

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM YORK COUNTY
Court of Common Pleas

S. Jackson Kimball, Master-in-Equity

Appellate Case No. 2016-002060

Quarter Pointe Ventures, LLC Respondent,

v.

James Lineberger Appellant.

RECORD ON APPEAL
Volume 2

W. Mark White
Jeremy D. Melville
Spencer & Spencer, P.A.
226 East Main Street
P.O. Box 790
Rock Hill, South Carolina 29731
(803)327-7191
Attorneys for Appellant

Matthew E. Cox
Matthew E. Cox, LLC
1320 Main Street, Suite 300
Columbia, South Carolina 29201
(803)724-1320
Attorney for Respondent

RECEIVED

JUL 20 2017

SC Court of Appeals

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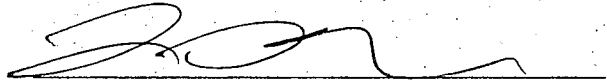
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Certificate of Counsel

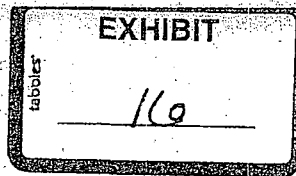
The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

June 28, 2017



W. Mark White
Jeremy D. Melville
Spencer & Spencer, P.A.
226 East Main Street
P.O. Box 790
Rock Hill, SC 29731
(803)327-7191
Attorneys for Appellant

ROA_0251



From: Chris Barton
To: Steve Vermillion; Jim Merrifield
Cc: Roger Pence; Lee Pence; Cindy; Tamara Pence
Subject: Re: Dobys outparcel
Date: Monday, April 20, 2015 11:20:50 AM

Jim and Steve,
Thanks for coming down last week.
I've spoken with Lee and Roger and wanted to make sure I conveyed everything correctly from our meeting concerning the out parcel.

1. Form a separate LLC.
2. \$500,000 for 1/2 undivided interest in the 1.66 out parcel.
3. Upon the sell/development, you guys get the first \$500,000 we get the next \$500,000.
4. After that we spit everything 50/50.

This will keep the property in our control but over time net us the same as if we outright sold it.
Please correct or add to if I've missed any key points.

Chris Barton

On Apr 16, 2015, at 2:12 PM, Jim Merrifield <JMerrifield@mpvre.com> wrote:

Chris—thanks for the offer to come up here but we'll come down there in case we want to look at anything on site.

James Merrifield | <[image001.jpg](#)> MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704-561-5241 (direct) | www.mpvre.com

From: Chris Barton [<mailto:chris@joshuagroupproperties.com>]
Sent: Thursday, April 16, 2015 1:26 PM
To: Jim Merrifield
Cc: Steve Vermillion
Subject: Re: Dobys outparcel

That works for me, or your office works also.

Chris Barton

On Apr 16, 2015, at 1:07 PM, Jim Merrifield <JMerrifield@mpvre.com> wrote:

How about your office at 1:30?

James Merrifield | <[image001.jpg](#)> MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704-561-5241 (direct) | www.mpvre.com

From: Chris Barton [<mailto:chris@joshuagroupproperties.com>]
Sent: Thursday, April 16, 2015 12:35 PM
To: Jim Merrifield

Cc: Steve Vermillion
Subject: **SPAM** Re: Dobys outparcel

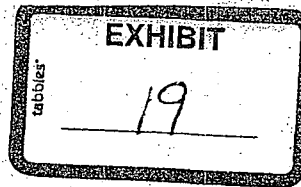
Spam notification: This message was detected as probable spam.

The original message is attached for your reference..

If this message is spam, no further action is necessary.

If this message is **not** spam, and you would like to receive all future emails from this sender, please [click here](#) to automatically accept messages from this sender.

Any reply to this notification will go to the sender of the original message.



From: Matthew Cox
To: Ruth Cunnup
Cc: Caroline Cushing; Cathy Weaver
Subject: Re: Recorded Mortgage
Date: Thursday, May 14, 2015 12:48:20 PM
Attachments: QPV Buyout JL Signature (1).pdf

Ruth:

I have reviewed the Buyout Agreement, which was executed by your client on March 17, 2015. There are no such terms and provisions requiring additional documents, including meeting minutes and financials.

Your client is in breach of the Buyout Agreement, please advise if your client is going to cure the breach or require specific enforcement through the Courts.

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC
1320 Main Street, Suite 300 | 803-724-1320
Columbia, South Carolina 29201 | Admitted in NC, SC & DC
matthew@mecoxlaw.com

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On Thu, May 14, 2015 at 11:17 AM, Ruth Cunnup <ruth.cunnup@hamiltonmartens.com> wrote:

Matthew,

Jim has requested records of meetings and financials. Once he receives them from QPV, he will mail the original Notice of Dissociation to me to file.

RUTH F. CUNNUP

HAMILTON MARTENS BALLOU & CARROLL, LLC
ATTORNEYS AT LAW
130 East Main Street (29730)
Post Office Box 10940 (29731)
Rock Hill, South Carolina
Direct Dial: 803.329.7612
Facsimile: 803.329.7678

www.hamiltonmartens.com

ruth.cunnup@hamiltonmartens.com

From: Matthew Cox [mailto:matthew@mecoxlaw.com]
Sent: Tuesday, May 12, 2015 11:26 AM

To: Ruth Cunnup
Subject: Re: Recorded Mortgage

When can we expect that?

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC

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printouts of the original message (and any copies) to the sender named above, care of Matthew E. Cox, LLC, 1320 Main Street, Suite 300, Columbia, South Carolina 29201.

On Tue, May 12, 2015 at 11:03 AM, Ruth Cunnup <ruth.cunnup@hamiltonmartens.com> wrote:

Matthew,

As soon as I receive the original from Jim Lineberger, I will mail for recording and copy you on the letter to SC Secretary of State.

RUTH F. CUNNUP

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Facsimile: [803.329.7678](tel:803.329.7678)

www.hamiltonmartens.com

ruth.cunnup@hamiltonmartens.com

From: Matthew Cox [<mailto:matthew@mecoxlaw.com>]
Sent: Monday, May 11, 2015 2:00 PM
To: Ruth Cunnup
Subject: Re: Recorded Mortgage

Ruth:

What is the status of the filed Notice of Dissociation?

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC

1320 Main Street, Suite 300 | [803-724-1320](tel:803-724-1320)

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On Wed, May 6, 2015 at 8:57 AM, Ruth Cunnup <ruth.cunnup@hamiltonmartens.com> wrote:

Thank you.

RUTH F. CUNNUP

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Post Office Box 10940 (29731)
Rock Hill, South Carolina
Direct Dial: [803.329.7612](tel:803.329.7612)
Facsimile: [803.329.7678](tel:803.329.7678)

www.hamiltonmartens.com

ruth.cunnup@hamiltonmartens.com

From: Matthew Cox [<mailto:matthew@mecoxlaw.com>]
Sent: Tuesday, May 05, 2015 5:18 PM
To: Ruth Cunnup
Subject: Recorded Mortgage

Ruth:

I am attaching the recorded Mortgage, which constitutes a first lien on the property, less and except the right-of-ways and easements, indicated on the plat.

Please forward the recorded Dissociation at your convenience.

With kind regards,

Matthew E. Cox, Esq.

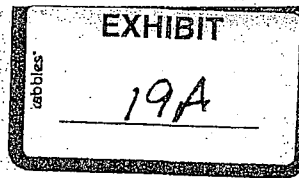
Matthew E. Cox, LLC

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MEMBERSHIP BUYOUT AGREEMENT

This Membership Buyout Agreement is entered into by and between Quarter Pointe Ventures, LLC (the "Company") and James Lineberger ("Lineberger") this 17 day of March, 2015. Unless otherwise defined (or required by the context) herein, all capitalized terms shall have the meaning ascribed to them in the operating agreement of the Company dated August 8, 2006 (the "**Operating Agreement**").

WHEREAS, James Lineberger is an original member of the Company with a 25% LLC Interest in the Company.

WHEREAS, Lineberger wishes to dissociate from the Company;

WHEREAS, all remaining Members of the Company have consented to Lineberger's dissociation and that such dissociation is not a wrongful dissociation and have agreed to purchase his LLC Interest on behalf of the Company pursuant to Section 7.10(a)(ii)(A)(vii) of the Operating Agreement.

WHEREAS, all remaining members have agreed with Lineberger to the valuation of his LLC Interest as set forth pursuant to the terms of this Agreement.

WHEREAS, the Company is selling a portion of its real estate shown on Exhibit D and retaining an approximately 1.6 acre parcel of land, identified as the "Collateral." The Company has plans to sell the Collateral, but cannot anticipate the future sales price for the Collateral;

WHEREAS, the Company is seeking to obtain additional property to add to the Collateral and could increase its acreage, which may or may not increase the value of the Collateral.

WHEREAS, the Company previously had property condemned by York County and believes that York County either took more property than it compensated the Company for, or the Company is entitled to have the property. ; WHEREAS, the Company is currently pursuing compensation for land

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a series of loops and a horizontal line at the end.

which is part of the Company Property shown in gray on Exhibit C (the "ROW") and is a portion of the right of way owned by the Company for which the Company was not compensated in the purchase of Company land for the construction of the Fort Mill Bypass;

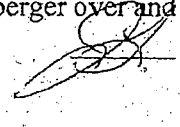
NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties hereto agree as follows:

1. Upon consummation of the Transaction, the Company agrees that all net proceeds from the Transaction shall be placed in an escrow account with Matthew E. Cox, LLC;

2. Upon proper execution of this Agreement and consummation of the Transaction and in partial payment for the LLC Interest, the Company will promptly (i) pay \$320,000 in cash to Lineberger (the "Cash Payment") (ii) execute a promissory note to Lineberger in the amount of \$395,000 (the "Note") and (iii) execute and record a first priority mortgage (the "Mortgage") securing the Note and encumbering the Collateral. (The Note and Mortgage are attached hereto as Exhibits A and B respectively and incorporated herein by this reference.)

3. In addition to the full repayment of the Note including interest upon the sale of the Collateral, if the sale of the Collateral produces a net profit over One Million Dollars (\$1,000,000.00), the Company further agrees to compensate Lineberger for 25% of such net profits over One Million Dollars (\$1,000,000.00). Such additional compensation is due to Lineberger at the time of closing of the sale of the Collateral and shall be shown as payment to Lineberger on the closing statement. This is additional compensation to Lineberger over and above the Cash Payment and full repayment of the Note.

5. If the Company receives any additional compensation for the ROW or additional property for the Collateral, the Company agrees to compensate Lineberger for 25% of the additional compensation received from York County or other governmental entity (collectively, the "Governmental Entity") or other purchaser. Such compensation is due to Lineberger at the time of the Company's receipt of the same. The Company shall not deed any portion of the ROW for its own gain without compensation to Lineberger. This is additional compensation to Lineberger over and



above the Cash Payment and full repayment of the Note. The Company shall be solely liable for any property taxes or assessments regarding the Collateral.

6. Until the Note has been paid in full, the Company agrees not to place any restrictions or encumbrances on the Collateral without Lineberger's prior written consent. The Company further agrees to include Lineberger as an additional insured on its liability insurance policy covering the Collateral.

7. The Company agrees to notify Lineberger prior to the sale of the Collateral and ROW.

8. Lineberger agrees to execute all documents necessary to dissociate from the Company, to not hold himself out as a member of the Company after his dissociation therefrom, and acknowledges that he will only be entitled to his rights as the holder of the Note and Mortgage and to the enforcement of the terms and conditions set forth within this Agreement, the Note, and the Mortgage.

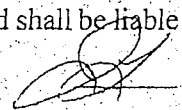
9. James Lineberger enters into this Agreement on behalf of himself, his heirs and assigns and the benefits herein are for the benefit of himself, his heirs and assigns.

10. This Agreement also inures to the benefit of Quarter Pointe Ventures, LLC its members, officers, directors, successors and assigns, agents, representatives, and employees.

11. This Agreement is governed by South Carolina law without regard to choice of law rules.

12. This Agreement, the Note, and Mortgage contain the entire agreement of the parties with respect to the matters referred to herein and all prior negotiations or agreements are merged into the Agreement, Note, and Mortgage.

13. Upon execution of this Agreement, Lineberger will have no further obligations or liabilities to or on behalf of the Company except for those contained in this Agreement. The remaining members of the Company shall be liable to the Company as members and shall be liable



WITNESSES:

Cheryl Sain
Emma Custance

COMPANY:

_____[SEAL]
Christopher R. Barton

_____[SEAL]
Meverell L. Pence, Jr.

_____[SEAL]
Roger L. Pence

LINEBERGER:

[Signature]
James Lineberger [SEAL]

Exhibit A

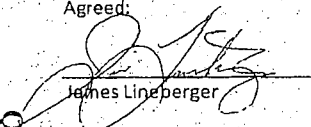
PROMISSORY NOTE

[Signature]

Quarter Pointe Ventures, LLC
Statement of Distributions

	Closing	Amount	Date	Notes
Sales Proceeds	\$1,300,000.00			
Park Sterling Bank	\$658,148.18			
Coldwell Banker Tuttle	\$78,000.00			
York County Tax Assessor	\$16,289.26			
Deed Transfer Tax	\$4,810.00			
	<u>\$757,247.44</u>			
Net Sale Proceeds received in MEC, LLC Trust		\$542,752.56	3/6/2015	Incoming Wire from Moore & Van Allen
Distributed to James Lineberger 3/17/15		\$320,000.00		Per Buy Out Agreement
TOTAL DISBURSED to QPV 3/17/15		<u>\$222,752.56</u>		After payment to James Lineberger

Agreed:


James Lineberger

Quarter Pointe Ventures, LLC

By: Christopher Barton
Its: Managing Member

ROA_0263

QPV Disc. Resp. 00161

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

MEMBERS STATEMENT
OF DISSOCIATION
FROM A LIMITED LIABILITY COMPANY

TYPE OR PRINT CLEARLY IN BLACK INK

The following member of the Limited Liability Company hereby files this statement of Dissociation in accordance with Section 33-44-704 of the 1976 South Carolina Code of Laws, as amended.

1. Name of the Limited Liability Company from which a member has dissociated:

Quarter Pointe Ventures, LLC

2. Name of member who has dissociated from the Limited Liability Company:

James Lineberger

2711 Ski Trail Lane

Street Address

Waxhaw, North Carolina 28173

City S

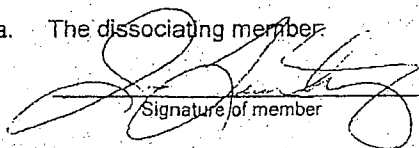
tate

Zip Code

3. Unless otherwise specified, this statement is effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time:

4. This statement is being filed by:

☒ a. The dissociating member

 3-17-15
Signature of member Date

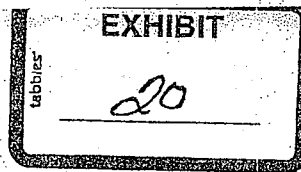
☐ b. The Limited Liability Company:

Signature

Date

Name

Capacity



From: Matthew Cox
To: Ruth Cunnup
Cc: Caroline Cushing
Subject: Re: Recorded Mortgage
Date: Thursday, May 14, 2015 11:26:33 AM

Ruth:

He's been paid and received consideration for the Notice of Dissociation. He has the financials from past. What specifically does he want to know and why does it matter at this point?

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC
1320 Main Street, Suite 300 | 803-724-1320
Columbia, South Carolina 29201 | Admitted in NC, SC & DC
matthew@mecoxlaw.com

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RUTH F. CUNNUP

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Sent: Tuesday, May 12, 2015 11:26 AM

To: Ruth Cunnup
Subject: Re: Recorded Mortgage

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RUTH F. CUNNUP

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ruth.cunnup@hamiltonmartens.com

From: Matthew Cox [<mailto:matthew@mecoxlaw.com>]
Sent: Monday, May 11, 2015 2:00 PM
To: Ruth Cunnup
Subject: Re: Recorded Mortgage

Ruth:

What is the status of the filed Notice of Dissociation?

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC

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On Wed, May 6, 2015 at 8:57 AM, Ruth Cunnup <ruth.cunnup@hamiltonmartens.com> wrote:

Thank you.

RUTH F. CUNNUP

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Rock Hill, South Carolina
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Facsimile: 803.329.7678

www.hamiltonmartens.com

ruth.cunnup@hamiltonmartens.com

From: Matthew Cox [mailto:matthew@mecoxlaw.com]
Sent: Tuesday, May 05, 2015 5:18 PM
To: Ruth Cunnup
Subject: Recorded Mortgage

Ruth:

I am attaching the recorded Mortgage, which constitutes a first lien on the property, less and except the right-of-ways and easements, indicated on the plat.

Please forward the recorded Dissociation at your convenience.

