. Insurance shall include coverage of owned and rented equipment, temporary facilities, and other items. If insurance is written with stipulated amounts deductible under the terms of the policy, the Component Developer shall be responsible for covering the cost of all deductibles.
- E. Builders Risk/Property Insurance: The Component Developer shall maintain property insurance upon the improvements at the Property in the amount of the full replacement cost thereof. This insurance shall include the interests of Commission, Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, each of whom is deemed to have an insurable interest and shall be listed as a loss payee; be written on a Builder's Risk "all-risk" policy form that shall at least include insurance for physical loss or damage to the improvements, temporary buildings, falsework, and materials and equipment in transit; and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief,

earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, and water damage (other than that caused by flood).

- F. Flood Insurance: To the extent that property is located in a designated flood hazard area, the Component Developer shall maintain or cause to be maintained Flood Insurance in such amount as is available, but only to the extent that such coverage is available.
- G. Other Requirements: The Component Developer shall require all contractors to carry the insurance required herein, as appropriate, or the Component Developer may provide the coverage for any or all contractors and, if so, the evidence of insurance submitted shall so stipulate. All such contracts of insurance held by or on behalf of subcontractors shall name the Commission and City as additional insureds. The Component Developer shall furnish, or cause to be furnished, to the Commission original Certificates of Insurance evidencing the required coverage to be in force from time to time. The receipt of any Certificate does not constitute a determination by the Commission that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the Certificate are in compliance with all Agreement requirements. The failure of the Commission to obtain Certificates or other insurance evidence shall not be deemed to be a waiver by the Commission. Non-fulfillment of the insurance provisions shall, after failing to cure within sixty (60) days, constitute a breach of this Agreement. All insurance required under this Article shall provide for thirty (30) days prior written notice to be given to the Commission in the event coverage is substantially changed, canceled, or non-renewed.

Article 7. Purchase Price, Closing, and Conveyance of Property

7.1 Purchase Price. Purchase price shall be calculated according to the formula set by the MDA, which reads as follows: \$428,694.00 per acre or fraction of acre subject to said amount per acre being increased by the Annual Inflation Rate adjustment beginning January 1, 2014. Inflation Rate adjustments shall use an index rate determined by the January 1 Gross Domestic Product: Implicit Price Deflator as published by the Federal Reserve Board of St. Louis divided by the same data through January 1 of the previous year provided that said year to year index has increased. The price per acre for the calendar year 2018, adjusted for the inflation rate, is therefore \$455,135.89.

The Purchase Price, as stipulated by the MDA, is anticipated to be \$1,365,407.67, subject to a pro-rata adjustment to reflect a determination by survey of the actual acreage to be conveyed. Two or more Closings and conveyances are contemplated in conjunction with the final approved phasing schedule as required in Section 4.15.

The Master Developer agrees that it will assign its option to purchase the approximately three (3) acres that comprise the Property, with Master Developer's sole compensation for said assignment being \$471,520.78, calculated in accordance with the Amendment to the MDA made by the Commission and the Master Developer, effective January 23, 2015, for the release of its option to purchase 1.036 acres of property within the SERA consisting of All of Lot 1 of that certain plat entitled "Recombination Plat Properties of Redevelopment Commission of Greensboro," recorded in Plat Book 189, Page 4, Guilford County Public Registry so that said Lot 1 could be conveyed by the Commission to Union Square Campus, Inc. at no cost. This payment will be made to the Master Developer at the initial Closing from funds received by the Commission from the Component Developer.

The Component Developer shall pay to the Commission in cash or other acceptable funds at the initial Closing the amount of five hundred and thirty-five thousand dollars (\$535,000.00) for the transfer, conveyance, and sale of the Parcels identified in Section 1.2 as necessary for construction of Phase 1.

