

## AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE

THIS AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE (the "Agreement") is made to have an Effective Date as of the date signed by the last party to sign by and between THE COUNTY OF BUNCOMBE, a subdivision of the State of North Carolina ("Seller"), and PHG ASHEVILLE, LLC, a North Carolina limited liability company ("Buyer").

### RECITALS

1. Seller owns that certain tract of real property located at 202 Haywood Street in Asheville as shown on the records of the Buncombe County Tax Office as Parcel # 9649-20-1616 and described in that deed to County of Buncombe recorded in Book 2101, Page 285, Buncombe County Registry (the "Property").
2. Pursuant to Sections 153A-176, 160A-266(a)(3), and 160A-269 and its published procedure, Seller offered the Property for sale by negotiated offer, advertisement, and upset bid for the price of \$4,341,900.
3. Buyer submitted a bid for the Property in the amount of \$4,350,000 and deposited \$222,500 as a bid deposit with Seller.
4. Seller published a legal notice inviting upset bids on the Property on February 6, 2015, and received no upset bids in the time period allotted.
5. Seller desires to sell the Property and Buyer desires to purchase the Property, and both parties desire to set forth the terms and conditions of their bargain in this Agreement.

### TERMS

NOW, THEREFORE, in consideration of the premises, the mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. The Recitals set forth above, along with the definitions of certain terms, are incorporated herein by reference as if fully restated.
2. Seller hereby agrees to sell, and Buyer hereby agrees to purchase the Property.
3. Buyer agrees to pay for the Property the sum of \$4,350,000 (the "Purchase Price"), of which \$222,500 has already been deposited with Seller and shall be applied to the purchase price at Closing. The balance of \$4,127,500 shall be paid in cash at Closing.

4. Closing shall mean the date and time of recording the deed. Closing shall occur on or before June 30, 2015. Time is of the essence, and Seller must receive credit of its closing proceeds before close of business on June 30, 2015.

5. Seller shall be responsible for all costs associated with ownership of the Property until the date of Closing, and Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement and any other costs or expenses customarily allocated to the Seller in commercial property transfers in Buncombe County, North Carolina. Buyer shall pay recording costs, costs of any title search, title insurance, survey, the costs of any inspections or investigations undertaken by Buyer, and any other costs or expenses customarily allocated to the purchaser in commercial property transfers in Buncombe County, North Carolina.

6. Seller agrees to convey to Buyer all legal right, title, and interest it has in the Property without warranty. Notwithstanding the fact that Seller is conveying without warranty, if, at any time prior to Closing, Buyer determines that title is not fee simple marketable and insurable title, then Buyer may either terminate this Agreement, elect to purchase with the title defects uncured, or notify Seller of the discovered title defects and request Seller to cure such defects. Upon receipt of a notice of title defects and request to cure, Seller may either terminate this Agreement or cure such title defects within 30 days of receipt of notice. If Seller elects to cure title defects, but cannot do so within 30 days, then Buyer may terminate this Agreement and receive its bid deposit back or complete the Closing with such title defects uncured. In the event Buyer or Seller terminates this Agreement pursuant to this Paragraph 6 then Buyer will receive its bid deposit back.

7. Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 7 and agrees to indemnify and hold Seller harmless from any damages to persons or property resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair any damage to the Property caused by Buyer's entry and on-site inspections. Buyer shall have from the Effective Date through the date of Closing to perform the above inspections, examinations and testing.

8. Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition (including, without limitation, the requirement to maintain the HVAC system in working condition and maintain the internal temperature of the building to prevent the pipes from freezing, or provide proof of sufficient winterization to prevent frozen pipes), Seller shall have no responsibility for the repair of the Property, including any improvements. If the Property is

not in substantially the same condition at Closing as of the date of this Agreement, reasonable wear and tear excepted, then Buyer may terminate this Agreement and receive its bid deposit back.

9. Environmental. Seller represents and warrants that it has no knowledge of any contamination of the Property from any hazardous or toxic wastes or substances that may have been disposed of or stored on the Property, and Seller has no reason to suspect that any such use or disposal occurred prior to Seller's ownership of the Premises. Notwithstanding the fact that Seller is conveying without warranty, if, at any time prior to Closing, Buyer determines that hazardous or toxic wastes or substances exist on the Property then Buyer may either terminate this Agreement, elect to purchase with the hazardous or toxic wastes or substances, or notify Seller of the discovered hazardous or toxic wastes or substances and request Seller to remove or remediate such hazardous or toxic wastes or substances. Upon receipt of a notice of hazardous or toxic wastes or substances on the Property, Seller may either terminate this Agreement or offer a plan to remove or remediate the hazardous or toxic wastes or substances within 30 days of receipt of notice. If Seller elects to remove or remediate such hazardous or toxic wastes or substances, but cannot do so within 30 days, then Buyer may terminate this Agreement or complete the Closing with such hazardous or toxic wastes or substances in place. In the event Buyer or Seller terminates this Agreement pursuant to this Paragraph 9 then Buyer will receive its bid deposit back.

**10. Adverse Information and Compliance with Laws.**

a. Seller has no knowledge of (i) any condemnation or assessment affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; or (iii) changes contemplated in the applicable laws, ordinances or restrictions affecting the Property.

b. Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property, Seller's performance of this Agreement will not result in the breach of, constitute a default under, or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound, and there are no legal actions, suits or other legal or administrative proceedings pending or, to the knowledge of Seller, threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

c. There is no significant adverse fact or condition known to Seller relating to the Property or its intended use by Buyer which has not been specifically disclosed in writing by Seller to Buyer.

11. At or before Closing, Seller shall deliver to Buyer a quitclaim or non-warranty deed, and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall be disbursed immediately following recording of the deed. The balance of the Purchase Price shall be disbursed to Seller by wire transfer to such account as Seller directs immediately following Closing.

12. Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested to the following addresses, or any address updated in writing pursuant to this paragraph:

If to Seller:

Michael Frue  
Buncombe County  
200 College St., 4<sup>th</sup> Floor  
Asheville, NC 28801

If to Buyer:

PHG Asheville LLC  
1255 Crescent Green, Suite 110  
Cary, NC 27518  
Attn: Shaunak Patel

13. This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto.

14. This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that the notice described in Section 10 is not required for effective communication for the purposes of this Section 12. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

15. All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

16. This Agreement shall be construed under the laws of the State of North Carolina, and any dispute hereunder shall be heard in the North Carolina General Courts of Justice in Asheville, Buncombe County, North Carolina, which said Court shall have jurisdiction to hear any dispute between the parties arising out of this Agreement. The Parties hereby agree that this paragraph establishes exclusive and sole jurisdiction for any legal proceeding in Buncombe County, North Carolina.

17. Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any

transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

18. Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer shall be solely responsible for payment of any broker, consultant, or real estate agent fees. Seller represents and warrants that it has not employed nor engaged any brokers, consultants, or real estate agents to be involved in this transaction.

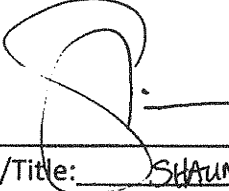
19. This Agreement is expressly subject to the approval of the Buncombe County Board of Commissioners.

BUYER:

SELLER:

PHG ASHEVILLE, LLC

THE COUNTY OF BUNCOMBE

By:   
Name/Title: SHAUNAK PATEL  
MANAGER

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_