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC

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Columbia, South Carolina 29201 | Admitted in NC, SC & DC

matthew@mecoxlaw.com

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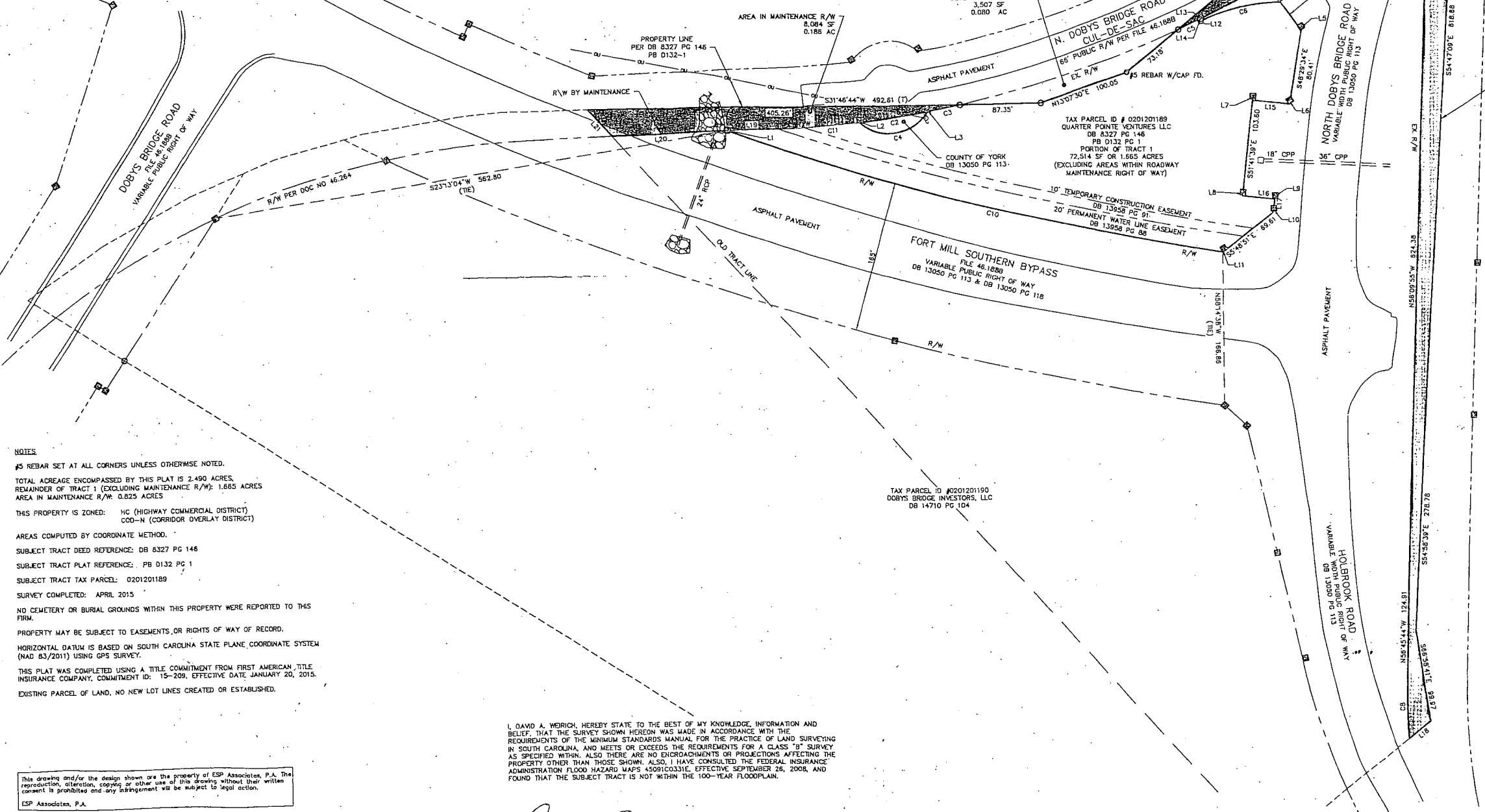
Curve #	Radius	Length	Bearing	Chord
C1	1163.00	208.18	N 25°06'33" E	207.90
C2	1163.00	75.10	N 23°37'49" E	75.08
C3	1163.00	35.83	N 20°51'49" E	35.83
C4	50.00	85.99	S 23°36'48" W	75.78
C5	1163.00	26.48	N 6°54'39" E	26.48
C6	205.00	89.36	N 18°56'38" E	88.66
C7	1163.00	294.56	S 0°59'51" E	293.78
C8	733.00	64.75	N 59°17'38" W	64.73
C9	2967.00	124.86	N 57°22'15" W	124.85
C10	2930.00	558.49	S 46°00'55" W	557.64
C11	1163.00	96.56	N 27°51'31" E	96.53

NOTE: LINE IS FROM MONUMENT TO CORNER

Line #	Direction	Length
L1	S 58°05'39" E	0.67
L2	S 53°02'36" E	2.78
L3	S 55°17'37" E	3.04
L4	S 61°24'34" E	4.37
L5	S 60°04'53" E	4.49
L6	S 56°34'52" E	4.40
L7	S 55°56'23" E	4.30
L8	S 52°03'13" E	4.25
L9	S 52°25'08" E	4.37
L10	S 51°12'11" E	4.43
L11	S 48°47'43" E	4.22
L12	S 60°24'49" E	4.09
L13	S 59°56'48" E	4.01

Line #	Direction	Length
L14	S 83°32'38" E	2.25
L15	S 38°18'22" W	40.00
L16	N 38°18'21" E	35.00
L17	S 51°41'39" E	14.04
L18	S 6°45'17" E	30.54
L19	S 30°14'13" W	47.87
L20	S 30°14'13" W	124.82
L21	S 79°32'23" W	38.89

NOTE: RIGHT OF WAY MONUMENTATION WAS FOUND TO BE IN ERROR COMPARED TO EXISTING MONUMENTATION FOUND WEST AND SOUTH OF THE SUBJECT SITE AND COMPARED TO EXISTING RIGHT OF WAY PLANS AND MONUMENTATION LOCATED FOR THE FORT MILL SOUTHERN BYPASS FILE NO. 46-1886.



NOTES

#5 REBAR SET AT ALL CORNERS UNLESS OTHERWISE NOTED.

TOTAL ACREAGE ENCOMPASSED BY THIS PLAT IS 2.490 ACRES.
REMAINDER OF TRACT 1 (EXCLUDING MAINTENANCE R/W): 1.885 ACRES
AREA IN MAINTENANCE R/W: 0.625 ACRES

THIS PROPERTY IS ZONED: HC (HIGHWAY COMMERCIAL DISTRICT)
COO-N (CORRIDOR OVERLAY DISTRICT)

AREAS COMPUTED BY COORDINATE METHOD.

SUBJECT TRACT DEED REFERENCE: DB 8327 PG 146

SUBJECT TRACT PLAT REFERENCE: PB 0132 PG 1

SUBJECT TRACT TAX PARCEL: 0201201189

SURVEY COMPLETED: APRIL 2015

NO CEMETERY OR BURIAL GROUNDS WITHIN THIS PROPERTY WERE REPORTED TO THIS FIRM.

PROPERTY MAY BE SUBJECT TO EASEMENTS, OR RIGHTS OF WAY OF RECORD.

HORIZONTAL DATUM IS BASED ON SOUTH CAROLINA STATE PLANE, COORDINATE SYSTEM (NAD 83/2011) USING GPS SURVEY.

THIS PLAT WAS COMPLETED USING A TITLE COMMITMENT FROM FIRST AMERICAN TITLE INSURANCE COMPANY, COMMITMENT ID: 15-209, EFFECTIVE DATE, JANUARY 20, 2015.

EXISTING PARCEL OF LAND, NO NEW LOT LINES CREATED OR ESTABLISHED.

I, DAVID A. WERICH, HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THAT THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "B" SURVEY AS SPECIFIED WITHIN. ALSO THERE ARE NO ENCROACHMENTS OR PROJECTIONS AFFECTING THE PROPERTY OTHER THAN THOSE SHOWN. ALSO, I HAVE CONSULTED THE FEDERAL INSURANCE ADMINISTRATION FLOOD HAZARD MAPS 45091C0331E, EFFECTIVE SEPTEMBER 26, 2008, AND FOUND THAT THE SUBJECT TRACT IS NOT WITHIN THE 100-YEAR FLOODPLAIN.

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ESP Associates, P.A.

ESP
ESP Associates, P.A.
P.O. Box 7030 3475 Lakemont Blvd.
Charlotte, NC 28241 Fort Mill, SC 29708
704-583-4949 (NC)
803-802-2440 (SC)
www.espassociates.com



David A. Werich
DAVID A. WERICH, S.C.P.L.S.

ROA_0271

LEGEND	
P/C	- PART OF
CL	- CENTERLINE
PG	- PAGE
DB	- DEED BOOK
FO	- FOUND
PB	- PLAT BOOK
NMS	- NO MONUMENTATION SET
(T)	- TOTAL DISTANCE
IR	- IRON FOUND (AS NOTED)
SSL	- SETBACK LINE
FES	- FLARED END SECTION
RCP	- REINFORCED CONCRETE PIPE
OV	- FLARED END SECTION
R/W	- RIGHT OF WAY MONUMENT FOUND
○	- RIGHT OF WAY MONUMENT
○	- BOREHOLE
○	- CABLE TV PEDESTAL
○	- BOLLARD
○	- CLEAN OUT
○	- ELECTRIC BOX
○	- TREE AS NOTED
○	- CREPE MYRTLE
○	- SET #5 REBAR
○	- VAULT
○	- WATER VALVE
○	- SIGN
○	- UTILITY POLE
○	- GUY WIRE
○	- SANITARY SEWER MANHOLE
○	- BELL SOUTH TELEPHONE MANHOLE
○	- BOUNDARY SURVEYED
○	- EASEMENT
○	- RIGHT OF WAY
○	- OLD TRACT LINE
○	- ADJOINER
○	- SETBACK LINE
○	- UNDERGROUND TELEPHONE
○	- UNDERGROUND GAS
○	- OVERHEAD UTILITY
○	- TREE LINE
○	- RIP RAP
○	- RIGHT OF WAY BY MAINTENANCE

RECORDED

YORK COUNTY

TAX ASSESSOR'S OFFICE

DATE 4-16-15

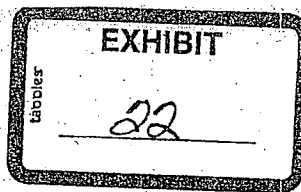
TAX MAP NO.

INITIALS

201500293932
Filed for Record in
YORK COUNTY, SC
DAVID HAMILTON, CLERK OF
04-16-2015 AT 11:15 AM
LARGE PLAT
10.00
Vol 1311 Page 3

GRAPH SCALE 1"=60'
0 10 30 60 120

NO.	DATE	REVISION	BY
1	04/08/15		
BOUNDARY SURVEY OF TAX PARCEL # 0201201189 QUARTER POINT VENTURES, LLC LOCATED IN THE TOWN OF FORT MILL YORK COUNTY SOUTH CAROLINA			
CLIENT: QUARTER POINT VENTURES, LLC 449 HENDON ROW WAY FORT MILL, SC 29715 OFFICE: 803-802-1840 FAX: 803-802-1841			



From: Copeland, Kathryn E. [mailto:CopelandKE@scdot.org]
Sent: Monday, June 1, 2015 4:17 PM
To: Chris <chris@joshuagroupproperties.com>
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Chris,

We could request concurrence to sell the right of way outside of the new right of way limits needed. In cases where the new area of right of way on a road encompasses areas that were previously acquired by easement, deed, condemnation, or legislation, we retain all rights to the road right of way. We will be glad to request the engineers to review anything outside of those limits, but it cannot occur until after the new project is complete and accepted into the State Highway System for maintenance and the new right of way has been deeded from York County to SCDOT. As Jim Gaddy mentioned, it looks like it will be early 2016 before that occurs.

As an example, on this plat, Tracts 3 and most of 4 appear to be within the new right of way limits and therefore would need to be retained by SCDOT. Since the new right of way along Holbrook Road and Dobys Bridge Rd. is not shown, I cannot tell how much of that right of way may be outside of the right of way limits and considered possible surplus. We will be able to tell more after the construction of the project.

I hope this is not too confusing!

Thanks,

Kathryn E. Copeland
SCDOT, Property Management
Post Office Box 191
Columbia, SC 29202-0191
(803) 737-4477 (phone)
(803) 737-1403 (fax)

From: Chris [<mailto:chris@joshuagroupproperties.com>]
Sent: Monday, June 01, 2015 3:52 PM
To: Copeland, Kathryn E.; 'Gaddy, Jim'
Cc: Celestine, Tabitha W.; Wessinger, Eric; chris@joshuagroupproperties.com
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Sorry Kathryn here are both forms.

Christopher R. Barton | GC/BIC
Joshua Group Properties
P.O. Box 1556
Fort Mill, SC 29716
803.802.1840 O
803.802.1841 F
704.309.3379 C
chris@joshuagroupproperties.com
<http://www.joshuagroupproperties.com>

From: Copeland, Kathryn E. [<mailto:CopelandKE@scdot.org>]
Sent: Monday, June 1, 2015 2:44 PM
To: Gaddy, Jim; 'chris@joshuagroupproperties.com'
Cc: Celestine, Tabitha W.; Wessinger, Eric
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Jim and Chris,

My office will be glad to process your request for possible surplus property on this project after the

new right of way has been deeded to SCDOT. Please complete the attached form and return it to our office along with any drawings or plats to assist us in correctly identifying the property in question. After the project is complete and accepted into the State Highway System for maintenance and the new right of way has been conveyed to SCDOT, we will then request that our engineering sections review the property, taking into consideration any future need SCDOT may have for the area.

Jim – do you have any idea when the deed to SCDOT will be submitted and if the construction is complete?

Thanks so much and please feel free to contact me if you have any questions. I may be reached by phone at the number below or by email at copelandke@scdot.org.

Sincerely,

Kathryn E. Copeland
SCDOT, Property Management
Post Office Box 191
Columbia, SC 29202-0191
(803) 737-4477 (phone)
(803) 737-1403 (fax)

From: Wessinger, Eric
Sent: Monday, June 01, 2015 2:15 PM
To: Copeland, Kathryn E.
Cc: Celestine, Tabitha W.; 'chris@joshuagroupproperties.com'; Gaddy, Jim
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Kathryn,

Can you please see Jim's email below. Project 03-004 has not been "deeded/turned over" to the SCDOT yet by York County so SCDOT might not want to relinquish any property yet.

Thanks,
Eric

J. Eric Wessinger
Railroad Projects Office
South Carolina Department of Transportation
955 Park Street – Room 424
Columbia, SC 29201
803-737-4440

From: Gaddy, Jim [<mailto:Jim.Gaddy@yorkcountygov.com>]
Sent: Monday, June 01, 2015 1:59 PM
To: Wessinger, Eric
Cc: Celestine, Tabitha W.; 'chris@joshuagroupproperties.com'

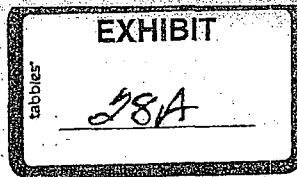
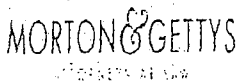
Subject: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Eric:

On the Fort Mill Southern Bypass Project 03-004, the County procured the right of way for the new road, with the intent to later deed it to the SCDOT upon construction completion. This new road crossed some SCDOT roads that were realigned for this project. Some remainder parcel strips were left on the SCDOT roads that the SCDOT no longer needs we presume. One of the owners of property with some remainder parcel strips left inside their property boundary's contacted me today and wants to talk to someone about how to acquire these parcel strips. His name is Christopher R. Barton, Joshua Group Properties, 704-309-3379; chris@joshuagroupproperties.com. Please contact him and let him know who at the SCDOT he needs to discuss this with.

Jim Gaddy, P.E.
York County Government
Engineering Project Manager
Pennies - for - Progress
Office Phone: 803-818-5753
Cell Phone: 803-242-6573
FAX 803-684-8596

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ATTORNEY'S PRELIMINARY OPINION OF TITLE

THE FOLLOWING IS THE TITLE OPINION OF THE UNDERSIGNED ATTORNEY RENDERED TO MOREHEAD TITLE COMPANY FOR ITS ADVICE IN ITS CONSIDERATION OF AN APPLICATION FOR TITLE INSURANCE AND DOES NOT CONSTITUTE AN OBLIGATION FOR THE COMPANY.

The undersigned hereby certifies to Morehead Title Company that in his opinion a marketable fee simple title subject only to the defects, liens, encumbrances, and requirements notes under the respective subdivision of Schedule B hereof, to the land described in Schedule A, was vested in: Quarter Pointe Ventures, LLC, a South Carolina limited liability company, as of July 1, 2015 at 8:00 a.m.

SCHEDULE A

The land referred to in this certificate of title is described as follows: See attached Exhibit "A" for legal description.

SCHEDULE B

1. Instruments which have been executed and duly filed for record in order to create the estate or interest to be insured:
 - a. Title to Real Estate from James Alton Kimbrell and Joyce H. Kimbrell to Quarter Pointe Ventures, LLC, a South Carolina limited liability company dated 8/18/2006 and recorded 8/21/2006 in Book 08327, at Page 146. *et seq.*
2. Defects, liens and encumbrances to which said title is subject (If none, so state): See Schedule B.
 - a. Mortgages and Vendor's Liens (Identify by date, amount, parties and full record data): See Schedule B.
 - b. Mechanic's Liens (Attorney, please note: Are improvements still under construction? Yes ☐ No ☒) None.
 - c. Restrictive Covenants or Conditions: None
 - d. Survey Questions: (Has a reliable survey bearing a current date been supplied and examined? Yes ☒ No ☐)

If supplied, attach hereto and set up all encroachments, violations of building restrictions, overlaps, gaps, unrecorded easements, or other facts evident from survey that may be detrimental to the title. Also show survey questions revealed by recorded documents). (Surveys shown on Exhibit "B", any survey exceptions are noted on said survey).

- e. Do the records show premises as having a means of access? Yes ☒ No ☐
- f. Taxes paid through year: 2014
Taxes now due and payable (late fees may have accrued): NONE
Taxes now a lien but not yet payable: 2015

Tax Map Numbers: 020-12-01-189

- g. Special Assessments: (if payable in installments, show installments that are paid and installments remaining unpaid. If all installments payable in future, show this also. If none, state "none." If abstract does not certify us to assessments, procure certification as to assessments): None shown from title report.

- h. Other Liens, Objections and Defects Found. If none, state "none" ☐. If any, check and show below, or on an attached sheet. Please see Exhibit B where an "*" is inserted.

Unprobated will	Decedent's debts, inheritance or estate tax
Dower, homestead, etc.	Oil and mineral rights
Divorces	Suits pending, state or federal

-	Corporation taxes	-	Judgments, decrees, executions or attachments
-	Bankruptcy proceedings	-	Tax liens, state or federal
<u>*</u>	Water, sewer liens, etc.	-	Recorded leases or known unrecorded leases or occupancies, also options contained in leases
<u>*</u>	Easements, party walls, etc. (as shown on attached Schedule "B")	<u>*</u>	Other (as shown on attached Schedule "B")

- i. Fixture liens: (Conditional sales contracts, chattel mortgages, security agreements, retention of title agreements, personal property leases or financing statements): See Schedule "B"
- j. Corporate resolutions: Is there a current deed or mortgage by a corporation other than a large well-known company? None. If yes, procure and attach certified copies of such resolutions.