Remainder of the Purchase Price for the Property, with the exception of the \$10,000 earnest money deposit payment made by the Component Developer to the Commission on February 7, 2018, will be evidenced by a Promissory Note to be executed at the initial Closing by the Component Developer, and the consideration as set forth in said Note together with all obligations, terms and provisions of this Agreement will be secured by a Deed of Trust and associated documents given to the Commission by the Component Developer which gives as security and collateral for the performance of the Note and this Agreement all Parcels that make up the Property as it is conveyed to the Component Developer. Terms of the Note shall be tied to the approved Phasing Schedule, as required by Section 4.15.

7.2 Closing. At Closing, the Commission will deliver to the Component Developer a Special Warranty Deed subject to the affordability requirements contained herein in recordable form conveying the Property to the Component Developer and subject to the matters contained herein that are intended to bind future owners of the Property as described herein.

Subject to Section 7.4, the Initial Closing shall occur within the latter of (a) one hundred and twenty (120) days after the Effective Date or (b) thirty (30) days following the satisfaction of the conditions in Section 5.7, and shall occur at a place and time mutually agreed upon by the Component Developer and the Commission.

7.3 Costs of Closing and Proration. Each of the Commission, the Master Developer, and the Component Developer shall bear all of its own costs regarding the conveyance and transfer, including inspections, examinations, legal fees, recording fees, surveys and other costs, except as said costs, expenses, or fees are otherwise allocated or agreed, or are the responsibility of one of the parties as set forth in this Agreement. The Component Developer shall pay the cost of recording the Special Warranty Deed.

7.4 Conditions Precedent to Right to Close on Property. Closing on the purchase of the Property by Component Developer shall be conditioned upon the satisfaction of the matters and activities as set forth in Articles 3, 4, and 5. This Agreement is contingent upon favorable recommendation by the Commission and approval by the City.

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

Upon the conveyance of the Property to the Component Developer, and the recording of the deed in the Office of the Register of Deeds of Guilford County, NC, upon the request of any of the parties, the parties shall also record a Memorandum of this Agreement in a mutually satisfactory form. In the event of any inconsistency between the terms of this Agreement and such Memorandum, the terms and conditions of this Agreement shall control.

7.5 Deed of Trust. At Closing, the Component Developer shall execute and record 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 Article 8, 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 a Certificate of Completion of Improvements shall further be deemed to be a partial satisfaction of the Deed of Trust and, upon completion of all Improvements contemplated hereby, the Commission agrees to take any other action necessary to then have the Deed of Trust cancelled of record.

Section 8. Breach

The occurrence of any of the following events shall constitute a Breach under the terms of this Agreement:

8.1 Failure to Comply. If the Component Developer is not in substantial compliance with its obligations under this Agreement, and if the Component Developer fails to make a diligent effort to remedy such default within a period of thirty (30) days after written notice thereof from the Commission specifying the respects in which it is at fault so that the Component Developer is again in substantial compliance with such obligations, the Commission may, at the end of such period, terminate this Agreement by giving written notice to the Component Developer of such termination.

8.2 Default under Agreement. Subject to any express notice and grace period provided in this Agreement during which the Component Developer shall have the right to cure any default or event which with the passage of time would become a default, the Component Developer's breach of any covenant, warranty, or default under or failure to perform under the terms of this Agreement.

8.3 Inaccurate Representations. The Component Developer providing invalid or inaccurate material with regard to any warranty, representation or opinion of the Component Developer in this Agreement is a default under this Agreement. Additionally, providing inaccurate or incomplete contracts or schedules is a default. Notwithstanding the foregoing, before such action or omission shall be deemed a default hereunder, the Commission shall give Component Developer notice of the material it deems inaccurate or invalid and Component Developer shall have thirty (30) days to provide additional information to rectify the inaccuracy.

8.4 Easements or Encroachments on Survey. The appearance on any survey furnished hereunder of easements or encroachments which did not exist at the time that the Commission acquired the Property, were not created by the Commission, and which have occurred without the written approval of the Commission and which are not corrected (in the sole judgment of the Commission) or removed within ninety (90) business days after written notice thereof by the Commission to the Component Developer.

