

## Snider and Rawlins

Attorneys at Law  
105 S Fourth St  
Mebane NC 27302

Richard J. Snider, Jr.  
NC Bar Certified Specialist, Estate Planning and Probate Law  
Phone: 919-619-3184; Fax: 919-928-5511  
rick@snider-rawlins.com

Daniel G. Rawlins  
Phone: 919-482-1724; Fax: 919-928-5511  
dan@snider-rawlins.com

September 30, 2015

COPY

Mr. Roger L. Stancil  
Town Manager  
Town of Chapel Hill  
405 Martin Luther King Jr Blvd  
Chapel Hill NC 27514-5705

Re: Sale of 1714 Legion Road, Chapel Hill by  
American Legion Post No. 6, Chapel Hill, Inc.

Dear Mr. Stancil:

Please take notice that American Legion Post No. 6, Chapel Hill, Inc. has agreed to sell its entire property at 1714 Legion Road in Chapel Hill to Woodfield Acquisitions, LLC, an affiliate of Woodfield Investments, Raleigh, North Carolina. A copy of the Contract for the Purchase of Real Property signed by the parties is attached.

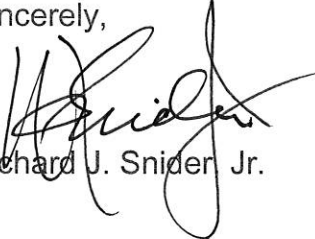
In March and April of 2005, Post 6 and the Town exchanged communications indicating the Post's desire to give, and the Town's desire to receive, a Right of First Refusal from Post 6 in favor of the Town in the event Post 6 agreed to sell its property. No subsequent action was taken by Post 6 or the Town to draft, execute, or record an instrument to implement this desire. Post 6, nevertheless, believes it is in the best interests of all parties to use its best efforts to fulfill the Post's original intention.

Therefore, I am authorized by Post 6 to offer the Post's entire property on Legion Road to the Town of Chapel Hill for the minimum purchase price set forth in the Contract of \$9 million, upon the same terms and conditions already agreed with Woodfield, provided, however, that those terms of the Contract which are contingent upon the action or approval of the Town of Chapel Hill shall be deemed to have been satisfied in favor of closing the Contract.

Mr. Roger L. Stancil, Town Manager  
September 30, 2015  
Page Two

By agreement of Post 6 and Woodfield, the Town shall have 60 days from the date of this notice to accept this Offer. If the Town makes an affirmative decision to decline the offer, written action to that effect would be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Snider Jr.", written in a cursive style.

Richard J. Snider Jr.

cc: Mr. Ralph Karpinos, Town Attorney  
Mr. David Jones, Attorney for Woodfield  
Mr. William Munsee, Post Commander

Enclosure

## CONTRACT FOR THE PURCHASE OF REAL PROPERTY

*Town of Chapel Hill, Orange County, NC*

THIS CONTRACT FOR THE PURCHASE OF REAL PROPERTY (this "**Contract**") is made and entered into as of the 10th day of September 2015 (the "**Effective Date**"), by and between **CHAPEL HILL POST NO. 6, AMERICAN LEGION, INCORPORATED**, a North Carolina non-profit corporation ("**Seller**"), and **WOODFIELD ACQUISITIONS, LLC**, a North Carolina limited liability company, its permitted successors and assigns ("**Purchaser**").

### STATEMENT OF PURPOSE

Seller holds fee simple title to certain real property consisting of approximately 36.2 acres, more or less, located in the Town of Chapel Hill, Orange County, North Carolina, located on Legion Road and which is further described or shown on Exhibit A attached hereto and incorporated herein by reference (together with any improvements thereon, the "**Site**").

Seller desires to sell to Purchaser, and Purchaser desires to acquire, the Site pursuant to the terms and conditions hereof.

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

### ARTICLE I ACQUISITION OF PROPERTY

1.1 **PROPERTY.** The property which is the subject of this Contract is described as follows:

a. the Site; and

b. all rights, privileges, hereditaments and easements appurtenant to the Site, including, without limitation, (i) all water rights, rights of way, roadways and roadbeds to the center line thereof, and utilities, facilities and other appurtenances used or to be used in connection with the Site, (ii) any and all prepaid acreage fees, impact fees, transportation credits, and similar credits, if any, applicable to the Site, (iii) all permits and development approvals and entitlements applicable to the Site, and (iv) all beneficial easements and agreements related to the Site (collectively, the "**Appurtenances**" and, together with the Site, the "**Property**").

1.2 **PURCHASE PRICE.** The purchase price (the "**Purchase Price**") for the Property shall be Ten Million and No/100 Dollars (\$10,000,000.00), payable in cash or immediately available funds, such amount subject to adjustment in accordance with Sections 1.5(d) and 1.5(f), as applicable.

1.3 EARNEST MONEY DEPOSIT. Within three (3) business days after the Effective Date, Purchaser shall deposit with the Escrow Agent (as defined in Section 2.1 hereof) an earnest money deposit in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) (the "Earnest Money"). The Earnest Money shall be placed in a non-interest bearing account and shall be applied to the Purchase Price at Closing and delivered to Seller, or shall otherwise be released pursuant to the provisions of this Contract.