Check one:

X Title opinion only

Name of insured: TBD

Amount of insurance: \$TBD

Is Owner's Policy required? TBD

Amount of insurance: \$TBD

Contract sales amount: \$N/A

MORTON & GETTYS, LLC

Michael K. Hatch

Michael K. Hatch, Associate

331 East Main Street

P.O. Box 707

Rock Hill, South Carolina 29731

803.366.3388

Schedule "A"

TRACT 5:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 5, BEGINNING AT A SET #5 REBAR, SAID SET REBAR ALSO BEING A POINT ON THE EXISTING RIGHT OF WAY PER DOCKET NO. 46.264; THENCE N 6-55-54 W, A DISTANCE OF 392.57 FEET; THENCE S 54-47-09 E, A DISTANCE OF 618.68; THENCE S 54-58-39 E, A DISTANCE OF 278.78; THENCE S 66-56-41 E, A DISTANCE OF 99.97 FEET TO THE COMMON CORNER OF WILLIAM J & REBECCA C KIMBRELL JR. PER DEED BOOK 500 PAGE 80; THENCE WITH THE COMMON LINE S 6-45-17 E, A DISTANCE OF 30.54 FEET; THENCE LEAVING THE COMMON LINE OF WILLIAM J & REBECCA C KIMBRELL JR. ALONG AN ARC CONCAVED TO THE NORTHEAST HAVING A RADIUS OF 733.00 FEET AND AN ARC LENGTH OF 64.75 FEET HAVING A CHORD BEARING OF N 59-17-38 W AND A CHORD DISTANCE OF 64.73 FEET; THENCE N 56-45-44 W, A DISTANCE OF 124.91 FEET; THENCE N 56-09-55 W, A DISTANCE OF 624.38 FEET; THENCE WITH A CURVE CONCAVED TO THE SOUTHWEST HAVING A RADIUS OF 2,967.00 FEET AND AN ARC LENGTH OF 124.86 FEET HAVING A CHORD BEARING OF N 57-22-15 W AND CHORD DISTANCE OF 124.85 FEET TO A POINT ON THE EXISTING RIGHT OF WAY PER DOCKET NO. 46.264; THENCE WITH SAID EXISTING RIGHT OF WAY ALONG A CURVE CONCAVED TO THE WEST HAVING A RADIUS OF 1,163.00 FEET AND AN ARC LENGTH OF 321.05 AND HAVING A CHORD BEARING OF S 0-20-42 E AND A CHORD DISTANCE OF 320.03 FEET TO THE POINT OF BEGINNING, CONTAINING 0.639 ACRES MORE OR LESS.

TRACT 6:

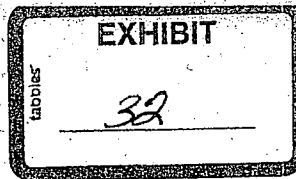
ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 6, BEGINNING AT A SET #5 REBAR, SAID SET REBAR ALSO BEING A POINT ON THE PRESENT RIGHT OF WAY PER DOCKET NO. 46.264; THENCE CONTINUING WITH SAID RIGHT OF WAY ALONG AN ARC CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 1,163.00 FEET AND AN ARC LENGTH OF 26.49 FEET HAVING A CHORD BEARING OF N 6-54-39 E AND A CHORD DISTANCE OF 26.48 FEET TO THE RIGHT OF WAY OF N. DOBYS BRIDGE ROAD PER FILE 46.1883; THENCE CONTINUING WITH THE SAID RIGHT OF WAY THE FOLLOWING NINE CALLS: (1) S 83-32-38 E, A DISTANCE OF 2.25 FEET; (2) ALONG A CURVE CONCAVED TO THE SOUTHEAST HAVING A RADIUS OF 205.00 FEET AND AN ARC LENGTH OF 89.36 FEET, HAVING A CHORD BEARING OF N 18-56-38 E AND A CHORD DISTANCE OF 88.66 FEET; (3) NORTH 85-47-54 E, A DISTANCE OF 38.44 FEET; (4) S 48-29-34 E, A DISTANCE OF 80.41 FEET; (5) S 38-18-22 W, A DISTANCE OF 40.00 FEET; (6) S 51-41-39 E, A DISTANCE OF 103.80 FEET; (7) N 36-18-21 E, A DISTANCE OF 35.00 FEET; (8) S 51-41-39 E, A DISTANCE OF 14.04 FEET; (9) S 5-48-51 E, A DISTANCE OF 69.61 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 113, DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH SAID BYPASS ALONG A CURVE CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 2,930.00 FEET AND AN ARC LENGTH OF 558.49 FEET HAVING A CHORD BEARING OF S 46-00-55 W AND A CHORD DISTANCE OF 557.64 FEET TO A POINT ON THE EXISTING RIGHT OF WAY PER DOCKET NO. 46.264; THENCE WITH SAID EXISTING RIGHT OF WAY THE FOLLOWING TWO CALLS: (1) N 30-14-13 E, A DISTANCE OF 47.87 FEET; (2) ALONG A CURVE CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 1,163.00 FEET AND AN ARC LENGTH OF 96.55 HAVING A CHORD BEARING OF N 27-51-31 E AND A CHORD DISTANCE OF 96.53 FEET; THENCE LEAVING SAID RIGHT OF WAY ALONG A CURVE CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 50.00 FEET AND AN ARC LENGTH OF 85.99 FEET HAVING A CHORD BEARING OF N 23-36-46 AND CHORD DISTANCE OF 75.78 FEET TO A POINT ON SAID RIGHT OF WAY; THENCE CONTINUING WITH SAID RIGHT OF WAY ALONG A CURVE CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 1,163.00 FEET AND AN ARC LENGTH OF 35.83 FEET HAVING A CHORD BEARING OF N 20-51-49 E AND A CHORD DISTANCE OF 35.83 FEET TO A POINT; THENCE LEAVING SAID RIGHT OF WAY THE FOLLOWING THREE CALLS: (1) N 31-46-44 W, A DISTANCE OF 87.35; (2) N 13-05-05 E, A DISTANCE OF 100.05 FEET TO A FOUND #5 REBAR WITH CAP; (3) N 6-54-24 E, A DISTANCE OF 73.15 FEET TO THE POINT OF BEGINNING, CONTAINING 1.665 ACRES MORE OR LESS.

Schedule "B"

1. All matters shown on that Plat of Property of R. H. Kimbrell Estate dated August 23, 1989 prepared by William C. White Jr., PLS # 11077, and recorded May 15, 1991 in Plat Book 108 at Page 17, in the Office of the Clerk of Court for York County, South Carolina.
2. All matters shown on that boundary and physical survey for the Penton Group prepared by James Jetter Pittman, PLS # 14815 dated 07/21/06 and recorded 08/21/2006 in Plat Book D132 at Page 1, in the aforementioned records.
3. All matters shown on that Boundary Survey of Tax Parcel 0201201189 prepared for Quarter Pointe Ventures, LLC, by David A. Weirich, SCPLS, dated April 8, 2015 and recorded April 16, 2015 in Book E311 at Page 3, in the aforementioned records.
4. Mortgage in Favor of James Lineberger by Quarter Pointe Ventures, LLC, dated March 16, 2015, and recorded May 5, 2015 in Book 14842 at Page 19, *et seq.* in the aforementioned records.
5. Right of Way Easement to the Town of Fort Mill, SC for the construction operation and maintenance of a waterline along the Fort Mill Southern Bypass, York County, South Carolina recorded 02/06/2014 in OR Vol. 13958 at page 88, *et seq.* in the aforesaid records.
6. Temporary Construction Easement to the Town of Fort Mill, SC for the construction operation and maintenance of a waterline along the Fort Mill Southern Bypass, York County, South Carolina recorded 02/06/2014 in OR Vol. 13958, at Page 91, *et seq.*, in the aforesaid records.
7. Deed to York County dated November 20, 2012, and recorded November 30, 2012 in Book 13050 at Page 113, *et seq.*, in the aforementioned records.
8. Deed to York County dated November 20, 2012, and recorded November 30, 2012 in Book 13050 at Page 118, *et seq.*, in the aforementioned records.

Other Liens, Objections and Defects Found:

A condemnation action was filed in the York County Court of Common Pleas as Civil Action Number 2011-CP-46-03892. The cause of action was dismissed by Consent Order of Dismissal, filed December 3, 2012. The pleadings in this action do not address issues of access to Doby's Bridge Road or Holbrook Road or of abandonment of old right of way, but rather deal solely with the acquisition of new right of way area. It is our opinion that title to Tracts 5 and 6 is currently vested in Quarter Pointe Ventures LLC, subject to a public right of way. It is as such our opinion that acquisition of fee title to Tracts 5 and 6 alone would not enable the fee owners thereof to prevent access to Holbrook Road or Doby's Bridge Road by parcel owners opposite Tracts 5 and 6 from Holbrook Road and Doby's Bridge Road. It is our opinion that the acquisition of fee title to Tracts 5 and 6, together with the proper abandonment of the public right of way encumbering the same (without any accompanying reservations of easements or rights to third parties for continued use), would entitle the fee owner of Tracts 5 and 6 to prevent access to Holbrook Road or Doby's Bridge Road by parcel owners opposite Tracts 5 and 6 from Holbrook Road and Doby's Bridge Road. We express no opinion as to the existence or validity of any claims by any of such parcel owners for access across Tracts 5 and 6 based on any theory of adverse use, for access by implied easement, for access by easement by necessity, or based upon any similar legal or equitable claim.



From: Matthew Cox
To: Ruth Cunnup
Cc: Caroline Cushing
Subject: Quarter Pointe Purchase Agreement for approximate 1.6 acre piece Holbrook Road
Date: Monday, July 27, 2015 3:39:53 PM

Ruth:

My client's have a potential purchaser for the 1.6 acre tract and need a payoff for Mr. Lineberger's Note- effective August 3, 2015. The Purchase Price is less than a million dollars. I will provide a draft closing statement for your review prior to closing.

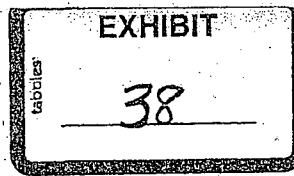
The County has not released the R/W to my client and still contends it is government property, so no additional monies are expected.

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC
1320 Main Street, Suite 300 | 803-724-1320
Columbia, South Carolina 29201 | Admitted in NC, SC & DC
matthew@mecoxlaw.com

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From: Ruth Cunnup <ruth.cunnup@hamiltonmartens.com>
Date: July 31, 2015 at 3:06:56 PM EDT
To: "Matthew Cox (matthew@mecoxlaw.com)" <matthew@mecoxlaw.com>
Cc: "Jim Lineberger (plar@windstream.net)" <plar@windstream.net>, Cathy Weaver <cathy.weaver@hamiltonmartens.com>
Subject: payoff

Matthew,

The payoff for the Lineberger note as of August 3, 2015 is \$410,345.86 with a per diem of \$108.23 thereafter. The funds can be wired to Providence Land Acquisition and Realty at Bank of America with the same account information as was used previously. Please call me if you need to confirm that information in order to avoid sending by email.

RUTH F. CUNNUP
HAMILTON MARTENS BALLOU & CARROLL, LLC
ATTORNEYS AT LAW
130 East Main Street (29730)
Post Office Box 10940 (29731)
Rock Hill, South Carolina
Direct Dial: 803.329.7612
Facsimile: 803.329.7678
www.hamiltonmartens.com
ruth.cunnup@hamiltonmartens.com

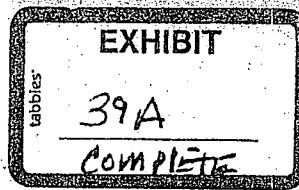
From: Chris Skvoretz
To: Chris Barton; cindy@joshuagroupproperties.com
Cc: Jim Merrifield; Steve Vermillion
Subject: Operating Agreement for DB2 Associates
Date: Wednesday, August 5, 2015 3:19:31 PM
Attachments: [image001.png](#)
[SKMBT_C55415080514040.pdf](#)
[DB2 Associates LLC Operating Agreement Revised 8-5-15.pdf](#)

Attached is the completed operating agreement for DB2 Associates, LLC. I have attached the changes from the prior version. The changes were to incorporate Tract 4 into the description of the Land and the initial contribution. Let me know if you have any questions regarding the changes to the operating agreement.

Thanks,

Chris Skvoretz |  MPV Properties | 521 E. Morehead Street, Suite 400 | Charlotte, NC 28202 | 704.561.5278 (direct) | 704.806.0821 (cell) | www.mpvre.com
Like us on [Facebook](#) | Follow us on [Twitter](#) | Follow us on [LinkedIn](#)

From: mpvscanner@gmail.com [mailto:mpvscanner@gmail.com]
Sent: Wednesday, August 05, 2015 10:04 AM
To: Chris Skvoretz
Subject: Message from KMBT_C554



DB2 ASSOCIATES, LLC

OPERATING AGREEMENT

(A NORTH CAROLINA LIMITED LIABILITY COMPANY)

THE LIMITED LIABILITY COMPANY OWNERSHIP INTERESTS (AND THE UNITS INTO WHICH THEY ARE DIVIDED) ISSUED IN ACCORDANCE WITH AND DESCRIBED IN THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, OR UNDER THE NORTH CAROLINA SECURITIES ACT OR UNDER SIMILAR LAWS OR ACTS OF OTHER STATES, IN RELIANCE ON EXEMPTIONS UNDER THOSE LAWS. NONE OF THE UNITS OR ANY OTHER PORTION OF AN OWNERSHIP INTEREST IN THE COMPANY MAY BE SOLD OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER (A) THIS AGREEMENT AND (B) THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT IN THE COMPANY FOR AN INDEFINITE PERIOD OF TIME.

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SCHEDULES

Schedule 5.1(a)	Interest Owner Information
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EXHIBITS

Exhibit A	Description of the Property
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ADDENDA

Addendum A.....	Representations, Warranties, and Covenants by Quarter Pointe Relative to the Land
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DB2 ASSOCIATES, LLC
OPERATING AGREEMENT

This operating agreement between the undersigned parties is effective as of the date of the formation of the Company.

ARTICLE I
DEFINITIONS

Capitalized terms used in this Agreement have the meanings provided in this Article I unless defined elsewhere in this Agreement.

"Act" means the North Carolina Limited Liability Company Act.

"Affiliate" of a specified Person means any other Person who directly or indirectly controls, is controlled by, or is under common control with, the specified Person. For purposes of the preceding sentence, "control" of a Person means possession, directly or indirectly (through one or more intermediaries or other means), of the power to direct or cause the direction of management and policies of that Person through the ownership of voting securities (or any other interest or interests), contract or other means.

"Aggregate" means, for purposes of making allocations of Net Income and Net Losses (and any items of income, gain, expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) and Distributions as of a particular time, the total of all applicable Capital Contributions, allocations, or Distributions, as the case may be, made at or before that time.

"Agreement" means the expressed terms and provisions of this operating agreement, including all schedules, addenda, and exhibits attached hereto, as it may be amended or supplemented from time to time as provided herein.

"Approval" means, with respect to a Member, either the affirmative vote of that Member at a meeting of the Members, or the written consent of that Member, to allow or cause the Company, the Manager or the Members to take the action for which the vote or written consent is given. To be **"Approved by,"** or receive the **"Approval of,"** the Members means, with respect to a decision or other action to be made or taken by the Members, that decision or other action receiving the level of Approval of all of the Members (including any Member who has or may have a commercial, personal or other self interest or conflict of interest in the transaction or other matter to be Approved by the Members) required under this Agreement. Each Member may exercise that Member's Approval rights under this Agreement (including with respect to amending this Agreement) in the Member's Sole Discretion.

"Articles of Organization" means the Articles of Organization of the Company filed in the office of the Secretary of State of North Carolina in the manner required by the Act to form the Company, as they may be amended from time to time in accordance with this Agreement.

"Available Cash From Operations" means, as of a particular time, excluding (and, therefore, without duplication of) any amounts included or to be included in the computation of Net Sale and Refinancing Proceeds, the excess, if any, of

(a) the sum of

(i) all cash funds the Company receives from operations or any other source (excluding Capital Contributions and loans made to the Company), and

(ii) all cash funds the Company releases from Reserves (other than Reserves of Net Sale and Refinancing Proceeds) for Distribution; over

(b) the sum of

(i) all cash payments made by the Company that the Manager determines should not be paid with either (A) Net Sale and Refinancing Proceeds, or (B) funds that the Company releases from Reserves (other than Reserves of Net Sale and Refinancing Proceeds) for that purpose, or (C) funds that the Company receives from Capital Contributions or loans (whether those payments are of or for current expenses, capital expenditures, the amortization and payment or, to the extent determined to be appropriate by the Manager, prepayment of the principal balance, of any loans or other liabilities of the Company, or for any other purpose after the application of any amounts described and otherwise dedicated for any of the above purposes in the definition of Net Sale and Refinancing Proceeds or Available Cash From Sales and Refinancings),

(ii) all cash funds the Company uses to establish or increase the amount of Reserves (other than Reserves of Net Sale and Refinancing Proceeds), and

(iii) any Cumulative Negative Cash Flow Amount.

"Available Cash From Sales and Refinancings" means, as of a particular time, the excess, if any, of

(a) the sum of

(i) Net Sale and Refinancing Proceeds and

(ii) any Cumulative Negative Cash Flow Amount determined as of that time and otherwise available to be Distributed; over

(b) the sum of

(i) the amount, if any, that the sum of the amount described in part (b) of the definition of Available Cash From Operations in this Article I (excluding any Cumulative Negative Cash Flow Amount under clause (iii) thereof) exceeds the amount described in part (a) of the definition of Available Cash From Operations,

(ii) the amount of any Net Sale and Refinancing Proceeds the Company is to use to acquire other real property (except leasehold interests) or make capital improvements to, or other capital expenditures with respect to, any real property, and

(iii) any amount (including other capital expenditures) the Manager determines should be paid or held in Reserves from Net Sale and Refinancing Proceeds.