8.5 Claim of Lien. Any act or default by the Component Developer that gives rise to a valid claim of lien against the Property, which lien the Component Developer fails to have bonded off in accordance with statute or otherwise removed from the Property within sixty (60) days after receipt of notice of the lien by the Component Developer. In lieu of bonding off such lien, if applicable, the Component Developer may take any and all steps that it deems appropriate to contest the validity of the lien or claim provided that such proceedings cause the lien to be removed from the Lot during the pendency of the proceedings to resolve such claim or lien.

8.6 Governmental Regulations. Failure of the Component Developer to comply with all governmental regulations as appropriate and federal programs to the extent applicable to Component Developer as provided in Section 5.5.

8.7 Component Developer's Failure to Close. In the event that the Component Developer fails to close on the purchase of the Property as provided herein, or fails to comply with any conditions precedent to Closing contained in this Agreement, then after the notice and cure periods provided in Section 9.1, the Commission shall have the right to declare this Agreement terminated and to pursue any other remedies available to it.

8.8 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 or land holding. The Component Developer acknowledges and agrees that this Agreement is not assignable after the Initial Closing and that the Property will not be transferred, conveyed, sold, or leased prior to completion of each phase of Improvements on the Property and issuance of the Certificate of Completion of Improvements for same.

In the event of the occurrence of any Breach and following any applicable grace period, if any, the Commission shall, in addition to all other remedies as may be provided by law or by this Agreement, and all rights and remedies as provided in the Deed of Trust and associated documents securing the obligations of this Agreement including the rights of assignment of the leases and rights to foreclose on the Property as provided therein, or at its option to have a receiver appointed, without regard to the value of the Property or to the solvency or insolvency of the Component Developer. In such circumstances, the Commission or such receiver, respectively, may complete the land development in any manner determined by the Commission to be appropriate and in the best interests of the overall Union Square at South Elm community. Nothing herein shall be deemed to allow for recovery of consequential damages or loss profits.

8.9 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.

8.10 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.

Article 9. General Conditions

The following terms and conditions shall be applicable throughout the term of this Agreement:

9.1 Assignment. The Component Developer shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or novation) without the prior written approval of the Commission. The Commission may assign its interest to the City at the Commission's discretion. Notwithstanding the foregoing, the Component Developer shall have the right

to assign its rights and obligations to this Agreement prior to Initial Closing to an entity that is wholly owned by Component Developer without the consent of the other parties. Component Developer shall give the Commission and Master Developer written notice prior to any such assignment.

9.2 No Waiver. No waiver of any event of default or breach by the Component Developer hereunder shall be implied from any delay or omission by the Commission to take action on account of such default, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein must be in writing.

9.3 Governing Law. This Agreement and all matters relating thereto shall be governed by and construed and interpreted in accordance with the laws of North Carolina except to the extent that such laws may be preempted by any law, regulation or rule of the United States or any agency thereof.

9.4 Severability. Invalidation of any one or more of the provisions of this Agreement shall in no way affect any of the other provisions thereof, which shall remain in full force and effect.

9.5 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision hereof.

9.6 Notices. Any notice, demand, or other communication required, permitted or authorized by this agreement or under applicable law shall be in writing and shall be considered given or delivered if it is delivered personally to, or dispatched by regular or certified mail, postage prepaid, to acknowledged representatives of the parties to this Agreement.

9.7 Audit. The Commission, the City, the Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Master Developer which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions for seven years from the final payment under this Agreement.

9.8 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 Commission 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 Commission.

9.9 Certification of Completion. Promptly after the completion of each phase 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.

9.10 Changes to Improvements. Any Improvements to the Property other than those specified in this Agreement and previously approved by the Commission shall also require approvals as provided in Article 4, which approvals shall not be unreasonably withheld provided such Improvements do not foreseeably impact the construction of the Improvements planned and otherwise required under

this Agreement. Any such approved Improvements shall not alter or affect the time of commencement or completion of the Improvements as heretofore provided in this Agreement.