1.4 EXAMINATION PERIOD. Purchaser shall have one hundred eighty (180) days from and after the Effective Date (such time period, as may be extended in accordance with the terms hereof, the "Examination Period") to determine whether the Property is suitable and acceptable for Purchaser's intended development thereof in Purchaser's sole judgment and discretion. Purchaser may, in its sole discretion, extend the Examination Period by thirty (30) days by paying to Seller, not later than the last day of the then-effective Examination Period, Five Thousand and No/100 Dollars (\$5,000.00) (the "Extension Deposit"), which Extension Deposit shall be fully earned by Seller and non-refundable to Purchaser upon payment; provided, however, that (i) the Extension Deposit shall be credited towards the Purchase Price at Closing and (ii) notwithstanding anything to the contrary contained herein, shall be refundable to Purchaser in the event that Seller defaults in its performance under this Contract. Purchaser may extend the Examination Period up to four (4) times in accordance with the immediately preceding sentence.

a. Inspections. From the Effective Date and thereafter as long as this Contract remains in effect, Purchaser, its authorized agents and employees, as well as others authorized by Purchaser (collectively with Purchaser, the "Purchaser Parties") have the right, at Purchaser's expense and discretion, to go upon the Property and make such surveying, environmental, architectural, engineering, topographical, geological, soil and other tests, borings, studies and measurements as Purchaser deems necessary or desirable to thoroughly review and examine the Property. Purchaser shall indemnify and hold Seller harmless from any claims, losses, damages and liabilities resulting from the Purchaser Parties' entry onto the Property prior to Closing; *provided* that Purchaser shall not be obligated to indemnify Seller from any claims, losses, damages or liabilities: (i) caused by any act or omission of Seller, its agents, representatives, employees or consultants; (ii) due to the discovery by the Purchaser Parties of latent defects or other existing conditions on the Property; (iii) due to any diminution in value of the Property arising from or relating to matters discovered by the Purchaser Parties during their investigation of the Property; or (iv) due to the existence of any hazardous materials which are discovered on or under the Property by the Purchaser Parties, or the accidental or inadvertent release thereof by the Purchaser Parties. Purchaser shall provide to Seller copies of all surveys, reports, results, studies and investigations issued to Purchaser by third parties as part of the inspection process (collectively, the "Reports"); provided, however, that (A) Purchaser shall not be required to provide to Seller any confidential attorney-client materials or proprietary architect's plans and (B) Purchaser makes no representation as to the accuracy of the Reports.

b. Existing Title and Property Information. Seller shall deliver to Purchaser copies of all existing title policies, abstracts and opinions regarding the Property, and all design drawings, specifications, sketches, surveys, studies, tests, plans, entitlements

information and correspondence, cost estimates and analyses relating in any way to the Property that are in Seller's possession or control, within ten (10) business days following the Effective Date, at no expense to Purchaser. Additionally, Seller will, during the Examination Period, authorize any third parties who have conducted environmental, engineering or other reviews, surveys, or studies regarding the Property to release any and all reports or other documents regarding the same to Purchaser. Purchaser is authorized to use any such material to Purchaser's benefit in developing the Property, without additional compensation to Seller.

c. Title and Survey Examination.

(i) Purchaser shall have until the date that is thirty (30) days prior to the last day of the Examination Period to examine title and have prepared, at Purchaser's expense, an ALTA survey of the Property (the "Survey") by a surveyor registered in the State of North Carolina and to give written notice to Seller of any objections which Purchaser may have. Purchaser shall provide to Seller copies of the Survey and the results of any title examination (which results shall include Purchaser's title insurance commitment (the "Commitment")) in a timely manner. Seller shall have the right, but not the obligation, at its election, within fifteen (15) days after receipt of written objections from Purchaser (such 15-day period being referred to herein as the "Seller's Response Period"), to provide Purchaser notice of its intent to cure any such objections at Seller's expense (such notice, "Seller's Title Response"); *provided, however*, all mortgage or other secured indebtedness and monetary liens must be cured by Seller regardless of whether Purchaser objects thereto, and *provided further, however*, that Seller shall be permitted to satisfy outstanding mortgage or other secured indebtedness and other monetary liens against the Property from the proceeds of the sale at time of Closing. In the event Seller refuses to cure or remove any of said Purchaser's objections, or fails to provide Seller's Title Response within Seller's Response Period (which such failure shall be deemed to be a Seller refusal to cure), then Purchaser shall have the option, which shall be exercised by written notice given to Seller, to terminate this Contract in accordance with the terms of Section 1.4(d) below, in which event the Earnest Money shall be delivered promptly to Purchaser. If Seller fails to discharge any mortgage or other secured indebtedness or monetary lien on the Property as of Closing, such failure shall be a default of Seller, and Purchaser may, in its sole discretion, choose to either: (A) exercise its applicable remedies under Section 2.5(a) hereof; or (B) proceed to Closing and satisfy any then-outstanding mortgage or other secured indebtedness or monetary lien from the proceeds payable to Seller at Closing. If Seller agrees in Seller's Title Response to cure any objection of Purchaser prior to Closing, and fails to do so, Seller shall be in default hereunder and Purchaser may either: (1) exercise its applicable remedies under Section 2.5(a) hereof; or (2) waive such objections and proceed toward Closing (provided that Purchaser may discharge any then-outstanding mortgage or other secured indebtedness or monetary lien from the proceeds payable to Seller at Closing).