"Bankruptcy" means, with respect to any Person, a "Voluntary Bankruptcy" or an "Involuntary Bankruptcy." A **"Voluntary Bankruptcy"** means, with respect to any Person, that Person (a) commencing (or consenting to the commencement of) a proceeding or filing an answer or other pleading that consents to a proceeding concerning either that Person's insolvency or the adjustment of that Person's debts; (b) seeking, consenting to, or acquiescing in the liquidation, winding up, dissolution, reorganization, rearrangement, adjustment, protection, composition, or other relief for that Person or that Person's debts under any Bankruptcy Law; (c) seeking, consenting to, or acquiescing in the entry of any Order for Relief or the appointment of a receiver, trustee, liquidator, custodian, or other similar official for that Person or all or any substantial part of that Person's property under any Bankruptcy Law; (d) making a general assignment for the benefit of that Person's creditors; or (e) taking, with respect to an Entity, any action by the decision-makers of that Entity to authorize any of the foregoing. An **"Involuntary Bankruptcy"** means, with respect to any Person, (i) the entry of an Order for Relief or other Order approving a petition or other pleading for relief or reorganization or any other petition or filing seeking any liquidation, winding up, dissolution, reorganization, rearrangement, adjustment, composition or other similar relief against that Person under any Bankruptcy Law without the consent of or acquiescence by that Person, (ii) the filing for an Order described in the preceding clause (i) against that Person unless that filing is dismissed within sixty (60) days of the date on which it is made; (iii) the entry of an Order under any Bankruptcy Law appointing a receiver, trustee, liquidator, custodian, or other similar official for that Person or of all or any substantial part of that Person's property, unless that Order is dismissed within sixty (60) days of the date it is entered; (iv) the failure by that Person generally to pay that Person's debts as they become due within the meaning of Bankruptcy Code § 303(h)(1); or (v) the entry against that Person of a charging order as contemplated by Act § 57D-5-03 with respect to that Interest Owner's Interest. For purposes of this definition of "Bankruptcy," **"Order for Relief"** means an Order entered under Bankruptcy Code § 301 or 303(h).

"Bankruptcy Law" means any Law concerning bankruptcy, insolvency, reorganization, liquidation, winding up or composition for adjustment of debts, or other similar form of relief of debtors, including Title 11 of the United States Code, as amended (the **"Bankruptcy Code"**).

"Base Capital Contributions" means, with respect to any Interest Owner, the Capital Contributions made by that Interest Owner under Section 5.2 and so designated on Schedules 5.1(a) and 5.1(b).

"Base Preferred Return" means, as determined for a particular period with respect to an Interest Owner who has made Base Capital Contributions, an amount equal to a zero percent (0%) per annum, simple, rate of return on the Base Capital Contributions made by that Interest Owner, accounting for all Distributions made with respect to that Interest Owner's Base Capital Contributions (including those Distributions made in payment of that return under, or as

provided in, Sections 7.1(c) and 7.2(c) and in repayment of that Interest Owner's Base Capital Contributions under, or as provided in, Section 7.2(d)), applying those conventions and otherwise computed as reasonably determined by the Manager.

"Book Value" is defined in Section 1.3 of Schedule 6.

"Business Day" means any day other than Saturday, Sunday or any other day on which national banking associations in the State of North Carolina generally are closed for commercial banking business.

"Capital Account" is the account established and maintained for each Interest Owner in accordance with Section 2.1 of Schedule 6.

"Capital Contributions" means, with respect to an Interest Owner, the amount of money, and the Book Value (as determined by the Manager if not otherwise provided in this Agreement) of other property contributed by that Interest Owner to the capital of the Company in respect of that Interest Owner's Interest (including the sum paid to acquire and exercise a noncompensatory option, as defined in Treas. Reg. § 1.721-2(f), to purchase all or a portion of that Interest), reduced by the amount of any liabilities of the Interest Owner that (a) the Company assumes (under the standards provided in the last sentence of Treas. Reg. § 1.704-1(b)(2)(iv)(c)) in connection with that transaction or (b) are secured by the property when it is contributed to the Company (and, therefore, the Company takes the property subject to those liabilities), excluding the extent to which those secured liabilities are included in clause (a) of this definition of Capital Contribution or exceed the fair market value of the contributed property. The principal amount of a promissory note that is not readily traded on an established securities market and that is contributed to the Company by the maker of the note (or a Person related to the maker of the note within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(c)) is not to be treated as a Capital Contribution and will not be included in the Capital Account of any Interest Owner until the Company makes a taxable disposition of that promissory note (or until, and to the extent, principal payments are made on that promissory note) as contemplated by Treas. Reg. § 1.704-1(b)(2)(iv)(d)(2). The assumption of a liability of the Company by an Interest Owner, other than in connection with the contribution of property to the capital of the Company, will be included in that Interest Owner's Capital Account in accordance with Section 2.1(a) of Schedule 6 but, unless the Manager determines otherwise, will not be included in that Interest Owner's Capital Contributions to the Company until (and only to the extent) the Interest Owner makes payments on that liability.

"Code" means the Internal Revenue Code of 1986.

"Company" means the limited liability company organized in accordance with this Agreement.

"Company Assets" means, as of a particular time, the Property and all other assets (real, personal, tangible and intangible) owned or leased by the Company at that time, whether acquired by the Company as a Capital Contribution or by purchase or other means.

"Company's Business" is defined in Section 2.2.

"Control Person" is defined in Section 3.4(e).

"Covered Person" means each of the Members, Manager, Organizer, Tax Matters Partner, and Liquidator.

"Cumulative Negative Cash Flow Amount" means, as of a particular time, the excess, if any, of (a) the sum of (i) the Aggregate amount of Distributions of Available Cash From Sales and Refinancings theretofore made under, or as provided in, Sections 7.2(a) and 7.2(c) and (ii) the Aggregate amount that Distributions of Available Cash From Sales and Refinancings under, or as provided in, Section 7.2 have been reduced due to the application of part (b)(i) of the definition of Available Cash From Sales and Refinancings, over (b) the Aggregate amount that Distributions of Available Cash From Operations have been reduced due to the application of part (b)(iii) of the definition of Available Cash From Operations.

"Dissolution Event" is defined in Section 10.1.

"Distributions" means, with respect to an Interest Owner, the amount of money and the Book Value (as determined by the Manager or as otherwise provided in this Agreement) of property other than money (including any promissory notes issued by the Company as provided in Section 1.3(c) of Schedule 6) distributed to that Interest Owner by the Company in respect of that Interest Owner's Interest (whether as provided in Article VII or in liquidation of all or any portion of the Interest Owner's Interest), reduced by the amount of any liabilities of the Company that (a) the Interest Owner assumes (under the standards provided in the last sentence of Treas. Reg. § 1.704-1(b)(2)(iv)(c)) in connection with that transaction or (b) are secured by the property when it is distributed by the Company (and, therefore, the Interest Owner takes the property subject to those liabilities), excluding the extent to which those secured liabilities are included in clause (a) of this definition of Distributions or exceed the fair market value of the distributed property. Neither the amendment, reorganization, or restatement of the outstanding Units nor any payments to an Interest Owner (i) under a loan by the Interest Owner to the Company or other transactions in which the Interest Owner is acting other than in that Person's capacity as "partner" within the meaning of Code § 707(a) or (ii) that are guaranteed payments within the meaning of Code § 707(c) are to be treated as Distributions.

"Distribute" means to make one or more Distributions.

"Economic Interest" of an Interest Owner means only that Interest Owner's right under this Agreement and applicable Law to (a) share in the profits and losses of the Company (including Net Income and Net Losses and all items of income, gain, expense, deduction, and loss allocated hereunder that are not included in the computation of Net Income or Net Losses) and (b) receive Distributions from the Company; and therefore, does not include any right to participate in, vote on, or authorize or approve any decision concerning the management or affairs of the Company or any other matter subject to the vote or approval of members of a limited liability company under the Act or of the Members under this Agreement.

"Economic Interest Owner" means a Person who owns an Economic Interest but has not been admitted as, and otherwise is not, a Member. The limited rights of an Economic Interest Owner are described in Section 9.3.

"Encumber" means, with respect to particular property and any Person, that Person causing there to be an Encumbrance on, or with respect to, that property.

"Encumbrance" means any lien, mortgage, charge, claim, conditional sales or other title retention agreement, deed of trust, pledge, collateral assignment, security interest, option, right of first refusal or offer, preemptive right, hypothecation, charging order, or other encumbrance.

"Entity" means any corporation, partnership, joint venture, limited liability company, unincorporated association, governmental entity or body, trust, estate, or other entity, business enterprise or organization.

"Execution Date" is defined on the signature page of this Agreement.

"Fiscal Year" means the calendar year or that portion of a calendar year during which the Company is in existence. The Company's annual accounting period is the Fiscal Year.

"Governmental Authority" means any federal, state, local, foreign, or other governmental or quasi-governmental authority and any governmental, quasi-governmental, or other department, commission, body, board, bureau, agency, association, subdivision, court, tribunal, or other instrumentality exercising any executive, judicial, legislative, regulatory or administrative function.

"Interest," of an Interest Owner as of a particular time, means the entire ownership interest of that Interest Owner in the Company at that time, including all benefits to which the owner of that ownership interest is entitled under this Agreement and applicable Law, together with all obligations of that Interest Owner under this Agreement and applicable Law, with respect to that ownership interest.

"Interest Owner" means an Economic Interest Owner or a Member.

"Knowledge" means actual knowledge and, in respect of an Entity, the actual knowledge of the Person or Persons who directly or indirectly control that Entity. **"Know"** means having Knowledge.

"Land" means collectively Tracts 4, 5 and 6 described in Exhibit A.

"Law" means any federal, state, local, foreign or other constitution, statute, treaty, ordinance, rule, regulation, regulatory or administrative guidance, principle of common law or equity, Order or other law, requirement or standard promulgated by any Governmental Authority.

"Liquidator" is defined in Section 10.2.

"Loss" means, with respect to a Person, any liability, loss, damage, diminished value, fine, penalty, action, claim, assessment, judgment, settlement, cost, expense of any kind or nature whatsoever, including reasonable attorneys' fees, costs and expenses of defense, appeal and settlement of any proceedings instituted or threatened to be instituted against that Person and all other costs incurred in connection therewith.

"Majority Vote" means the Approval by a Voting Majority of a particular decision or action that may be made or taken by the Members under this Agreement.

"Manager" means the Person appointed and serving as Manager in accordance with Section 3.2.

"Member" means any one of the Members.

"Members" means the parties to this Agreement who are listed and otherwise identified as Members on Schedule 5.1(a) and those Persons who subsequently are admitted, and are identified on the books and records of the Company, as Members in accordance with this Agreement.

"MPV" means MPV Properties, LLC, a North Carolina limited liability company.

"MPV Dobys Bridge" means MPV Dobys Bridge, LLC, a North Carolina limited liability company.

"Net Income" and **"Net Losses"** are defined in Section 1.4 of Schedule 6.

"Net Sale and Refinancing Proceeds" means, as of a particular time, the sum of

(a) the excess of

(i) the cash proceeds received by the Company at that time from the sale or other Transfer or refinancing of all or any portion of the Company Assets (other than sale proceeds received from the sale or other disposition of personal property in the ordinary course of the Company's business), over

(ii) the sum of (A) the principal balance at that time of that portion (or any greater portion thereof that the Manager determines should be repaid) of any amounts borrowed by the Company that the Manager determines are attributable to the Company's purchase or financing of the disposed or refinanced property, (B) the amount of all costs and expenses paid or to be paid by the Company in connection with the transaction, and (C) a reasonable Reserve for future payments that may need to be made by the Company with respect to the sale or refinancing; *plus*

(b) all cash dividends and other cash distributions received by the Company at that time from any other Entity with respect to the Company's equity or beneficial ownership interest in that Entity that the Manager determines are attributable to net proceeds received by that Entity of the type and character described in part (a) of this definition.

"Net Sale and Refinancing Proceeds" also includes

(x) all payments (of interest as well as of principal) received by the Company on any installment or other promissory note received by (or other receivable of) the Company in connection with any of the above-described

transactions for which the proceeds are to be included in the computation of Net Sale and Refinancing Proceeds,

(y) all cash funds, if any, of the type described in parts (a)(i) or (b) of this definition (including any investment income or other earnings on those funds) that the Manager releases from Reserves (including, without duplication, any amounts released from Reserves that were held under part (b)(iii) of the definition of Available Cash From Sales and Refinancings) for Distribution, and

(z) any other amounts of cash received (less any amounts paid, or dedicated by the Manager for payment, from those amounts) or held by the Company the Manager determines should be included in the computation of Net Sale and Refinancing Proceeds.

"Order" means any order, award, decision, injunction, judgment, ruling, decree, charge, writ, subpoena or verdict entered, issued, made or rendered by any Governmental Authority or arbitrator.

"Organizer" is defined in Section 2.1.

"Person" means any natural person or Entity.

"Prime Rate" means, for a particular date, the prime rate of interest as published on that date in the money rates section of the *Wall Street Journal*. If the *Wall Street Journal* is not published on a date for which the Prime Rate is to be determined, the Prime Rate will be the prime rate published in the *Wall Street Journal* on the nearest preceding date on which the *Wall Street Journal* was published. If the *Wall Street Journal* discontinues publishing a prime rate, the Prime Rate, as of a particular date, will be that rate of interest publicly announced by Bank of America, N.A. or successor bank to be its prime or base rate of interest as of the beginning of that day or, if that day is not a Business Day, as of the end of the first Business Day preceding that date. The Interest Owners acknowledge that the rate of interest publicly announced from time to time by Bank of America, N.A. to be its prime or base rate of interest is a reference index or base rate and may not be the lowest or best rate it charges to its customers or other banks.

"Priority Capital Contributions" is defined in Section 5.3(a).

"Priority Preferred Return" means, as determined for a particular period with respect to an Interest Owner who has made Priority Capital Contributions, an amount equal to a ten percent (10%) per annum, simple, rate of return on the Priority Capital Contributions made by that Interest Owner, accounting for all Distributions made with respect to that Interest Owner's Priority Capital Contributions (including those Distributions made in payment of that return under, or as provided in, Sections 7.1(a) and 7.2(a) and in repayment of that Interest Owner's Priority Capital Contributions under, or as provided in, Sections 7.1(b) and 7.2(b)), applying those conventions and otherwise computed as reasonably determined by the Manager.

"Pro Rata" means fifty percent (50%) to Quarter Pointe and fifty percent (50%) to MPV Dobys Bridge.

"Property" means that tract of land located in York County, South Carolina, including the improvements thereon, as more fully described in Exhibit A.

"Quarter Pointe" means Quarter Pointe Ventures, LLC, a South Carolina limited liability company.

"Representative" is defined in Section 4.4.

"Reserves" means funds or other amounts set aside or otherwise allocated or designated by the Manager, without duplication, (a) to pay taxes, insurance premiums, future or anticipated obligations, contingent or unforeseen obligations, and all other costs, expenses, and liabilities incident to the Company's operations and ownership of the Company Assets, including amounts that may be needed to fund the Company's operating deficits or to service and otherwise pay the Company's obligations; (b) to allow the Company to make repairs, capital improvements, acquisitions, replacements, or renewals; or (c) for any other valid purpose concerning the Company determined by the Manager.

"Sole Discretion" means, with respect to a decision or action to be made or taken by the Manager or a Member and notwithstanding Section 3.4(e) or any other provision of this Agreement to the contrary, that Person being entitled, to the fullest extent permitted by Law, to consider only those interests or factors as that Person desires, including that Person's own interests, without regard to, and without having any duty or obligation (including having no fiduciary or other common law duty or other duty that may exist at, or be implied by, Law that would or might otherwise apply) to consider the interests of, or consequences to, the Company, the Members, the Interest Owners in general, or any other Person or group of Persons.

"Substitute Representative" is defined in Section 4.4.

"Substituted Member" means any Person who is admitted as a Member with respect to a Transferred Interest in the manner provided in Section 9.1 or 9.3.

"Successor-in-Interest" means (a) for any Interest Owner who has died, has been declared incompetent by a court of competent jurisdiction, or who is Bankrupt, the legal representative, administrator, trustee, curator, heir, legatee, successor, assignee, successor-in-interest or other Person who has either legal title or has been conferred (by a court of competent jurisdiction) primary representative or administrative responsibility for the Interest of that Interest Owner or (b) with respect to any other Interest Owner, the assignee of all or part of that Interest Owner's Interest.

"Tax Matters Partner" is the Member, if any, selected to be the Tax Matters Partner under Section 8.8.

"Taxable Year" means the taxable year of the Company as determined under Code § 706.

"Transfer" means (a) as a noun, the transfer of legal, equitable or beneficial ownership by sale, exchange, assignment, gift, donation, grant, or other conveyance or disposition of any kind, whether voluntary or involuntary, including transfers by operation of Law or legal process and includes, with respect to the Interest (or any portion thereof) of an Interest Owner for

purposes of Article IX, any (i) appointment of a receiver, trustee, liquidator, custodian or other similar official for that Interest Owner or all or any part of the property of that Interest Owner under any Bankruptcy Law; (ii) gift, donation, transfer by will or intestacy or other similar type of transfer or disposition, whether during one's life or because of death; (iii) appointment of a personal representative or other Person serving in a similar capacity of a deceased Interest Owner; (iv) appointment of a guardian or other Person serving in a similar capacity of an Interest Owner who has been adjudicated to be incompetent by a court of competent jurisdiction; and (v) transfer or disposition to a spouse or former spouse (including by reason of a separation agreement or divorce, equitable or community or marital property distribution, judicial decree or other court Order concerning the division or partition of property between spouses or former spouses or other Persons); and (b) as a verb, the act of making any Transfer.

"Transferred Interest" is defined in Section 9.1.