9.11 Conflicts of Interest of Employees, Agents, Contractors, Officers, or Elected or Appointed Officials of the City of Greensboro or Any Designated Public Agency, or Subrecipients.

In addition to conflict of interest requirements in OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, no person:

- A. Who is an employee, an agent, a contractor, an officer, or elected or appointed official of the City or any designated public agency, or sub-recipients and;
- B. Who exercises or has exercised any function or responsibilities with respect to assisted activities; or
- C. Who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or contract with respect thereto, or the proceeds there under, either for him or herself or for those with whom he or she has family or thereafter. An exception may be granted to this exclusion as provided in 24 CFR 570.611(d).

Any possible conflicts that arise subsequently shall be presented to the City as soon as one is known by the Component Developer.

9.12 Nonliability of Commission. No 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.

9.13 Indemnification. The Component Developer does hereby agree to indemnify and save harmless the City, its officers, agents and employees, against all claims, actions, lawsuits and demands, including reasonable attorney fees, made by anyone for any damages, losses or injuries of any kind, including environmental, which may arise from the sole negligence of the Component Developer, its agents or employees, or as a result of work performed pursuant to this contract.

9.14 Iran Divestment Act Certification. As of the date of this Agreement, the Component Developer certifies that it is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58 and that the Component Developer will not utilize any contractor or subcontractor found on the State Treasurer's Final Divestment List. All individuals signing this Agreement on behalf of the Component Developer certify that they are authorized by the Component Developer to make this certification.

9.15 E-Verify. The Component Developer certifies that it currently complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, and that at all times during the term of this Contract, it will continue to comply with these requirements. The Component Developer also certifies that it will require that all of its subcontractors that perform any work pursuant to this Agreement to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Violation of this section shall be deemed a material breach of this Agreement.

9.16 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.

9.17 Broker. 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. The Master Developer has engaged the services of Trademark Properties, Inc. and will be solely responsible for any commissions, fees or proceeds that may become due to Trademark Properties.

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

9.19 Independence of Parties. This Agreement is not intended to create and shall not create a principal and agency relationship, partnership or joint venture between the parties, and neither party is made the agent or representative of the other for any purpose or in any manner whatsoever.

9.20 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 Master Developer, addressed to:

South Elm Development Group, LLC
Attn: Robert L. Chapman, Managing Member
410 West Geer St.
Durham, NC 27705
(919) 680-2000
Email: bob.chapman@tndpartners.com

To the Component Developer, addressed to:

Greenline Holdings, LLC
Attn: Milt Rhodes
The Arden Group
11 Brookstown Avenue
Winston-Salem NC 27406
Email: milt@theardengroup.com

With copy to:

Blanco Tackabery & Matamoros, P.A.
Attn: Amy C. Lanning
110 S. Stratford Road, Suite 500
Winston-Salem, NC 27104
Email: acl@blancolaw.com

To the Redevelopment Commission, addressed to:

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

With copy to:

Redevelopment Commission of Greensboro
Attn: Redevelopment Commission Attorney
Post Office Box 3136
Greensboro, N.C. 27402-3136
Fax: 336.412.6315
Email: andrew.kelly@greensboro-nc.gov

9.21 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, the Master Developer, and the Component Developer have caused this Agreement to be executed under seal all by authority duly given.

REDEVELOPMENT COMMISSION OF GREENSBORO

By: _____ (SEAL)
_____ Chair

ATTEST:

Assistant Secretary

Printed Name: _____

Date: _____

SOUTH ELM DEVELOPMENT GROUP, LLC

By: _____

(SEAL)

Printed Name: _____

Title: _____

Date: _____

Greenline Holdings, LLC

By: _____

(SEAL)

Printed Name: _____

Title: _____

Date: _____