(ii) Purchaser may, at any time prior to Closing, notify Seller in writing of any objection to matters of title or the physical state of the Property which first arise after the expiration of the Examination Period (such notice, a "Gap Notice"). If Purchaser provides such a notice to Seller, Seller and Purchaser shall have the same rights and obligations with respect to such notice and objections as apply to the initial notice of objections given by Purchaser pursuant to the terms of Section 1.4(c)(i), and the Closing shall be extended, if necessary, to permit the parties to exercise their respective rights as provided herein (provided, however, if any applicable title or survey matter results in connection with a Seller default hereunder, Purchaser shall have all applicable rights and remedies available to it under Section 1.4(c)(i) and Section 2.5(a) hereof).

d. Termination. Should Purchaser determine the Property to be not suitable within the Examination Period, for any reason or no reason, Purchaser shall notify Seller in writing of such determination on or before the last day of the Examination Period, at which time this Contract shall terminate and become null and void and of no further force and effect, and the Earnest Money tendered pursuant to Section 1.3 hereof shall be returned immediately to Purchaser. If Purchaser does not terminate this Contract prior to the expiration of the Examination Period, (i) Purchaser shall deposit the additional amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) with the Escrow Agent, which additional amount shall be added to and deemed part of the Earnest Money for all purposes under this Contract and (ii) Purchaser shall have no further right to terminate this Contract, except as expressly set forth herein.

#### 1.5 GOVERNMENTAL APPROVALS; RIGHT OF FIRST REFUSAL; APPROVAL BY SELLER'S MEMBERS.

a. Purchaser's obligations hereunder are expressly contingent on the Property having been Finally Approved so as to permit construction of no less than four hundred (400) units and related amenities, as Purchaser deems to be appropriate and marketable (collectively, the "Project"). "Finally Approved" shall mean that all subdivision, zoning (or rezoning), site plan, variance and other governmental approvals and permits, including, without limitation, building permits (collectively, the "Final Approvals") for the Property and Purchaser's proposed development of the Project, as applicable, have been received, that no amendments or conditions thereto not consented to by Purchaser have been made, and that all appeals or challenges thereto have been finally resolved in favor of Purchaser (or the period for filing any such appeals or challenges has expired without any such appeals or challenges having been filed).

b. Purchaser is authorized, on Seller's behalf and at Purchaser's expense, to apply for the Final Approvals. Seller agrees to sign and join in all such applications, consents and authorizations as may be necessary, helpful or otherwise to fully accommodate Purchaser's attempt to obtain the Final Approvals, at no cost to Seller, and

shall not unreasonably hinder or oppose Purchaser's efforts to obtain approvals for such applications, consents and authorizations.

c. In the event the Property is not Finally Approved by the Outside Closing Date (as defined below), Purchaser, at its option, may either: (i) terminate this Contract by giving written notice to Seller, whereupon the Escrow Agent shall immediately deliver the Earnest Money to Purchaser, and this Contract shall terminate and be of no further force and effect (except for the indemnification provisions of Sections 1.4(a) and 1.6); or (ii) proceed to Closing on the Outside Closing Date in accordance with the terms hereof. Additionally, if Purchaser determines, at any time after it has applied for all or any portion of the Final Approvals that Purchaser must make agreements or commitments that might result in a material adverse economic impact on the development of the Property or the operation of the Project, then Purchaser may terminate this Contract by giving written notice to Seller whereupon the Escrow Agent shall immediately deliver the Earnest Money to Purchaser and this Contract shall terminate and be of no further force and effect (except for the indemnification provisions of Sections 1.4(a) and 1.6). If, at any time after Purchaser has applied for all or any portion of the Final Approvals, Purchaser determines in its sole discretion that (i) all or any portion of the Final Approvals will not be granted, or (ii) as a condition to the issuance of the Final Approvals, Purchaser must make agreements or commitments that might result in a material adverse economic impact on the development of the Property or the operation of the Project, then Purchaser may terminate this Contract by giving written notice to Seller whereupon the Escrow Agent shall immediately deliver the Earnest Money to Purchaser, and this Contract shall terminate and be of no further force and effect (except for the indemnification provisions of Sections 1.4(a) and 1.6).

d. If the Final Approvals for the Property permit the development of less than five hundred (500) units on the Property, then the Purchase Price shall be reduced by Ten Thousand and No/100 Dollars (\$10,000.00) for each unit less than five hundred (500) units that is Finally Approved for development on the Property; provided, however, except as provided in Section 1.5(f) below, the Purchase Price shall not be less than the amount of Nine Million and No/100 Dollars (\$9,000,000.00). For example, if the Final Approvals permit the development of four hundred fifty (450) units, then the Purchase Price shall be reduced to Nine Million Five Hundred Thousand and No/100 Dollars (\$9,500,000.00).