"Treas. Reg." and ***"Treasury Regulations"*** means the final and temporary regulations of the United States Treasury Department.

"Unauthorized Transfer" is defined in Section 9.2.

"Unfair Discrimination" is defined in Section 11.2.

"Units" means the shares or units of ownership into which an Interest Owner's Interest is divided. Unless otherwise provided herein, references made to an Interest Owner's Units include all of that portion of the Interest Owner's Interest that relates or is attributable to those Units.

"Unrecovered Base Capital Contributions" means, with respect to an Interest Owner as of a particular time, an amount equal to the excess, if any, of (a) the Aggregate Base Capital Contributions, if any, made with respect to that portion of the Interest Owner's Interest for which allocations or Distributions, as applicable, are to be made as of that time, over (b) the Aggregate Distributions, if any, made with respect to that interest under, or as provided in, Section 7.2(d) (including those Distributions under Section 10.3(b) made in reference to Section 7.2(d)) as of that time.

"Unrecovered Priority Capital Contributions" means, with respect to an Interest Owner as of a particular time, an amount equal to the excess, if any, of (a) the Aggregate Priority Capital Contributions, if any, made with respect to that portion of the Interest Owner's Interest for which allocations or Distributions, as applicable, are to be made as of that time; over (b) the Aggregate Distributions, if any, made with respect to that interest under, or as provided in, Sections 7.1(b) and 7.2(b) (including those Distributions under Section 10.3(b) made in reference to Section 7.2(b)) as of that time.

"Voting Interest" means, with respect to an Interest Owner as of a particular time, that fraction, expressed as a percentage, having as its numerator the number of Units owned by the Interest Owner and having as its denominator the number of Units owned by all of the Interest Owners as of that time. At all times, the sum of the Voting Interests of all of the Interest Owners will equal one hundred percent (100%).

"Voting Majority" means, as of a particular time, any Member (including the Manager if the Manager also is a Member) or combination of Members who at that time collectively own more than fifty percent (50%) of the number of Units owned by the applicable combination of Members specified herein as of that time (excluding any Units of a Transferred Interest deemed held by any Member as an Economic Interest Owner as provided and contemplated by the last sentence of Section 9.3). Unless otherwise indicated or provided herein, any reference in this Agreement to any consent, approval, or other action to be taken by the Members may be taken only if Approved by a Voting Majority of all of the Members (and not only of the quorum present at a meeting of the Members), including any Member who may have a personal, commercial, or other self interest (including any conflict of interest) in the transaction or other matter under consideration.

ARTICLE II GENERAL MATTERS

2.1 Formation of the Company. The Company was formed on June 4, 2015, by Christopher Skvoretz (the "**Organizer**"), acting in the capacity of "organizer" within the meaning of Act § 57D-1-03(24), executing the Articles of Organization and causing them to be filed in the office of the Secretary of State of North Carolina and made effective as of that date. The Organizer, pursuant to Act §§ 57D-2-20 and 57D-3-01(a)(2)(i), joins in the execution of this Agreement to identify, admit, and otherwise designate those Persons executing this Agreement, and listed on Schedule 5.1(a) hereto, as "Members" to be the members of the Company. Other than actions relative to its formation, the Company heretofore has not engaged in any business, conducted any other activities, or received any contributions to its capital except as provided in this Agreement. The Manager and the Members hereby agree to complete the organization of the Company and cause it and the Interests to be governed by this Agreement. The Interest Owners shall comply with applicable Law with respect to their Interests and comply with any instructions given by the Manager to execute, acknowledge and cause to be filed for record, in the place or places and manner prescribed by Law, any certificates, statements and other documents, and any amendments or renewals of such certificates, statements and other documents as may be required by Law or that the Manager determines to be necessary or appropriate for the conduct of the Company's Business, including complying with all requirements, as determined by the Manager, related to (a) the formation, continuation and operation of the Company as a limited liability company under the laws of the State of North Carolina, and (b) the operation of the Company as a limited liability company in each jurisdiction in which the Company is to operate.

2.2 Company's Purpose. The purpose of the Company is (a) to acquire the Property and any other real property that is in the vicinity of the Property and is acquired with the Approval of the Members under Section 4.2(c); (b) to own, hold, develop, construct improvements on, manage, operate, lease, Encumber, finance, refinance, maintain, Transfer (in whole or in part), and otherwise deal with that property for the production of income and profit; (c) to engage in other lawful activities that are related, necessary or useful to the furtherance of the foregoing; and (d) to do all things incidental thereto (the "**Company's Business**"). The Company's Business will be conducted in accordance with this Agreement. The Company may not engage in any business or activity other than the Company's Business unless Approved by the Members under Section 4.2(c), at which time the definition of "Company's Business"

hereunder will automatically be expanded or otherwise modified to include those other businesses and activities.

2.3 Principal Office and Registered Agent. The principal office of the Company is located at 521 E. Morehead Street, Suite 400, Charlotte, North Carolina 28202. The address of the Company's registered office in North Carolina, and the name and address of the Company's registered agent is provided in the Articles of Organization. The Manager may, at any time and without the Approval of the Members, change (a) the address of the Company's principal office by giving notice of the new address to the Members at least five (5) Business Days before that change is to take place or (b) the address of the Company's registered office in North Carolina, the Company's registered agent or the name or address of the Company's registered agent.

2.4 Freedom to Engage in Other Business Ventures and Activities. The Manager and each Interest Owner (and their Affiliates) may, independently or with others, engage or acquire and retain an interest in any other business ventures (including future ventures), transactions, or other opportunities of any kind, nature, or description (collectively, for purposes of this Section 2.4, "opportunities" and each an "opportunity") without having any fiduciary duty or other obligation to: (a) notify the Company or the Interest Owners of any aspect of those opportunities, (b) pursue or undertake those opportunities on behalf of the Company or the Interest Owners, (c) offer (or otherwise make available to) the Company or the Interest Owners any interest in those opportunities, or (d) share with the Company or the Interest Owners any of the income, profits, or rewards derived by that Interest Owner, Manager, or other Person from those opportunities. The fact that the Manager or an Interest Owner (or any of their Affiliates) takes advantage of any opportunity described in, or permitted under, the preceding sentence, either alone or with other Persons (including Entities in which the Manager or that Interest Owner has a direct or indirect interest), and does not offer that opportunity to the Company or the Interest Owners, will not violate any duty that Person may otherwise have to the Company or the Interest Owners or cause the Manager or that Interest Owner to become liable to the Company or to the Interest Owners for any lost opportunity of the Company, regardless of whether (i) the opportunity has been made available to the Company or is related to, or competitive with, the Company's Business, (ii) the opportunity was first made known to the Manager or Interest Owner acting in that Person's capacity as a Manager or Interest Owner, (iii) that Person's participation in or otherwise exploiting those opportunities is inconsistent with, or adverse to, the Person's obligations to the Company, (iv) the Company is financially or otherwise able to take advantage of the opportunity or has an interest or expectancy in the opportunity, or (v) any of the operations or properties of the venture or other opportunity are transacted or located in the vicinity or market area of, or adjacent to, the Property or any other real property owned or leased by the Company. The Company has the burden of proof in respect of any claim that it might make that this Section 2.4 does not apply to a given situation or that it and the Interest Owners had not disclaimed their rights to an opportunity under this Section 2.4.

ARTICLE III MANAGEMENT OF THE COMPANY

3.1 Manager's Management Authority. Except to the extent otherwise provided in this Agreement, the management of the Company and the right to bind and exercise the other powers of the Company are vested exclusively in the Manager.

3.2 Appointment and Tenure of Manager.

(a) **Appointment, Number, and Term.** The Company is to have one (1) Manager, who is to hold the position of "manager," within the meaning of Act § 57D-1-03(20), in accordance with this Agreement. The Manager need not be a Member and is not subject to periodic elections. The Person designated as the Manager under this Section 3.2 is to serve in that capacity until the earliest of the following occurs: (i) that Person's death, incapacity, Bankruptcy or dissolution (as applicable) or (ii) that Person's resignation or removal as the Manager in the manner provided herein. The initial Manager is MPV Dobys Bridge.

(b) **Vacancies.** A vacancy in the position of Manager may be filled at any time as may be Approved by a Voting Majority.

(c) **Effect on Manager's Interest.** Except as otherwise provided in this Agreement, the resignation by an Interest Owner as the Manager will not otherwise affect that Interest Owner's Interest, including any status, rights or obligations that Interest Owner may have as a Member or Economic Interest Owner (as the case may be) under this Agreement.

3.3 Expense Reimbursement and Compensation. The Company will pay all reasonable costs and expenses of the Company arising from the organization and operation of the Company. The Company shall reimburse the Manager and its officers and employees and any officers or employees of the Company for reasonable and documented out-of-pocket expenses so incurred by them on behalf of the Company. Other than the rights that the Manager may have as an Interest Owner under this Agreement, or as provided in any other agreement between the Company and the Manager, the Manager will not receive any compensation from the Company for serving as Manager.

3.4 Duties and Obligations of the Manager.

(a) **Compliance with Agreement and Applicable Law.** The Manager shall cause the Company to conduct its business and affairs (including the acquisition, maintenance, management and operation of the Company Assets) in accordance with this Agreement and applicable Law.

(b) **Operation of Company as a Separate Enterprise.** The Manager shall cause the Company to conduct its business and affairs separate from those of the Manager and each of the Interest Owners and the Affiliates of the Manager and each Interest Owner. In furtherance of the foregoing, the Manager shall (i) segregate and otherwise account for the Company Assets and not allow funds of the Company or other Company Assets to be commingled with the funds or other assets owned by, or registered in the name of, the Manager or any Interest Owner or any Affiliate of the Manager or any Interest Owner; (ii) maintain books, bank accounts, and financial records of the Company separate from those of the Manager and the Interest Owners; (iii) observe all Company procedures and formalities, including maintaining current records of the affairs of the Company and the minutes of the meetings and written consents of the Manager and of the Members; (iv) cause the Company to pay its liabilities from Company Assets; and (v) cause the Company to conduct its dealings with third parties in its own name and in all

respects hold itself out as a limited liability company that is separate from and independent of the Manager and the Interest Owners.

(c) *Time Devoted to Company Affairs.* The Manager is not required to devote the Manager's full time to the Company. The Manager, however, shall devote that amount of time to the Company as is necessary to manage and supervise the business and affairs of the Company in accordance with this Agreement.

(d) *Delegation.* The Manager may delegate to other Persons so much of the Manager's responsibilities hereunder that the Manager determines to be necessary, appropriate, or convenient for the efficient administration and management of the Company's business and affairs. The Manager, however, must retain the power to direct and control any Person to whom the Manager delegates any of the Manager's responsibilities.

(e) *Duties.* The Manager shall conduct the business and affairs of the Company: (i) in compliance with this Agreement (including the Manager's implied contractual covenant of good faith and fair dealing, which is to be conclusively presumed to be satisfied by the Manager complying with the Manager's duties as stated in this Article III); (ii) in good faith, (iii) in accordance with this Agreement, and (iv) in a manner that does not (y) involve unlawful acts or omissions that the Manager Knows are clearly unlawful at the time they are undertaken, or (z) result in any improper personal benefit to the Manager (which, consequently, excludes any benefit derived by the Manager from any activity or investment permitted under Section 2.1 or that is otherwise authorized under this Agreement). In performing the Manager's duties in respect of the Company, the Manager may rely on the records of the Company and on opinions, reports, statements, and other information presented to the Company by any Interest Owner, officer, or employee of the Company, or any other Person, as to matters the Manager believes are within that other Person's competence, including opinions, reports, statements, or other information pertaining to the value and amount of the assets, liabilities, profits, or losses of the Company or any other facts pertinent to the net worth of the Company when deciding the amount of Distributions that the Company may properly make. The Manager may rely on this Section 3.4(e) to determine the duties (including fiduciary duties) the Manager has to the Company or any Interest Owner or other Person with respect to the Company and the Manager's compliance with those duties; it being understood, however, that the duties of the Manager under this Article III are owed by the Manager to the Company and not to one or more or all of the Interest Owners. To the fullest extent permitted by Law, the provisions of this Agreement (including this Section 3.4(e) and Sections 2.4, 3.4(h), 3.5, 4.2(c), 11.2 and Articles VII-IXA), replace, eliminate, and otherwise supplant all other duties (including fiduciary or other common law duties and any implied duties other than the implied contractual covenant of good faith and fair dealing to the extent its application is required by Law and as provided in the first sentence of this Section 3.4(e)) and liabilities that the Manager (or any Interest Owner, including any Interest Owner or other Person or Persons who may control the Manager or the Company) might otherwise have to the Company or the Interest Owners (and, therefore, neither the Manager nor any Interest Owner has any duties or liabilities other than those expressly imposed under this Agreement), including any duty or liability that would otherwise exist at or may be implied by Law. No Person(s) who directly or indirectly controls the Manager or any Interest Owner (each a "**Control Person**") has any duty (including any fiduciary or other common law or implied duty) or liability to the Company or the Interest Owners (individually or collectively) or any

other Person who is party to, or beneficiary of, this Agreement, except those, if any, that are expressly imposed under this Agreement or in any other written contract between that Person and the Company. No creditor of the Company, in that Person's capacity as a creditor of the Company, is to have standing or any other right to bring a derivative action against any Covered Person because of the insolvency of the Company or for any other reason.

(f) **Deposits.** The Manager shall cause all funds of the Company not otherwise employed or invested to be deposited from time to time in the Company's bank account(s) or invested for the Company in a manner permitted under Section 4.2(c).

(g) **Maintenance of Entity Status.** The Manager shall take all necessary and appropriate action to maintain the Company's valid existence as a limited liability company under the Laws of the State of North Carolina and its qualification to do business in any other jurisdiction in which the Company conducts business.

(h) **Exculpation.** To the fullest extent permitted by Law, no Covered Person (or the Company) is or will be liable to the Company or any Interest Owner or other Person who is a party to, or beneficiary of, this Agreement, for any Loss incurred by the Company or that Interest Owner or other Person with respect to the Company [or who may otherwise have an interest in the Company or entitled to any rights hereunder, the Act, or other applicable Law with respect to the Company (including in respect of the purchase or other acquisition of any Units or other economic interest by that Person from the Company)] for any reason other than the extent to which the Loss is attributable to an intentional, material breach by that Covered Person of any duties the Covered Person may have under this Agreement. In addition to the foregoing, no Covered Person is liable to any Person to the extent any breach by that Covered Person of any duty under this Agreement, the Act, or other applicable Law is attributable to the Covered Person's reliance on this Section 3.4 or any other provision of this Agreement, including the right of the Manager to rely on records of the Company and on other Persons in performing the Manager's duties with respect to the Company.

3.5 **Indemnification.**

(a) **General.** Subject to Section 3.5(b) and the limitations provided therein, the Company, to the fullest extent permitted by Law, shall release, hold harmless, indemnify and defend (collectively, for purposes of this Section 3.5, "**Indemnify**") each Covered Person and Control Person from any Loss that in any way relates to, or arises out of, or is alleged to relate to or arise out of, any act or omission on the part of the Company or Covered Person acting on behalf of the Company or the Interest Owners.

(b) **Limitations.** Notwithstanding anything in Section 3.5(a) to the contrary, the Company is not required to indemnify a Covered Person under this Section 3.5 to the extent the Loss incurred by that Covered Person is attributable to any act or omission for which that Covered Person is not absolved from liability under Section 3.4(h).

(c) **Advancement of Expenses.** The Company shall pay or reimburse the reasonable costs and expenses incurred by a Covered Person or Control Person in defending any action, claim or demand with respect to which the Covered Person may be entitled to be Indemnified

under this Section 3.5 in advance of the disposition thereof upon the receipt by the Company, in the case of a Covered Person, of the signed agreement by that Covered Person, in such form that the Company may reasonably require, that the Covered Person will promptly reimburse the Company for those advances to the extent the Covered Person ultimately is found to be not entitled to Indemnification under this Section 3.5.

(d) **Limited Recourse of Covered Person or Control Person.** The Company shall satisfy its obligations under this Section 3.5 from the Company Assets, and no Interest Owner has any personal liability on account thereof.

(f) **Nonexclusivity of Rights.** The right to Indemnification and the advancement and payment of expenses conferred under this Section 3.5 shall not be exclusive of any other right that a Covered Person may have or hereafter acquire under Law, this Agreement, or otherwise.

(g) **Amendment or Repeal or Termination of Agreement.** The rights under Sections 3.4 and this Section 3.5 (including exculpation, indemnification, and advancement of expenses) conferred upon Covered Persons and Control Persons are contract rights that vest upon a Person becoming a Covered Person and survive a Person ceasing to be, or being terminated as, a Covered Person or Control Person, as the case may be. Any amendment, repeal, or modification of, or adoption of any provision inconsistent with, the rights of a Covered Person or Control Person, as applicable, under Section 3.4 or Section 3.5 will not adversely affect a Person's rights thereunder (including exculpation, indemnification, and advancement of expenses) with respect to any of the Person's actions or omissions occurring before the amendment, repeal, or modification (or adoption of any inconsistent provision) became effective, unless, and only to the extent, the Person, by signed, written consent, expressly approves of such action. The rights and standards provided under Section 3.4 and this Section 3.5 will inure to the benefit of each Covered Person or Control Person and that Person's successors and assigns, all of whom (notwithstanding anything to the contrary contained herein), are parties to, or third-party beneficiaries of, Section 3.4 and this Section 3.5 with the right to enforce them and the rights thereunder as if they were Covered Persons or Control Persons, as applicable.

3.6 **Authorization to Enter Into Certain Agreements.** Without prejudicing the authority, rights and powers of the Manager under this Agreement, the Manager hereby is expressly authorized on behalf of the Company to execute and deliver this Agreement, without any further act, vote or Approval of any Interest Owner, and all actions heretofore taken or caused to be taken by the Manager in connection with the execution of the Transaction Documents hereby are ratified and confirmed as the acts and deeds of the Company.