e. The parties acknowledge that Seller delivered a letter to the Town of Chapel Hill (the "Town") dated March 25, 2005 proposing a right of first refusal for the Property in favor of the Town (the "ROFR"), and the Town Council sitting at that time adopted a resolution on April 5, 2005 accepting the proposal. Despite their expressed intent, no terms of a Right of First Refusal were ever agreed by the Seller and the Town or recorded with the Orange County Register of Deeds. Nevertheless, the Seller feels honor bound to give the Town an opportunity to purchase the Property, if it desires to do so. Therefore, Seller and Purchaser agree that within ten (10) days following the making of this Contract, Seller shall present a complete copy of the Contract to the Town with an offer to the Town to purchase the property at the same minimum price of \$9 million and

upon the same terms as expressed in the Contract save and except all terms of the Contract concerning governmental approval of the Purchaser's project which shall be deemed to have been satisfied upon the Town's acceptance of the Seller's offer. Seller's offer to the Town shall remain open for sixty (60) days and no additional time shall be granted without the express written consent and joinder of the Purchaser. The Seller's offer to the Town shall terminate upon (1) the expiration of sixty (60) days or any extension thereof granted by Seller and Purchaser, (2) the receipt by Seller of a written counter-offer from the Town to the Seller, or (3) an express refusal of the offer by the Town to the Seller. In the event the Town shall accept Seller's offer, then this Contract shall terminate and be of no further force and effect (except for the indemnification provisions of Sections 1.4(a) and 1.6) and the Escrow Agent shall deliver the Earnest Money to the Purchaser. In the event the Seller's offer to the Town shall terminate as provided herein, then, and in that event, this Contract shall continue in full force and effect and the parties shall perform its terms. Any and all discussions or negotiations for the sale of all or some of the Property to the Town other than on the terms herein described shall include the Purchaser, and any agreement between the Seller and the Town for the sale of some or all of the Property on terms other than the terms herein described shall require the joinder of the Purchaser. Notwithstanding anything in this Contract to the contrary, in the event the Town does not elect to accept Seller's offer as described above, Seller and Purchaser hereby agree to pursue in good faith a written waiver from the Town waiving any rights the Town may have with respect to the ROFR.

f. Within forty-five (45) days after the Effective Date (the "Membership Approval Date"), Seller shall obtain any approvals or ratifications from its membership that are necessary for this Contract to become effective with respect to Seller (the "Membership Approval"). In the event that such Membership Approval is not obtained on or before the Membership Approval Date, either Seller or Purchaser may terminate this Contract by giving written notice to that effect to the other party. Upon such termination, the parties shall be released from all obligations hereunder, except for those obligations that expressly survive termination.

1.6 REAL ESTATE COMMISSION. Seller and Purchaser each represent and warrant to the other that no broker, dealer, salesman or finder has been retained by it. Seller and Purchaser hereby agree to indemnify and hold harmless the other against any loss, costs, claims or demands arising out of the breach of the foregoing representation by the indemnifying party. The parties' obligations hereunder shall survive Closing or such earlier termination of this Contract.

1.7 CONDITIONS TO PURCHASER'S OBLIGATIONS. In addition to the other conditions set forth herein, the obligations and liabilities of Purchaser hereunder shall in all respects be conditioned upon the satisfaction of the conditions listed below at time of Closing, any of which may be waived by written notice from Purchaser to Seller:



a. Purchaser has determined that marketable fee title to the Property is insurable at regular rates and has obtained the Commitment from a reputable title insurance company selected by Purchaser (the "Title Company") and, assuming proper application has been made thereto and all premiums have been paid, the Title Company will issue at Closing such policy of insurance to Purchaser without exception for mechanics' or materialmen's liens, matters of survey or any encumbrance or other matter (including rights of tenants in possession) except for title exceptions to which Purchaser has not objected (or to which Purchaser's objections are deemed waived pursuant to Sections 1.4(c)(i) and 1.4(c)(ii) hereof) (the "Permitted Exceptions");

b. no activity of Seller has caused a material adverse change since the last day of the Examination Period with respect to the availability of utilities necessary to service the Property and no governmental, judicial or administrative moratorium or service restriction exists to restrict Purchaser from obtaining building permits and constructing and operating the Property in accordance with the Final Approvals;

c. no activity of Seller has adversely affected Site geology and hydrology since the last day of the Examination Period;

d. no activity of Seller has caused an adverse environmental impact since the last day of the Examination Period;

e. Seller has satisfied each of the covenants and obligations of Seller as set forth in this Contract; and

f. all representations and warranties of Seller as set forth in this Contract shall be in all material respects true and correct as of the date of Closing.

If any of the conditions set forth above are not satisfied or waived by Purchaser on or before the Outside Closing Date (as hereinafter defined), then Purchaser, at its option, may terminate this Contract by giving written notice to Seller, whereupon the Escrow Agent shall immediately deliver the Earnest Money to Purchaser. However, nothing set forth in this Section 1.7 shall be construed, nor is anything herein intended, to limit rights and remedies of Purchaser under Section 2.5(a) or otherwise upon the occurrence of a Seller default (which shall be fully applicable in the event that a failure of a condition occurs in connection with a default by Seller hereunder).

1.8 CLOSING. The sale and purchase of the Property shall be consummated (the "Closing") in accordance with the following:

a. Date and Time. The Closing shall be held on the date (the "Closing Date") which is sixty (60) days following the first date on which all of the following have been met (the "Closing Date Trigger Events"): (i) all conditions described in Section 1.7 above have been satisfied or waived by Purchaser; and (ii) the Final Approvals have been obtained. However, notwithstanding anything contained herein to the contrary, in

no event shall the Closing Date be later than the date which is two (2) years after the expiration of the Examination Period (the "Outside Closing Date"). To the extent one or more of the Closing Date Trigger Events has not occurred by the Outside Closing Date, Purchaser shall have the option to: (x) waive completion of any such unsatisfied Closing Date Trigger Event and proceed to Closing as set forth hereunder; (y) terminate this Contract by providing written notice thereof to Seller and Escrow Agent, and receive prompt return of the Earnest Money; or (z) in the event that any applicable Closing Date Trigger Event has not been satisfied due a default by Seller, exercise its applicable remedies under Section 2.5(a) hereof.

b. Location. Closing shall be held in the offices of the Escrow Agent in Chapel Hill, North Carolina, during normal business hours, or at such other location reasonably designated by Purchaser prior to Closing. Notwithstanding the foregoing, at the election of Purchaser, the Closing may be conducted through the offices of Escrow Agent by use of the mails, courier services or other appropriate means.

c. Documents to be Delivered by Seller. Seller agrees to deliver the following to Purchaser at Closing:

(i) a General Warranty Deed to the Property in form and content reasonably satisfactory to Purchaser with appropriate title warranties and documentary stamps affixed thereto at Seller's expense, conveying to Purchaser a good, indefeasible, fee simple and marketable title to the Property subject only to the Permitted Exceptions, and describing the Property in accordance with the provisions of Section 1.4(c) hereof;

(ii) an affidavit of Seller regarding mechanics' and materialmen's liens, possession of Property, the authority of and power of Seller to complete the transactions provided for herein, and such other matters as the Title Company shall reasonably require (including, without limitation, a so called "Gap Indemnity");

(iii) a certification of non-foreign status pursuant to the provisions of Section 1445 of the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated therein;

(iv) a Certification for Form 1099-S, a Form W-9 and such other documents and instruments to effect the transaction described herein, as may be reasonably required by counsel to Purchaser or the Title Company;

(v) a Bill of Sale in form and substance reasonably acceptable to Purchaser that (A) permanently assigns and conveys to Purchaser all assignable certificates, licenses, permits, authorizations and approvals issued for or with respect to the Property by governmental and quasi-governmental authorities having jurisdiction with respect thereto, and (B) conveys all portions of the Property comprised of personal property, if any, to Purchaser; and

(vi) such other documents and instruments as are contemplated herein or as may be reasonably required by counsel to Purchaser or the Title Company.

d. Tax Prorations. Real estate and personal property *ad valorem* taxes, if any, for the calendar year in which Closing occurs shall be prorated as of the Closing Date based on the most recently available tax bills. In the event that the actual taxes for the year differ from the basis for the proration, the parties shall promptly make the appropriate adjustment. Any unpaid assessments, late listing penalties and ad valorem property taxes, including any "roll-back" or "deferred" taxes for years prior to the calendar year in which Closing occurs, which are payable in connection with the Property, shall be paid by Seller at or before Closing, if at or before Closing a sum certain may be provided by the applicable local governmental authority for full payment of such taxes; if no such sum certain can be determined at or before Closing, then Seller shall escrow funds with the Escrow Agent in an amount equivalent to the estimated amount of such assessments, penalties, and taxes as reasonably determined by Purchaser. In the event that the actual assessments, penalties and taxes are greater than the amount escrowed, Seller shall promptly pay such excess amount to the Escrow Agent. If the actual assessments, penalties and taxes are less than the amount escrowed, the Escrow Agent will promptly remit such excess to Seller. The provisions of this Section 1.8(d) shall survive Closing.

e. Closing Costs. Except as otherwise set forth herein, each party shall bear its own costs and expenses, including attorney fees.

(i) Seller shall pay (A) the costs of preparation of the deed and all stamp, revenue, transfer or other taxes on the deed or the recordation thereof (including documentary stamp taxes) and (B) the costs of preparation and recordation of any release and termination statements required to terminate the lien of any deed of trust or security instrument with respect to the Property Agent.

(ii) Purchaser shall pay (A) the costs of the title examination and the title insurance premium, (B) the costs of the Survey, and (C) nominal recording charges payable in connection with the recording of the deed.

(iii) Seller and Purchaser shall each pay one half of the costs of the Escrow Agent.

1.9 INDEPENDENT CONSIDERATION. Seller and Purchaser hereby acknowledge and agree that Twenty-Five and No/100 Dollars (\$25.00) of the Earnest Money (the "Independent Contract Consideration") has been bargained for and agreed to be consideration for Seller's execution and delivery of this Contract. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided for in this Contract, and is non-refundable in all events. In all cases under this Contract in which the Earnest Money is refunded to Purchaser, Seller shall receive the Independent Contract Consideration and Purchaser shall receive the amount of the Earnest Money remaining after the

payment of the Independent Contract Consideration to Seller. To the extent Closing occurs, the Earnest Money inclusive of the amount of the Independent Contract Consideration shall be applied in accordance with the terms of Section 1.3.

## ARTICLE II ADDITIONAL RIGHTS AND OBLIGATIONS

2.1 ESCROW AGENT. The escrow agent hereunder shall be Investors Title Insurance Company, 121 N. Columbia Street, Chapel Hill, North Carolina 27514, Attention: Tracy Hinnant (the "Escrow Agent"). The Earnest Money shall be held subject to the terms and provisions of this Contract.