3.7 **Transactions With Members and Affiliates.**

(a) **General Provision.** The Company, acting by and through the Manager, with the Approval of the Members, may enter into agreements on such terms and conditions as the Manager deems appropriate with one or more Equity Owners or Affiliates of an Equity Owner, (including Merrifield Patrick Vermillion and its Affiliates) to provide leasing, property management, accounting, brokerage, development, asset management, marketing or other services to the Company; *provided*, that any such transactions shall be on terms that satisfy at least one of the following conditions: (i) the terms are at least as favorable to the Company as

those generally available from unaffiliated parties of comparable reputation, (ii) the terms are at least as favorable to the Company as those stated for comparable services in any standard commission or fee schedule adopted from time to time by the Equity Owner (or Affiliate of the Equity Owner) regularly engaged in the business of providing these services, or (iii) the terms customarily charged to unaffiliated parties for performing comparable services by the Equity Owner (or Affiliate of the Equity Owner) regularly engaged in the business of providing those services. The validity of any transition, agreement or payment involving the Company and any Equity Owner or Affiliate of any Equity Owner otherwise permitted hereunder shall not be affected by reason of the relationship between such Person and the Company or any of its Members.

(b) **Certain Development, Management and Leasing Fees.** The Manager, without any further consent or Approval from any Member, will cause the Company to pay the following fees and compensation to MPV, or any other Affiliate or Affiliates of MPV designated by the Manager (hereinafter in this Section 3.7(b) collectively referred to as "**MPV**"), for services performed by MPV as described below:

(i) **Development Fee.** A development fee equal to four percent (4%) of the non-land costs of the Property (excluding the value of the Land but including the costs of improvements constructed thereon), payable as the costs are incurred.

(ii) **Management Fee.** A management fee equal to five percent (5%) of the gross revenue of the Company payable monthly, for management services to be performed by MPV. For the purposes of determining the amount of this fee, "gross revenue" will include base rents, additional rents, expense recoveries, and interest income.

(iii) **Leasing Commissions.** The Company shall pay, with respect to each lease of any of the improvements constructed on the property (each a "**Tenant Lease**"), a Base Leasing Commission as provided in Subsection (iii)(a) below or an Anchor Leasing Fee as provided in Section 3.7(b)(iii)(b). The Base Leasing Commission payable under Subsection (iii)(a) below shall be paid by the Company, in addition to the Anchor Leasing Fees as provided in Subsection (iii)(b) below. If a broker that is not an Affiliate of MPV (an "**Outside Broker**") has not participated in the negotiation and execution of such Tenant Lease, the Base Leasing Commission shall be payable to MPV; and, if an Outside Broker has participated in the negotiation and execution of such Tenant Lease, the Base Leasing Commission shall be payable to MPV, and MPV will be responsible for the leasing commission and any other compensation of the Outside Broker with respect to the Tenant Lease.

(a) The Company shall pay a base leasing commission (a "**Base Leasing Commission**") to MPV (for itself, and if applicable, as agent for any co-broker) for each Tenant Lease other than an Anchor Lease (for which an Anchor Leasing Fee under subparagraph (iii)(b) below will be paid) in an amount equal to: (1) four percent (4%) (6% if co-brokered) of the aggregate base rental for the initial five (5) years of the lease term; and (2) two percent (2%) (3% if co-

brokered) of the aggregate base rental for the remainder of the term up to a maximum of 10 years.

(b) In lieu of the Base Leasing Commissions provided under subparagraph (iii)(a) above that would otherwise be paid in respect of an Anchor Lease, the Company shall pay leasing fees to MPV for each Anchor Lease in an amount equal to four dollars (\$4.00) per square foot (the "**Anchor Leasing Fee**"). An "**Anchor Lease**" means any Tenant Lease of more than 30,000 square feet.

The Company shall pay each Base Leasing Commission and each Anchor Leasing Fee payable under this Subsection (iii) in two (2) equal lump-sum payments, the first of which shall be due and payable upon the execution of the applicable Tenant Lease, and the second of which shall be due and payable on the date the Tenant opens for business or otherwise commences operations in any of the leased space.

(iv) **Property Sale Fee.** Upon lease up of the Property, the Manager may cause the Company to sell the Property. If MPV is selected as the listing agent for the sale of the Property, a sales commission fee equal to one and one-half percent (1.5%) of the gross sales price of the Property, unless with respect to such sale an Outside Broker also is entitled to a sales commission, then the total sales commission to be paid shall not exceed two percent (2.0%), and such total sales commission shall be divided between MPV and the Outside Broker as MPV and the Outside Broker may agree.

(v) **Outparcel Sales Commissions.** With respect to each sale or exchange by the Company of land Transferred other than that as part of the Property on, or with respect to, which the Company constructs one or more buildings (i.e., this Section 3.7(b)(v) relates to the sale or exchange of outparcels); the Company shall pay MPV a sales commission fee equal to six percent (6%) of the gross sales price, unless with respect to any such sale a broker that is not affiliated with MPV also is entitled to a sales commission, then the total sales commission to be paid under this Section 3.7(b)(v) will not exceed eight percent (8%) and such total sales commission will be divided between MPV and the non-affiliated broker as MPV and that non-affiliated broker may agree. The sales commissions payable to MPV (or to MPV and a co-broker) pursuant to this Section 3.7(b)(v) with respect to the sale of property will be payable only upon the closing of the sale or exchange of the outparcel and will be payable out of the gross sales proceeds actually received by the Company (or any Affiliate of the Company to which, upon Approval of a Voting Majority, the Company directly or indirectly makes a capital contribution of all or any portion of the Property (or any other real property owned by the Company)) with respect to that sale. If any portion of the sales proceeds from the sale of any outparcel is payable after closing of the sale, the sales commissions payable hereunder with respect to that sale will be paid pro-rata as and when those sales proceeds are actually received by the Company. If the Company (or any Affiliate of the Company described in the preceding sentence) exchanges an outparcel for property other than cash, then the Company shall pay MPV (or MPV and a co-broker) the sales commission due under this Subsection (b)(v) at the time of the closing of the exchange.

ARTICLE IV
VOTING RIGHTS OF MEMBERS

4.1 No Right of Control or Right to Bind the Company; No Fiduciary Duty. Except to the extent otherwise provided herein, or authorized hereunder, only the Manager has the authority to bind or transact business on behalf of the Company. No Member or Economic Interest Owner, in that capacity, may (i) take part in, or interfere in any manner with, the management, conduct or control of the business or affairs of the Company other than, in the case of a Member, granting or withholding that Member's Approval with respect to any action to be taken by the Members hereunder or (ii) take any action to bind or otherwise act for or on behalf of the Company. Any act of an Interest Owner in contravention of this Section 4.1 will be null and void and without force or effect. Each Interest Owner shall indemnify the Company and hold it harmless from any Losses incurred by the Company that are caused by that Interest Owner's unauthorized actions on behalf of the Company. Except as otherwise expressly provided herein, no Interest Owner (including any Interest Owner who may control the Manager or the Company), acting in that Person's capacity as an Interest Owner, has any fiduciary or other duty to the Company or to any Interest Owner with respect to the Company or that Interest Owner's Interest. Each Member (including any Member who may control the Manager or the Company) may exercise that Member's Approval and other rights as a Member under this Agreement in that Member's Sole Discretion. Except as otherwise required by Law, Interest Owners, in their capacity as Interest Owners, have only the rights, privileges, and protections expressly granted to the Members or Economic Interest Owners, as the case may be, under this Agreement.

4.2 Approval Rights. Except as otherwise provided in this Agreement, each Member (including any Member who also is the Manager) may vote on any matter submitted to a vote of, or other Approval by, the Members in accordance with this Agreement, and each Member may exercise those Approval rights in the Member's Sole Discretion.

(a) General Relinquishment of Management and Voting Rights. Notwithstanding the foregoing, to the fullest extent permitted by Law, the Members hereby cede and otherwise relinquish all management and voting rights (including the right to exercise any control over, or otherwise participate in decisions related to, Company Assets or the Company's business and operations) that they might otherwise have to the Manager, except to the extent those rights are retained by the Members under this Agreement.

(b) Default Voting Requirement. Except as otherwise provided in this Agreement, all decisions and actions to be made or taken or Approved by the Members are to be made or taken as Approved by a Voting Majority in accordance with the applicable procedures provided in Section 4.3.

(c) Major Decisions. The Approval of a Voting Majority (whether as part of an applicable development or business plan or budget that is Approved by the Members) is required to, authorize the Company to undertake (or to authorize the Manager to effect any of) the following actions on behalf of the Company, except neither the Manager nor the Members may increase the liabilities or obligations of any Interest Owner, including requiring any additional assessment, Capital Contribution or other payment by an Interest Owner with respect to that

Interest Owner's Interest, without the prior written consent of that Interest Owner or as is otherwise provided or authorized in this Agreement:

(i) *Conduct or Engage in Other Businesses.* Conduct or engage in any business or activity that is not related or incidental to, or consistent with, the Company's Business and the management and administration of the Company and the Company Assets as contemplated by this Agreement;

(ii) *Sell the Property.* Sell or otherwise Transfer all or substantially all of the Property;

(iii) *Mergers and Other Reorganizations.* Merge, consolidate, convert, or otherwise reorganize the Company with or into another Entity, redomesticate or otherwise change the state or other jurisdiction where the Company is organized, or enter into any share exchange (or similar transaction) between the Interest Owners and another Person(s);

(iv) *Change the Entity Character of the Company.* Cause the Company to be taxed as a corporation for federal income tax purposes;

(v) *Amendments.* Except as otherwise provided in Section 11.2, amend or otherwise modify this Agreement;

(vi) *Conflict of Interest Transactions.* Except as otherwise provided in this Agreement, enter into, amend, restate, substitute, or modify, or make any other decision with respect to, any contract, agreement, transaction, or other arrangement, or make any decision involving a matter between, (A) the Company and (B) the Manager or any Interest Owner (or any Affiliate of the Manager or any Interest Owner);

(vii) *In-Kind Distributions.* Make Distributions under, or as described in, Section 7.4;

(viii) *Redemptions.* Redeem or otherwise liquidate all or any portion of an Interest Owner's Interest;

(ix) *Transfers and Encumbrances of Interests.* Approve the Transfer or Encumbrance of all or part of an Interest Owner's Interest under Section 9.1 or admit an Economic Interest Owner as a Member under Section 9.3;

(x) *Extraordinary Transactions During Pendency of Buy-Sell Process.* Take any action outside of the ordinary course of the Company's business during the pendency of the buy-sell process as provided in Section 9A.1; or

(xi) *Agree to Act.* Agree to any of the actions that are described in subparagraph (i) through (x) of this Section 4.2(c).

4.3 Meetings.

(a) *Call for Meeting.* The Members need not meet on an annual or other regular basis. Instead, the Manager or any Member or group of Members who collectively own more

than forty percent (40%) of the outstanding Units held by all of the Members may at any time call for a meeting of the Members to be held in accordance with this Section 4.3.

(b) *Notice of Meetings.* The Manager or Member(s) (as the case may be) calling a meeting of the Members under Section 4.3(a) shall deliver notice thereof to all of the Members and, if called by a Member or Members, to the Manager. A meeting notice must state the time, date, and purpose or purposes of the proposed meeting and is to be delivered to the Members and, if applicable, the Manager no later than one (1) Business Day, and no earlier than ninety (90) calendar days, before the meeting. The Member or Members calling for a meeting of the Members as provided in Section 4.3(a) must sign the notice for the meeting.

(c) *Waiver of Notice.* Any notice of a meeting of the Members required to be delivered to any Member or to the Manager under this Agreement or the Act may be waived in writing by that Member or Manager (whether before, during, or after that meeting). The Manager's or a Member's attendance at a meeting also will constitute a waiver of any required notice of the meeting, unless the Member or Manager at the beginning of the meeting objects to holding the meeting or transacting particular business at the meeting. Any action taken at a meeting of the Members for which proper notice was not delivered to, or waived by, all of the Members and the Manager in accordance with this Section 4.3(c) will be null and void and of no effect whatsoever.

(d) *Place of Meetings; Quorum; Organization; Costs.* All meetings of the Members are to be held at the principal office of the Company unless the Manager (with respect to meetings called by the Manager) or a Voting Majority (with respect to meetings called by one or more of the Members) designates another reasonable place for the meeting. The presence of persons representing a Voting Majority, in person or by proxy, is required to have a quorum at a meeting of the Members. The Manager either will preside, or designate the person who is to preside, over the meeting. If the Manager fails to chair (or designate another person to chair) a meeting of the Members, the Members may select the person who is to preside over the meeting. The costs of holding meetings of the Members are to be paid by the Company.

(e) *Voting; Proxies.* Each Member (including the Manager, if the Manager also is a Member) is entitled to one (1) vote for each Unit that Member owns (excluding any Units of a Transferred Interest deemed held by the Member as an Economic Interest Owner as provided and contemplated by the last sentence of Section 9.3) and may exercise such voting rights in the Member's Sole Discretion. At all meetings of the Members and written consents executed in lieu thereof in accordance with Section 4.3(g), a Member may vote in person or by proxy (executed in writing by that Member and exercised by that Member's duly authorized representative. To vote by proxy, a Member must deliver a voting proxy to the Manager before or at the time of the applicable meeting or the execution of the applicable written consent. No voting proxy will be valid after twelve (12) months from the date of its execution, unless otherwise provided in the proxy. Voting on all matters by the Members, unless otherwise provided herein, requires the requisite level of approval of all of the Members provided under this Agreement and not merely the corresponding percentage of the votes of the Members establishing the meeting's quorum. Action at a meeting of the Members may be taken by a voice vote or by a show of hands unless, as to any matter, the Members holding collectively more than forty percent (40%) of the Units owned by the Members present or represented at that meeting

demand, either before or immediately after the vote is taken on the matter, that the vote be taken by ballot.

(f) *Participation by Conference Telephone.* Any one or more Members may participate in a meeting of the Members by means of a telephone or other communication device that allows all persons participating in the meeting to hear each other during, and otherwise meaningfully participate in, the meeting. Participation in a meeting in the manner provided in the preceding sentence is the equivalent of being present in person at that meeting for purposes of this Section 4.3.

(g) *Action by Members Without a Meeting.* Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a proposed written consent, setting forth the action so taken or to be taken, (i) is delivered to all of the Members, (ii) is signed by those Members (or the duly authorized representative or representatives thereof as provided by Section 4.3(e)) owning the voting interest required hereunder to Approve or adopt that action, and (iii) is delivered to the Manager to be included in the Company's permanent records. Unless the written consent specifies that it is effective as of an earlier or later date, action taken under this Section 4.3(g) will be effective when all of the Members (or the duly authorized representatives thereof) have been provided a copy of the proposed written consent in the manner provided in Section 11.1, and the Members (or the duly authorized representatives thereof as provided by Section 4.3(e)) required to Approve the action have signed the proposed written consent or counterpart thereof. The written consent (which may be signed in one or more counterparts) of the Members under this Section 4.3(g) on any matter has the same force and effect as if that matter were voted on at a duly called and constituted meeting of the Members and may be described as such in any document or instrument.

4.4 *Representatives and Substitute Representatives.* The Manager and each Interest Owner that is an Entity (an "*Entity Interest Owner*") shall designate a natural person to represent that Person's interests in, and exercise all of that Person's rights and powers under this Agreement and applicable Law with respect to the Company (a "*Representative*"). The Manager and each Entity Interest Owner also shall designate one or more other natural persons to be that Person's "*Substitute Representative(s)*" to serve as the Manager's or that Interest Owner's Representative in the event that Person's Representative is not available. The name and address of both the Representative and Substitute Representative(s) of the Manager and each Entity Interest Owner are to be set forth opposite that Person's name on Schedule 4.4. The Manager and each Entity Interest Owner may change that Person's Representative or Substitute Representative(s) at any time by giving notice thereof to the Company and, in the case of the Manager, to each of the Interest Owners, and the Manager shall promptly cause Schedule 4.4 to be amended to reflect that change.

ARTICLE V
CAPITAL CONTRIBUTIONS AND OTHER
FINANCIAL OBLIGATIONS OF THE MEMBERS

5.1 Interest Owner Information.

(a) *Schedule 5.1(a).* The following information with respect to each Interest Owner is to be provided on Schedule 5.1(a) and will be accurate as of the date thereof: (i) the name and address of that Interest Owner; (ii) the designation of that Interest Owner as either a Member or an Economic Interest Owner; (iii) the character and Aggregate amount of the Capital Contributions made by the Interest Owner (including any Capital Contributions made with respect to the Interest Owner's Interest); (iv) the number of Units owned by the Interest Owner; and (v) the Voting Interest of the Interest Owner. If any of the information contained in Schedule 5.1(a) changes, the Manager, without any further approval by the Members, shall promptly cause (A) Schedule 5.1(a) to be amended and restated to reflect those changes and the date as of which those changes are to be effective and (B) a copy of the revised schedule to be retained by the Company as part of its permanent records and another copy is to be distributed to each Member and to be attached to this Agreement in substitution of the superseded schedule. The failure, however, of the Manager to take any of the foregoing actions will not prevent the effectiveness of, or otherwise affect the underlying adjustments that would be reflected on, the amended and restated Schedule 5.1(a).

(b) *Schedule 5.1(b).* The following information with respect to the Capital Contributions made by each Interest Owner (including any Capital Contributions made with respect to that Interest Owner's Interest) is to be provided on a Schedule 5.1(b) and be accurate as of the date indicated thereon on which those Capital Contributions were made: (i) the name of each Interest Owner making any of those Capital Contributions; (ii) the character of the Capital Contributions; (iii) the identification or description of each asset or group of related assets contributed by that Interest Owner to the Company; (iv) the Book Value of each asset or group of assets contributed by the Interest Owner to the Company; and (v) the amount of liabilities of the Interest Owner assumed by the Company with respect to those Capital Contributions or to which the contributed assets were subject at the time the contributions were made. Each time Capital Contributions are made to the Company, the Manager, without any further approval by the Members, shall promptly cause (A) a new Schedule 5.1(b) to be prepared with respect to those Capital Contributions and (B) a copy of the new schedule to be provided to each of the Members and to be attached to this Agreement in addition to, but not in substitution of, any Schedule 5.1(b) relating to prior Capital Contributions. The failure of the Manager to take any of the foregoing actions will not prevent the effectiveness of, or otherwise affect the underlying adjustments that would be reflected or, any new Schedule 5.1(b) or the transactions (and the information concerning the transactions) to be disclosed on the new Schedule 5.1(b). If a group of assets is contributed, the information should be provided separately for each asset in the group.