2.2 EMINENT DOMAIN. Prior to Closing, if all or any part of the Property is taken by eminent domain or if condemnation proceedings are commenced and such taking or commencement affects or is anticipated to affect Purchaser's development of the Property (as reasonably determined by Purchaser), Purchaser may elect by written notice to Seller to either: (i) terminate this Contract and receive an immediate refund of the Earnest Money; or (ii) continue this Contract in full force and effect, whereupon no change in the Purchase Price shall be effected but Seller shall assign, transfer, and set over to Purchaser at Closing all of Seller's rights, title and interest in awards that may be made for such taking.

2.3 COVENANT TO NOT COMMIT WASTE. Seller agrees not to commit or permit waste upon the Property, or to remove or permit the removal of anything from the Property, including trees, without written notification to Purchaser. Seller covenants it shall not take or omit to take any action that will cause the Property to be in a condition at Closing that is materially adverse when compared to the condition of the Property as of the Effective Date.

2.4 REPRESENTATIONS AND WARRANTIES OF SELLER. Seller herewith represents and warrants the following to Purchaser, each of which shall be deemed material:

a. Seller is a duly formed non-profit corporation validly existing and in good standing under the laws of the State of North Carolina. Seller has full power and authority to execute, deliver and perform its obligations hereunder. This Contract has been duly authorized, executed and delivered by Seller.

b. Seller owns and will own at Closing a marketable and insurable fee simple title to the Property.

c. Seller has entered into no agreement, oral or written, not referred to herein with reference to the Property, and to Seller's knowledge neither Seller nor the Property are subject to any claim, demand, suit, unfiled lien, proceeding or litigation of any kind, pending or outstanding, or threatened or likely to be made or instituted which would in any way be binding upon Purchaser or its successors or assigns, or would limit Purchaser's or its successors' or assigns' full use and enjoyment of the Property or which would limit or restrict Seller's right or ability to enter into this Contract and perform its obligations hereunder.

d. During the period beginning on the Effective Date and ending on the date which is the first (1st) anniversary of the expiration of the Examination Period, and except for the ROFR as described in Section 1.5(e), Seller has not and shall not (i) make, accept, negotiate or otherwise pursue other offers for the sale of the Property, or (ii) enter into any other option or sales contract for the Property or any portion thereof. Seller shall have the right to enter into other option or sales contracts for the Property or any portion thereof after the first (1st) anniversary of the expiration of the Effective Date, but only to the extent such contracts expressly acknowledge that any rights thereunder are subordinate to Purchaser's rights under this Contract. Additionally, while this Contract is in effect, Seller shall not execute any deeds, restrictive covenants, right of way agreements, or apply for or consent to any zoning change affecting the Property or take any other action that is not necessary for the purposes contemplated herein or that would adversely affect the Property or Purchaser's rights under this Contract. Also, Seller shall not grant any easement, license or right to use the Property or portion thereof without Purchaser's written approval which shall not be unreasonably withheld. To the best of Seller's knowledge, there is no unrecorded agreement relating to entrances, exits, access and service roads affecting the Property or otherwise with respect to the Property.

e. There are no taxes, charges, or assessments of any nature or description arising out of the conduct of Seller's business or the operation of the Property, which would constitute a lien against the Property, that will be unpaid or not bonded at the date of the Closing, except for the lien of the current year's *ad valorem* property taxes.

f. Seller has no knowledge of any pending application for changes in the zoning affecting the Property. In the event Seller obtains knowledge of any application for changes in the present zoning of the Property other than as contemplated by this Contract, Seller shall immediately notify Purchaser.

g. To Seller's knowledge, (i) no pollutants or other toxic or hazardous substances, materials or wastes ("Substances"), including, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals or wastes (including materials to be recycled, reconditioned or reclaimed), petroleum and petroleum products, asbestos and asbestos-containing materials, radon gas, methane gas, polychlorinated biphenyls ("PCBs") (including PCBs in the form of electrical transformers, fluorescent light fixtures with ballasts, cooling oils or any other device or form) and any other substance, material, waste or condition, which Substances may be regulated or prohibited by, or may be the subject of a cause of action, claim or proceeding under, any Federal, state or local environmental statute (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, and the Federal Underground Storage Tank Regulations), law, ordinance, regulation, rule or requirement ("Statutes") have been or shall, prior to the Closing, be used, installed,

located, spilled, discharged, dispersed, released, stored, treated, generated, transported to or from, disposed of or allowed to escape on the Property, except in accordance with applicable laws, (ii) all oil and/or gas burners, incinerators, furnaces and other fuel burning devices ("Fuel Burning Devices") on the Property comply in all material respects with the Statutes, (iii) no underground storage tanks ("USTs") are located on the Property or were previously located on the Property and subsequently removed or filled, except as disclosed in writing to Purchaser prior to execution of this Contract, (iv) no investigation, administrative order, consent order and agreement, civil or criminal litigation or settlement with respect to Substances, Fuel Burning Devices or USTs is proposed, threatened, anticipated or in existence with respect to the Property, (v) the Property and Seller's operations thereon are and in the past have been in compliance with all applicable Statutes, (vi) there are no landfills or dumping grounds containing decomposable materials located on the Property, and (vii) no notice has been or will (to the best of Seller's knowledge, information and belief) prior to the Closing be served on or delivered to Seller from any entity, governmental body or individual claiming any violation of any Statutes or demanding payment or contribution for environmental damage or injury to natural resources. Seller will not, after the Effective Date and up through Closing, place or allow to be placed or installed on or under the Property any such toxic or hazardous wastes or materials, decomposable materials or underground facilities. Seller has no knowledge of the aforesaid conditions existing on any lands adjoining or in the vicinity of the Property, or of any archaeological sites, burial grounds or cemeteries existing on the Property or on any lands adjoining the Property. Notwithstanding anything to the contrary contained in this paragraph, Purchaser acknowledges that Seller has disclosed the possible presence of asbestos on the Property. Seller hereby indemnifies Purchaser for any costs incurred by Purchaser relating to any containment or removal of the asbestos which may currently be on the Property, which indemnity shall survive Closing.

## 2.5 DEFAULT AND REMEDIES

a. Seller's Default. In the event Seller defaults or fails to perform any of the covenants and conditions of Seller under this Contract, or any of the representations and warranties of Seller are not true as of the date made (or recertified), Purchaser shall be entitled to: (i) an action in equity for specific performance (and if Purchaser is successful in obtaining such specific performance, Seller agrees to indemnify Purchaser for all costs and expenses, including without limitation reasonable attorneys' fees and court costs, incurred in such action; and (ii) the right to terminate this Contract by giving written notice to Seller, whereupon the Earnest Money and any applicable Extension Deposits shall be delivered promptly to Purchaser. In addition, Purchaser may exercise any rights available at law or in equity, but only with respect to a Seller's default: (A) for which the remedy of specific performance is unavailable because Seller has conveyed the Property to a third party in breach of this Contract; or (B) resulting from Purchaser's determination, during the period after the Closing Date until the date that is twelve (12) months after such Closing Date, that any representation or warranty of Seller set forth in this Contract was not true in any material respect as of the date made (or recertified); or (C) pursuant to Seller's breach of any other obligation that survives Closing.

b. Purchaser's Default. In the event Purchaser defaults or fails to perform any of its covenants under this Contract, Seller's sole and exclusive remedy shall be to receive the Earnest Money as full liquidated damages. The parties acknowledge that Seller's actual damages in the event of a default by Purchaser under this Contract will be difficult to ascertain, that such liquidated damages represent the parties' best estimate of such damages and that the parties believe such liquidated damages are a reasonable estimate of such damages. Seller hereby waives and releases any right to sue Purchaser, and hereby covenants not to sue Purchaser, for specific performance of this Contract or to prove that Seller's actual damages exceed the Earnest Money which is herein provided to Seller as full liquidated damages.

2.6 TAX-FREE EXCHANGE OPTION. In the event Purchaser or Seller desires to effect tax-deferred exchanges in connection with the conveyance of the Property, Purchaser and Seller agree to cooperate in effecting any exchange; *provided, however,* that the non-exchanging party (i) shall not assume any additional liability with respect to such tax-deferred exchange and (ii) shall not be obligated to take title to any property in connection with such tax-deferred exchange. Seller and Purchaser shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision. Notwithstanding the foregoing, in no event will the Closing Date be extended as a result of an exchanging party desire to effect a tax-deferred exchange and if it is unable to effect such an exchange, it will be required to close in accordance with the other provisions of this Contract as though this Section 2.6 was not a part of this Contract.

### ARTICLE III MISCELLANEOUS PROVISIONS

3.1 COMPLETE AGREEMENT. This Contract represents the complete understanding and agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, written or oral, as to the matters contained herein, and all such prior negotiations, representations or agreements are merged herein. This Contract may be amended only by written instrument signed by Purchaser and Seller. No requirement, provision, obligation or remedy of this Contract shall be deemed waived unless done so expressly, in writing. A waiver, however, once given, is not continuous, and the granting of a waiver shall not limit the right to enforce such provision thereafter.

3.2 SURVIVABILITY. All terms, conditions, representations and provisions contained herein shall survive Closing and delivery of the deed for a period of twelve (12) months from the Closing Date; *provided, however,* the obligation of the parties to make appropriate adjustments to the prorations made at Closing pursuant to Section 1.8(d), and the obligations of Section 2.5 shall survive indefinitely.

3.3 NOTICES. Notices, elections and communications required hereunder shall be in writing and considered given when delivered personally, tendered to a nationally recognized overnight courier service, deposited as U.S. Postal Service registered or certified mail return receipt requested and postage prepaid, or sent via electronic mail or facsimile, each using the

addresses set forth below; *provided however*, that a party's time period for responding to any such notice deemed to have been duly given shall not commence until such notice has been actually received at the other party's address or refused by the addressee.