5.2 Initial Base Capital Contributions. Concurrently with, or prior to, the execution of this Agreement, each Member shall make, or have made, the Base Capital Contributions set forth opposite that Member's name on Schedule 5.1(a) and Schedule 5.1(b) and will receive in exchange therefor the Interest described in this Agreement for that Member, including (a) the

number of Units and Voting Interest set forth opposite that Member's name on Schedule 5.1(a) and (b) a credit in the computation of that Member's Capital Account balance equal to the amount of those Base Capital Contributions.

5.3 Additional Capital Contributions and Loans From Members.

(a) **Funding Notices.** If the Manager determines at any time (or from time to time) that the Company needs funds from the Members, the Manager may deliver notice of that determination to the Members (the "**Funding Notice**"). The Manager shall cause the Funding Notice to state (i) the aggregate amount of additional funds needed by the Company from the Members at that time (the "**Additional Funding Amount**"), (ii) the purpose or purposes for which those funds are to be used, (iii) each Member shall be responsible for 50% of the Additional Funding Amount, (iv) the Additional Funding Amount will be treated as "**Priority Capital Contributions**," and (v) any other terms and conditions with respect to the additional financing that the Manager determines to be appropriate (including the manner in which, and time by which, the Members are to notify the Manager of their decision to make any of the Priority Capital Contributions to be raised. The Manager will raise the Additional Funding Amount in accordance with the Funding Notice.

(b) **Option of Members; Preemptive Rights.** Each Member will have the right, but not the obligation, to provide all or any portion of that Member's 50% share of the Additional Funding Amount by complying with the terms and conditions of the applicable Funding Notice. If any Member declines or fails to provide that Member's full 50% share of an Additional Funding Amount under the terms of the Funding Notice, then the Manager may raise the amount of that deficiency from any other Interest Owner or Interest Owners selected by the Manager (including exclusively from the Manager itself) who agrees to provide those additional funding amounts.

(c) **No Impact on Units or Voting Interests or Pro Rata Interests for Priority Capital Contributions.** Each Interest Owner's Capital Account will be credited by the amount of any Priority Capital Contributions that Interest Owner makes to the Company. In addition, that Interest Owner will be entitled to receive a Priority Preferred Return and those other rights provided in this Agreement for Priority Capital Contributions. No adjustments, however, will be made in the number of Units owned by any Interest Owner, nor will any Interest Owner's Voting Interest, 50% responsibility for Additional Funding Amounts, or Pro Rata interest otherwise be affected as a result of one or more Interest Owners making Priority Capital Contributions.

5.4 Withholding of Taxes; Power of Attorney.

(a) **Withholding of Taxes.** The Manager may cause the Company to pay to the applicable Governmental Authority any taxes that the Company is required to withhold and remit with respect to an Interest Owner (the "**Nonresident Interest Owner**"). The payment of those taxes by the Company will be treated as a Distribution to the Nonresident Interest Owner; and therefore, it will reduce, by an equal amount, the Distributions that the Company would otherwise make to the Nonresident Interest Owner. The Manager may, by delivering a written demand to the Nonresident Interest Owner, require the Nonresident Interest Owner to make a Capital Contribution of immediately available funds of any amount that the Manager, by written

demand to the Nonresident Interest Owner, determines is needed by the Company to discharge its withholding liability with respect to the Nonresident Interest Owner. The Nonresident Interest Owner must make that Capital Contribution as instructed in the Manager's written demand, but the Manager must allow the Nonresident Interest Owner at least ten (10) days to make that Capital Contribution. If the Nonresident Interest Owner refuses or fails to timely make the full amount of the Capital Contribution, the Nonresident Interest Owner will be in breach of this Agreement and must indemnify and hold the Company, the Manager and the other Interest Owners harmless against any costs, penalties, payments, or damages incurred by the Company, the Manager or the other Interest Owners as a result of that refusal or failure. In addition to the other remedies that the Company may have, the Nonresident Interest Owner shall pay the Company interest at the lower of the Prime Rate plus three percent (3%) per annum, compounded monthly, or the highest rate of interest allowed by Law (the lower of these two amounts being the "**Default Rate**"), on the amount under this Section 5.4 that the Nonresident Interest Owner fails to timely pay to the Company.

(b) **Power of Attorney.** In addition to the rights vested in the Manager under Section 5.4(a), each Interest Owner, by the execution of this Agreement or otherwise becoming an Interest Owner, hereby constitutes and appoints the Manager to be that Interest Owner's true and lawful representative and attorney in fact with full power and authority to act in that Interest Owner's name, place, and stead in respect of that Interest Owner's Interest, as the Manager determines to be consistent with the Interest Owner's rights under this Agreement as necessary, appropriate, or expedient to eliminate or minimize any withholding obligation or responsibility that the Company or the Manager might otherwise have with respect to that Interest Owner's tax liabilities and other responsibilities to any taxing jurisdiction, including the power and authority to execute, acknowledge, and file any agreement or statement or other document, return, or form, with any taxing or other Governmental Authority in which the Interest Owner is not a resident (a) allowing the Company (as, and to the extent, the Manager determines to be appropriate) to include that Interest Owner in any composite or similar return filed by the Company with that taxing jurisdiction, or (b) subjecting that Interest Owner to the jurisdiction and authority of that taxing jurisdiction for the purpose of the collection of any unpaid tax, together with related interest and penalties, that may be owed by that Interest Owner to that taxing jurisdiction. The power of attorney granted under this Section 5.4(b) is a special power of attorney, coupled with an interest, and is irrevocable and will (i) survive and not be affected by the death, incapacity, dissolution, termination, or Bankruptcy of the Interest Owner granting this power of attorney or the Transfer of all or any portion of that Interest Owner's Interest and (ii) extend to that Interest Owner's successors, assigns, and legal representatives. The Manager shall give written notice to an Interest Owner before exercising the power of attorney granted by that Interest Owner under this Section 5.4(b), and that Interest Owner shall cooperate fully with the Manager's exercise thereof.

5.5 No Right to Interest on Capital Contributions or Withdraw One's Capital Contributions. Except as otherwise provided in this Agreement, no Interest Owner (a) will be paid interest on any Capital Contributions; (b) will be repaid all or any part of that Interest Owner's Capital Contributions; or (c) has the right to receive, as a Distribution or return of capital, any property of the Company other than cash or cash equivalents. No Interest Owner is entitled to any Distributions or other payments, whether on the resignation, withdrawal or

dissociation of that Interest Owner from the Company or otherwise, except as provided in this Agreement.

5.6 Limited Liability. The Interest Owners are not required to make any Capital Contributions to the Company except as provided in this Article V. No Interest Owner may be required to personally guaranty any loan to the Company or other indebtedness or, except as expressly provided herein, otherwise be personally liable for any of the debts, obligations, or other liabilities of the Company without that Interest Owner's expressed, signed, written consent.

5.7 MPV Dobys Bridge Guarantor Obligation. MPV Dobys Bridge or one or more of its Affiliates will provide payment guarantees in connection with the Company obtaining one or more Loans to construct a commercial building or buildings on the Land as, and to the extent, required by the applicable lending with full rights of subrogation against the Company and with the Property (or portion thereof, as determined by the Manager in its Sole Discretion) serving as collateral for the Loan or Loans.

5.8 Abandonment of Tract 5b. If the abandonment of Tract 5b as public right of way without the reservation of easements or right to third parties for continued use has not occurred by July 31, 2018, the unencumbered fee simple title of Tract 5b will be transferred to Quarter Point. In addition, MPV Dobys will no longer be obligated to make the capital commitment of \$104,568 per Schedule 5.1(a) and (b).

ARTICLE VI ALLOCATIONS

6.1 Net Income. After giving effect to Section 6.4, Sections 2.2, 2.3, 2.5 and 2.7 of Schedule 6 and any special allocations required thereunder, Net Income for each Taxable Year is to be allocated to the Capital Accounts of the Interest Owners in the order and priority provided in this Section 6.1 and in the proportions among the Interest Owners provided in Section 6.3:

(a) **Priority Capital Preferred Return.** First, to the Interest Owners who have made Priority Capital Contributions, if any, until the Aggregate amount of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to each Interest Owner under, or as provided in, this Section 6.1(a) with respect to that portion of the Interest Owner's Interest for which allocations under this Section 6.1(a) are to be made equals the sum of (i) the Aggregate amount, if any, of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated under, or as provided in, Section 6.2(c) with respect to that portion of that Interest Owner's Interest for which allocations under this Section 6.1(a) are to be made, plus (ii) the Aggregate Priority Preferred Return with respect to that portion of that Interest Owner's Interest for which allocations under this Section 6.1(a) are to be made, determined as of the last day of that Taxable Year;

(b) **Base Capital Preferred Return.**

(i) Second, to MPV Dobys Bridge, until the Aggregate amount of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to MPV Dobys Bridge under, or as provided in, this

Section 6.1(b)(i) with respect to that portion of MPV Dobys Bridge's Interest for which allocations under this Section 6.1(b)(i) are to be made equals the sum of (i) the Aggregate amount, if any, of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated under, or as provided in, Section 6.2(b)(ii) with respect to that portion of MPV Dobys Bridge's Interest for which allocations under this Section 6.1(b)(i) are to be made, plus (ii) the Aggregate Base Preferred Return with respect to that portion of MPV Dobys Bridge's Interest for which allocations under this Section 6.1(b)(i) are to be made, determined as of the last day of that Taxable Year; and

(ii) Third, to Quarter Pointe, until the Aggregate amount of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to Quarter Pointe under, or as provided in, this Section 6.1(b)(ii) with respect to that portion of Quarter Pointe's Interest for which allocations under this Section 6.1(b)(ii) are to be made equals the sum of (i) the Aggregate amount, if any, of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated under, or as provided in, Section 6.2(b)(i) with respect to that portion of Quarter Pointe's Interest for which allocations under this Section 6.1(b)(ii) are to be made, plus (ii) the Aggregate Base Preferred Return with respect to that portion of Quarter Pointe's Interest for which allocations under this Section 6.1(b)(ii) are to be made, determined as of the last day of that Taxable Year; and

(c) **Residual Net Income.** The balance, Pro Rata to the Interest Owners.

6.2 Net Losses. After giving effect to Section 6.4, Sections 2.2, 2.3 2.5 and 2.7 of Schedule 6 and any special allocations required thereunder, Net Losses for each Taxable Year are to be allocated to the Capital Accounts of the Interest Owners in the order and priority provided in this Section 6.2 and in the proportions among the Interest Owners provided in Section 6.3:

(a) **Chargeback of Net Income.** First, to the Interest Owners who previously have been allocated amounts of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) under, or as provided in, Section 6.1(c), if any, an amount equal to the excess, if any, of (i) the Aggregate amount of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to each Interest Owner under, or as provided in, Section 6.1(c) with respect to that portion of that Interest Owner's Interest for which allocations under this Section 6.2(a) are to be made, over (ii) the Aggregate amount of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated with respect to that portion of that Interest Owner's Interest for which allocations under this Section 6.2(a) are to be made under, or as provided in, this Section 6.2(a);

(b) **Unrecovered Base Capital.**

(i) **Unrecovered Base Capital of Quarter Pointe.** Second, to Quarter Pointe, until the Aggregate amount of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to Quarter Pointe under, or as provided in, this Section 6.2(b)(i) with respect to that portion of Quarter Pointe's Interest for which allocations under this Section 6.2(b)(i) are to be made equals the sum of (i) the Aggregate amount, if any, of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated with respect to that portion of Quarter Pointe's Interest for which allocations under this Section 6.2(b)(i) are to be made under, or as provided in Section 6.1(b)(ii), and (ii) the Unrecovered Base Capital Contributions of Quarter Pointe, determined as of the last day of that Taxable Year; and

(ii) **Unrecovered Base Capital of MPV Dobys Bridge.** Third, to MPV Dobys Bridge, until the Aggregate amount of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to MPV Dobys Bridge under, or as provided in, this Section 6.2(b)(ii) with respect to that portion of MPV Dobys Bridge's Interest for which allocations under this Section 6.2(b)(ii) are to be made equals the sum of (i) the Aggregate amount, if any, of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated with respect to that portion of MPV Dobys Bridge's Interest for which allocations under this Section 6.2(b)(ii) are to be made under, or as provided in Section 6.1(b)(i), and (ii) the Unrecovered Base Capital Contributions of MPV Dobys Bridge, determined as of the last day of that Taxable Year; and

(c) **Unrecovered Priority Capital.** The balance, to the Interest Owners who have made Priority Capital Contributions, if any, until the Aggregate amount of Net Losses (or items of expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated to each of those Interest Owners under, or as provided in, this Section 6.2(c) with respect to that portion of that Interest Owner's Interest for which allocations under this Section 6.2(c) are to be made equals the sum of (i) the Aggregate amount, if any, of Net Income (or items of income or gain allocated hereunder that are not included in the computation of Net Income or Net Losses) allocated with respect to that portion of that Interest Owner's Interest for which allocations under this Section 6.2(c) are to be made under, or as provided in, Section 6.1(a), and (ii) the Unrecovered Priority Capital Contributions of that Interest Owner, determined as of the last day of that Taxable Year.

6.3 Apportionment of Allocations. Allocations made in accordance with each subsection of Sections 6.1 and 6.2 as of a particular time (including allocations of particular items of income, gain, expense, deduction, and loss allocated in the manner provided in Section 6.1 or 6.2, as the case may be), are to be made in proportion to the amounts to be allocated to each Interest Owner pursuant thereto at that time.

6.4 Allocations Savings Provision. Income, gains, expenses, deductions, and losses, and items thereof, of the Company are intended to be allocated under this Agreement in a manner that will cause the Aggregate Distributions made to the Interest Owners with respect to their Interests (from the date of the issuance thereof by the Company), including Distributions to

be made under Section 10.3(b), to be made (insofar as amount, but not necessarily with respect to the timing thereof due to the application of Section 7.1 and any other special Distribution provision contained in, or that is approved in accordance with, this Agreement) to the Interest Owners in the order and priority provided in Section 7.2, while at the same time complying with the applicable requirements of Subchapter K of Chapter 1 of Subtitle A of the Code (in particular, section 704(b) thereof) and the Treasury Regulations promulgated thereunder, and this Agreement is to be interpreted in a manner that is consistent with that intention. The Manager is authorized and directed to amend this Agreement, without further approval by the Interest Owners, to correct or adjust the manner in which allocations of income, gains, losses, deductions and expenses would otherwise be made under this Article VI that the Manager determines to be necessary or appropriate (and not Unfairly Discriminatory against any Interest Owner) for Distributions, in the Aggregate, to be made in the manner provided in the preceding sentence.

ARTICLE VII

NON-LIQUIDATING DISTRIBUTIONS

7.1 Available Cash From Operations. Subject to Section 5.4 and any applicable loan agreement or other contractual or legal restraints, the Manager shall cause the Company's Available Cash From Operations, if any, to be Distributed at least quarterly to the Interest Owners, with respect to their Interests at the time those Distributions are to be made, in the order and priority provided in this Section 7.1 and in the proportions among the Interest Owners provided in Section 7.5:

(a) **Priority Preferred Return.** First, to the Interest Owners who have made Priority Capital Contributions, if any, until the Aggregate amount Distributed to each of those Interest Owners under, or as provided by, Section 7.2(a) and this Section 7.1(a) equals the amount of that Interest Owner's Aggregate Priority Preferred Return;

(b) **Return of Priority Capital Contributions.** Second, to the Interest Owners who have made Priority Capital Contributions, if any, until the Unrecovered Priority Capital Contributions of each of those Interest Owners has been reduced to zero;

(c) **Base Preferred Return.** Third, to the Interest Owners who have made Base Capital Contributions until the Aggregate amount Distributed to each of those Interest Owners under, or as provided in, Section 7.2(c) and this Section 7.1(c) equals the amount of that Interest Owner's Aggregate Base Preferred Return; and

(d) **Residual Cash Flow.** The balance, Pro Rata to the Interest Owners.

7.2 Available Cash From Sales and Refinancings. Subject to Section 5.4 and any applicable loan agreement or other contractual or legal restraints, the Manager shall cause the Company's Available Cash From Sales and Refinancings, if any, to be Distributed as soon as reasonably practicable after the receipt thereof by the Company to the Interest Owners, with respect to their Interests at the time those Distributions are to be made, in the order and priority provided in this Section 7.2 and in the proportions among the Interest Owners provided in Section 7.5:

(a) **Priority Preferred Return.** First, to the Interest Owners who have made Priority Capital Contributions, if any, until the Aggregate amount Distributed to each of those Interest Owners under, or as provided in, Section 7.1(a) and this Section 7.2(a) equals the amount of the Interest Owner's Aggregate Priority Preferred Return;

(b) **Return of Priority Capital Contributions.** Second, to the Interest Owners who have made Priority Capital Contributions, if any, until the Unrecovered Priority Capital Contributions of each of those Interest Owners has been reduced to zero;

(c) **Base Preferred Return.** Third, to the Interest Owners who have made Base Capital Contributions until the Aggregate amount Distributed to each of those Interest Owners under, or as provided in, Section 7.1(c) and this Section 7.2(c) equals the amount of the Interest Owner's Aggregate Base Preferred Return;

(d) **Return of Base Capital Contributions.**

(1) **Return of Base Capital Contributions of MPV Dobys Bridge.** Fourth, to MPV Dobys Bridge until the Unrecovered Base Capital Contributions of MPV Dobys Bridge has been reduced to zero; and

(2) **Return of Base Capital Contributions of Quarter Pointe.** Fifth, to Quarter Pointe until the Unrecovered Base Capital Contributions of Quarter Pointe has been reduced to zero; and

(e) **Residual Cash Flow.**—The balance, Pro Rata to the Interest Owners.