SELLER: Chapel Hill Post No. 6,  
American Legion, Incorporated  
1714 Legion Road  
Chapel Hill, North Carolina 27515  
Attention: Mr. Bill Munsee  
Email: americanlegionpost6@gmail.com

with copies to: Snider & Rawlins  
105 S. 4th Street  
Mebane, North Carolina 27302  
Attention: Richard J. Snider, Jr.  
Telephone: (919) 619-3184  
Facsimile: (919) 928-5511  
Email: rick@snider-rawlins.com

PURCHASER: Woodfield Acquisitions, LLC  
11425 Horseman's Trail  
Raleigh, North Carolina 27613  
Attention: M. Scott Underwood  
Email: sunderwood@woodfieldinvestments.com

with copies to: Troutman Sanders LLP  
301 S. College Street, Suite 3400  
Charlotte, North Carolina 28202  
Attention: David H. Jones, Esq.  
Telephone: (704) 998-4068  
Facsimile: (704) 998-4051  
Email: david.jones@troutmansanders.com

ESCROW AGENT: Investors Title Insurance Company  
P.O. Drawer 2687  
Chapel Hill, North Carolina 27515-2687  
Attention: Tracy Hinnant  
Telephone: (919) 945-2605  
Email: commercialescrow@invtitle.com

Any party may, from time to time, by notice as herein provided, designate a different address or contact person to which notices shall be sent.

3.4 APPLICABLE LAW. This Contract shall be governed by and construed in accordance with the laws of the State of North Carolina.



3.5 BINDING EFFECT. This Contract shall be binding upon and shall inure to the benefit of all parties hereto and their respective permitted successors and assigns.

3.6 CAPTIONS AND HEADINGS. Captions and headings throughout this Contract are for convenience and reference only and the words contained therein shall in no way be held to define or add to the interpretation, construction, or meaning of any provision.

3.7 ORIGINAL COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which will be considered to be an original. All those counterparts together will constitute the same instrument, which may be sufficiently evidenced by one counterpart. The signing of this Contract at different times and places by the parties will not affect the validity of this Contract. Scanned, faxed, or other electronic copies of the executed Contract shall be effective as originals.

3.8 TIME IS OF THE ESSENCE. Time shall be strictly of the essence with respect to the performance of all of the obligations of the parties under this Contract.

3.9 SEVERABILITY. Should any portion of this Contract or the application thereof to any person or circumstance be invalid or unenforceable to any extent by law, the remainder of this Contract and the application of such provisions to other persons or circumstances shall not be affected thereby, and shall be enforced to the greatest extent permitted by law.

3.10 PERFORMANCE DEADLINES. Notwithstanding anything herein to the contrary, in the event the final date for performance by either party to this Contract of any condition or obligation hereunder falls upon a non-business day (*i.e.*, Saturday, Sunday, national holiday or local holiday recognized by banks in the locality of the Property), the final date for performance of such condition or obligation shall be extended automatically and without notice until the next succeeding business day, time being of the essence with respect to the matters set forth in this Contract.

3.11 ASSIGNMENT. No party to this Contract shall assign this Contract without prior written consent of the other party, such consent not to be unreasonably withheld, except as identified herein. Notwithstanding the foregoing, this Contract may be assigned by Purchaser, without the consent of Seller, to any entity of which Woodfield Investment Company, LLC, or any principal thereof, has substantial control, or to facilitate one or more 1031 Exchanges. For the purposes of this Section 3.11, "substantial control" of an entity shall mean control over the entity's day to day management rights.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed, ratified and delivered as of the Effective Date set forth on the first page hereof.

**SELLER:**

**CHAPEL HILL POST NO. 6, AMERICAN  
LEGION, INCORPORATED,**  
a North Carolina non-profit corporation

By: Chapel Hill Post No. 6 American Legion, Inc.  
Name: William F. Justice  
Title: Post Commander  
Date: September 10, 2015

**PURCHASER:**

**WOODFIELD ACQUISITIONS, LLC,**  
a North Carolina limited liability company

By: Michael A. Underwood  
Name: MICHAEL A. UNDERWOOD  
Title: MANAGER  
Date: 8/4/15

# EXHIBIT A

## DESCRIPTION OF THE PROPERTY

7/31/2015

Orange County Interactive GIS

Orange County NC Interactive GIS

GIS Data Currency Dates Help County Home Page LR/GIS Home Page

Print Buffer Task Export Results

Search Results Map Layers

Search Results (2)

Parcel Search - [PIN = '9799554972'] - 1 parcels found

9799554972 (AMERICAN LEGION POST)

Select this Parcel Only

PIN	9799554972
PDSTATUS	ACTIVE
OWNER_TYPE	
INTEREST_OWNERS	
OWNER1	AMERICAN LEGION POST
OWNER2	
ADDRESS1	PO BOX 2323
ADDRESS2	
CITY	CHAPEL HILL
STATE	NC
ZIPCODE	27515
TOWNSHIP	7
TOWNSHIP_NAME	CHAPEL HILL
SIZE	35.17A
CALCULATED ACRES	36.23 A
SUBCODE	
LEGAL_DESC	E/S AMERICAN LEGION I
RATECODE	22
LANDVALUE	1739100
BLDGVALUE	661500
BLDGCHY	2
VALUATION	2400600
TAXSTATUS	E
FARMUSE	
USERVALUE	
DEDEREF	0
DEDEREF	179/585
LEGALREF	
DATE SOLD	1/13/1961 12:00:00 AM
TAXSTAMP	3
STAMPVALUE	2727.272
YEAR BUILT	
SQFT	8378
SUBDIVISION_NAME	
SCHOOL_SYSTEM	Chapel Hill/Carrboro School

[Back to Parcels and Parcel Owners](#)  
[Back to Building Map](#)  
[Back to Interactive Parcel Map](#)  
[Back to Zoning Report](#)