If contemporaneous Distributions under Sections 7.1 and 7.2 are to be made, Distributions of Available Cash From Operations under Section 7.1 are to be made (or be deemed to be made) first, followed by Distributions of Available Cash From Sales and Refinancings under Section 7.2.

7.3 Intentionally left blank.

7.4 In-Kind Distributions. Except as otherwise provided in this Section 7.4, each Interest Owner must look solely to the net worth of the Company for the return of that Interest Owner's Capital Contributions and has no right or power to demand the receipt of any Company Asset other than money. The Manager, however, may cause the Company to Distribute property other than money if (a) Approved by the Members under Section 4.2(c) and (b) those Distributions, for each asset (or group or units of assets that are of the same character or otherwise fungible), are made among the Interest Owners in the order and priority provided in Section 7.2 on the basis of the net fair market values of the Distributed property.

7.5 Apportionment of Distributions. Distributions made under, or as provided in, Section 7.4, and each subsection of Sections 7.1 and 7.2, are to be made in proportion to the amounts to be Distributed thereunder to each Interest Owner.

7.6 *Preemption by Section 10.3.* On the dissolution and winding up of the Company, Section 10.3(b) rather than this Article VII will apply.

7.7 *Return of Distributions.* Except as expressly required by the Act or this Agreement, no Interest Owner is required to return to the Company, or be liable for the amount of, any Distributions received from the Company in accordance with this Agreement.

ARTICLE VIII
BOOKS AND RECORDS; ACCOUNTING; INFORMATION RIGHTS;
TAX MATTERS; AND CONFIDENTIALITY

8.1 *Records.* The records of the Company will be maintained at the Company's principal place of business or at such other place as the Manager shall select, *provided* that the Company keep at its principal place of business the records required by the Act to be maintained there. Appropriate records in reasonable detail will be maintained to reflect income tax information for the Members.

8.2 *Tax Matters.*

(a) *Tax Matters Partner.* If the Manager elects to have the unified audit rules of subchapter C of Chapter 63 of Subtitle F of the Code apply to the Company (or the Company must otherwise comply with those rules), then the Manager, or MPV Dobys Bridge or any other Member selected by the Manager who agrees to serve in that capacity, will be the Tax Matters Partner of the Company the "*Tax Matters Partner*"). In either case, that Person must be eligible to be the tax matters partner under Code § 6231(a)(7) and the Treasury Regulations promulgated thereunder and if the Tax Matters Partner is not the Manager, then in conjunction with being appointed as the Tax Matters Partner, that Person will become a "manager" (within the meaning of Act § 57D-1-03(20)) for purposes of serving in that capacity. A Member may at any time and for any reason resign or be removed by the Manager as the Company's Tax Matters Partner. All Interest Owners shall cooperate in the designation of a Tax Matters Partner under this Section 8.2(a), including signing any form or statement to that effect that may be required under Treas. Reg. § 301.6231(a)(7)-1(e). The Company shall reimburse and otherwise bear all costs incurred by a Tax Matters Partner in connection with serving in that position.

(b) *Elections.* Except as otherwise provided herein, the Manager may make or revoke any election or other determination that is made or may be made by the Company for federal, state, local and foreign tax purposes.

(c) *Tax Information and Returns.* The Manager shall cause all tax returns that the Company is required to file to be prepared and timely filed (including extensions) with the appropriate authorities. No later than fifteen (15) days before an Interest Owner's federal income tax return is required to be filed (including extensions), the Manager shall cause the Company to deliver to that Interest Owner information pertaining to the Company for the previous Taxable Year that is necessary for that Interest Owner to accurately prepare its federal, state and foreign income tax returns for that Taxable Year.

8.3 *Rights of Access and Inspection.* Subject to Section 8.4 and any applicable Law or agreement to which the Company may be subject or bound, and to any reasonable terms and

conditions that may be imposed by the Manager, the Manager will allow each Member to have the information rights required under Act § 57D-3-04. A Member may exercise that Member's rights under this Section 8.3 by delivering notice to the Manager identifying the books and records to be inspected, the reason for the inspection and the purposes for which the requested information will be used. Each Member will bear the costs and expenses related to that Member's exercise of the rights provided under this Section 8.3 and Act § 57D-3-04. The Manager shall cause the Company to prepare and deliver to each of the Members quarterly statements of the Company's cash flow.

8.4 Confidentiality. The Manager and each Interest Owner at all times during the existence of the Company and thereafter shall safeguard the secrecy and confidentiality of any confidential or nonpublic information regarding the Company, the Equity Owners and their Affiliates. In addition, pursuant to Act §57D-3-04(f), the Manager has the right to keep confidential from the Interest Owners for that period of time that the Manager deems reasonable, any information that the Manager determines (a) to be in the nature of trade secrets or (b) that its disclosure (i) would not be in the best interests of the Company or could damage the Company or (ii) would be unlawful or would breach an agreement between the Company and a third party. If an Interest Owner is requested or required pursuant to applicable Law to disclose any confidential information regarding the Company, that Interest Owner must provide the Manager with prompt notice of that request or demand to enable the Company to seek an appropriate protective Order. If a protective Order or other remedy is not obtained by the Company, the Interest Owner may furnish only that portion of the confidential information that is required to be disclosed and shall comply with the reasonable instructions of, and otherwise cooperate with, the Manager to ensure that such disclosure is as limited and restricted as possible and the confidential nature of that information is adequately protected by the recipient.

ARTICLE IX

TRANSFERS AND ENCUMBRANCES OF INTERESTS; WITHDRAWALS

9.1 Transfers and Encumbrances of Interests.

(a) **General Prohibition Without Member Authorization.** Except as otherwise provided in this Agreement (including Transfers made under Article IXA), an Interest Owner (the "**Transacting Interest Owner**") must obtain, and comply with, the prior Approval of the Members under Section 4.2(c) to Transfer to any other Person or Encumber all or any portion of that Transacting Interest Owner's Interest. That Approval may specify the terms and conditions under which the Transfer or Encumbrance is to occur, including those specified in Section 9.1(b) and whether, in the case of the Transfer of all or a portion of the Transacting Interest Owner's Interest (the "**Transferred Interest**"), the Person (including any Person who at the time is an Interest Owner) to whom the Transferred Interest is to be Transferred will be admitted (or, if the transferee is a Member, that Member, with respect to the Transferred Interest, will be treated) as a Substituted Member or have only the rights of an Economic Interest Owner in the Transferred Interest. If the Approval of the Transfer does not specify otherwise, the transferee will be admitted (or, if the transferee is a Member, that Member, with respect to the Transferred Interest, will be treated) as an Economic Interest Owner and not a Substituted Member. The Transacting Interest Owner may be the Manager or an Affiliate of the Manager, and the Manager and all other Members (including the Transacting Interest Owner) may exercise that Member's Sole

Discretion with respect to any decision to be made, or other action to be taken, by the Members under this Article IX related to the Transfer or Encumbrance of all or any portion of that Transacting Interest Owner's (or any other Interest Owner's) Interest.

(b) **Member's Discretion.** The grant or denial of a Member's Approval to a proposed Transfer or Encumbrance of all or part of the Interest of an Interest Owner is to be made in that Member's Sole Discretion. While not required for the Members to Approve the Transfer or Encumbrance of a Transacting Interest Owner's Interest (or portion thereof), the Members may condition their Approval on any number of the following being satisfied:

(i) **Transaction Documents.** The delivery by the Transacting Interest Owner to the Members of any agreement or proposed agreement containing the terms and conditions of, or that specifies the rights and obligations of the parties to, the proposed transaction and the proposed written instrument of Transfer or Encumbrance, as applicable, pursuant to which the transaction is to be effected;

(ii) **Identity of Beneficial Owners.** In the case of the Transfer of an Interest (or any portion thereof), the prospective transferee's delivery to the Members of a written certification or other statement identifying all of the prospective transferee's direct and indirect or joint beneficial owners;

(iii) **Other Agreements and Instruments.** The execution and acknowledgement by the parties to the transaction of any other agreements and instruments that the Members may require, including, in the case of a proposed Transfer of an Interest (or any portion thereof), a counterpart or other instrument pursuant to which the proposed transferee agrees to be a party to, and to be bound by, this Agreement and the representations and warranties of the Interest Owners contained in Section 11.19;

(iv) **Payment of Expenses.** The payment by the parties to the transaction, or any one of them, of all reasonable expenses, including attorneys' fees, incurred by the Company in connection with the transaction;

(v) **Opinion from Counsel.** The delivery of an opinion from counsel (which counsel and opinion must be satisfactory to the Members) to the Company stating that, in the opinion of counsel, the Transfer or Encumbrance will not jeopardize the status of the Company as a partnership for federal income tax purposes, cause a termination of the Company under Code § 708, cause the Company to be required to adjust the tax bases of the Company Assets under Code § 734(b) or 743(b), cause the Company Assets to be deemed to be "plan assets" under the Employee Retirement Income Security Act of 1974, and the regulations promulgated thereunder, or otherwise result in material adverse tax or other consequences to the Company or any other Interest Owner, or violate, or cause the Company or the Transacting Interest Owner to violate, any applicable Law, including any applicable federal or state securities Laws;

(vi) **Form 8308.** In the case of the Transfer of an Interest (or any portion thereof), the agreement by the Transacting Interest Owner and the prospective transferee to timely deliver to the Manager information necessary to enable the Company to file

Internal Revenue Form 8308 if and as may be required by Code § 6050K and the Treasury Regulations promulgated thereunder;

(vii) **Tax and Other Compliance Information.** In the case of the Transfer of an Interest (or any portion thereof), the prospective transferee's delivery to the Manager of the transferee's taxpayer identification number, federal income taxable year, any information that the Manager may require to determine the amount of the transferee's adjusted tax basis in the Interest being acquired at the time the proposed Transfer is to occur and any other information that the Company may request to prepare its tax returns and to comply with any other reporting requirements that it may have, whether by contract or Law;

(viii) **Non Tax-Exempt Attestation.** In the case of the Transfer of an Interest (or any portion thereof) to an Entity, the prospective transferee's delivery of a written certification or other statement to the Company that the prospective transferee is not an exempt organization within the meaning of subchapter F of chapter 1 of subtitle A of the Code; and

(ix) **Written Non-Foreign Attestation.** In the case of the Transfer of an Interest (or any portion thereof), the proposed transferee's delivery of a written certification or other statement to the Company that the prospective transferee is a "United States person" within the meaning of Code § 7701(a)(30).

(c) **Status and Obligations of the Transacting Interest Owner.** Any Interest Owner who Transfers all of that Interest Owner's Economic Interest will cease to be an Interest Owner, which in the case of a Member, will cause that Member to lose all of the rights described in the second sentence of Section 9.3 that an Economic Interest Owner does not have. The Transacting Interest Owner, however, will not be released from any liability with respect to the Transferred Interest (or any other obligation that the Transacting Interest Owner may have with respect to the Company) unless a written release to that effect is executed by the Manager. Any Member who Transfers less than all of that Member's Interest will continue to retain and otherwise possess all of the voting and Approval rights of the Transferred Interest until the transferee of the Transferred Interest is admitted as a Substituted Member in respect thereof.

(d) **Certain Rights and Obligations of the Transacting Interest Owner and Substituted Member.** A Substituted Member will have all the rights and powers, and will be subject to all the restrictions and obligations, of the Member from whom the Transferred Interest is acquired with respect to the Transferred Interest. The admission of a Substituted Member will not release the Transacting Interest Owner from any liability with respect to the Transferred Interest (or any other obligation that the Transacting Interest Owner may have to the Company) that may have existed before the Transfer and the admission of the transferee as a Substituted Member unless a written release to that effect is executed by the Manager.

9.2 Unauthorized Transfers. Any purported Transfer or Encumbrance of an Interest Owner's Interest (or portion thereof) that does not comply with the conditions provided in Section 9.1 will be null and void and of no force or effect whatsoever (with respect to a Transfer, an "**Unauthorized Transfer**"). If, however, the Company is required under the Act or other

applicable Law (including any Bankruptcy Law, Law of successions or donations, or by reason of a separation agreement or divorce, equitable or community or marital property distribution, judicial decree, or other court Order concerning the division or partition of property between spouses), as reasonably determined by the Manager or by a court of competent jurisdiction, to recognize an Unauthorized Transfer of all or part of an Interest (or if the Members elect to recognize the Unauthorized Transfer of all or part of an Interest for the limited purposes provided in this Section 9.2), the transferee will have only the rights of an Economic Interest Owner with respect to that Transferred Interest. Any Distributions with respect to the Transferred Interest may be applied by the Company (without limiting any other legal or equitable rights of the Company) towards the satisfaction of any debts, obligations, or liabilities for damages or other Losses that the transferor or transferee of the Transferred Interest may have to the Company.

9.3 *Rights of Economic Interest Owners.* An Economic Interest Owner is not a Member and is entitled only to allocations of Net Income and Net Losses (and any items of income, gain, expense, deduction and loss that are not included in the computation of Net Income and Net Losses) and Distributions under this Agreement with respect to the Economic Interest Owner's Interest. An Economic Interest Owner has no right to (i) vote or otherwise participate in Company matters (including having no right to vote on the matters provided in Article IV, Section 11.2 or elsewhere in this Agreement that are subject to Approval by the Members); (ii) take part in the management of the Company's affairs or transact any business on behalf of the Company; (iii) receive any notices to be provided to Members under this Agreement or the Act; (iv) receive any information or accounting from the Company; (v) inspect the books or records of the Company; and (vi) any other rights of a member under the Act or this Agreement other than those described in the first sentence of this Section 9.3. Any Units or other ownership interest (or portion thereof) that an Economic Interest Owner may acquire will be treated in the same manner under this Section 9.3 as, and will otherwise be made part of, that Economic Interest Owner's Economic Interest. An Economic Interest Owner may become a Member only if so Approved by the Members under Section 4.2(c). Each Member may exercise that Member's Sole Discretion in granting or denying that Member's Approval to an Economic Interest Owner's request to be admitted as a Member. Consistent with the foregoing, if a Member acquires a Transferred Interest, the Member will be recognized as a Substituted Member with respect to the Transferred Interest only as and to the extent Approved by Majority Vote of the Members. To the extent a Member who acquires a Transferred Interest without receiving the Approval of a Voting Majority of the Members that the transferee Member be recognized as a Substituted Member with respect to the Transferred Interest, the Transferred Interest will be only an Economic Interest and the transferee Member will be treated only as an Economic Interest Owner with respect thereto.

9.4 *Resignation or Withdrawal of Interest Owners; Bankruptcy, Death or Incompetency of an Interest Owner.* Except as provided herein or permitted hereunder, an Interest Owner does not have the right to resign as an Interest Owner or withdraw capital from the Company, including not having any right to receive Distributions or other payments upon resigning as an Interest Owner. If, contrary to the prohibition in this Section 9.4, an Interest Owner under applicable Law or otherwise is able to resign or otherwise withdraw as an Interest Owner in a manner not otherwise authorized herein, then the resigned or withdrawn Interest Owner (or Successor-in-Interest thereof, as the case may be) will have only the rights of an

Economic Interest Owner. Similarly, upon the Bankruptcy or death of a Member, or a Member being adjudicated to be incompetent by a court of competent jurisdiction, that Member automatically will cease to be a Member and will become an Economic Interest Owner.

ARTICLE IX BUY-SELL

9A.1 Invocation of the Buy-Sell. At any time on or after (a) January 1, 2018, one or more Members (individually or collectively, the "**Invoking Member**"), and without regard to Article IX, may deliver to all of the other Interest Owners (each a "**Responding Member**" and collectively the "**Responding Members**") and the Manager written notice that the Invoking Member is invoking the provisions of this Article IXA (the "**Buy-Sell Notice**"). The Invoking Member must state in the Buy-Sell Notice (i) the all cash price at which the Invoking Member would be willing to purchase all of the Company Assets and (ii) the Net Equity Value (as defined below in this Section 9A.1) of the Company derived from that price. The delivery of the Buy-Sell Notice by the Invoking Member to the Responding Members will constitute an offer by the Invoking Member to purchase from each Responding Member (x) all outstanding loans and advances made to the Company by that Responding Member (collectively, for purposes of this Article IXA, "**Loans**") for a price equal to the unpaid principal balance of, and any accrued but unpaid interest on, those Loans and (y) the Interest of that Responding Member for a price equal to the amount that would be Distributable to that Responding Member under Section 10.3(b) if (1) all of the Company Assets were sold to an unrelated purchaser at the price stated in the Buy-Sell Notice, (2) the Company paid (or made adequate provision for the payment of) all of its unpaid liabilities (whether or not then due and payable) from the gross proceeds of that sale, and (3) the Company then Distributed the remaining proceeds (the "**Net Equity Value**") to the Interest Owners under Section 10.3(b). The delivery of the Buy-Sell Notice by the Invoking Member to the Responding Members also will constitute an offer by the Invoking Member to sell to any or all of the Responding Members (i) all outstanding loans and other advances made to the Company by the Invoking Member (collectively, for purposes of this Article IXA, also referred to as "**Loans**" for a price equal to the unpaid principal balance of, and any accrued but unpaid interest on, those Loans) and (ii) the Invoking Member's Interest in the Company for a price equal to the amount of the Net Equity Value that would be Distributable to the Invoking Member under Section 10.3(b) of this Agreement. During the pendency of the buy-sell process under this Article IXA, the Company will not take any action outside of its ordinary course of business without the Approval of the Members under Section 4.2(c). The purchase price for an Interest Owner's Interest under this Article IXA is to be determined as of the date of the Buy-Sell Notice (the "**Valuation Date**"), and each selling Interest Owner is to be treated for purposes of Articles VI and VII as if the transactions described in this Article IXA took place on the Valuation Date. Accordingly, the purchase price that the purchasing Interest Owners are to pay for a selling Interest Owner's Interest will be (A) increased by the amount of any Capital Contributions made by that selling Interest Owner after the Valuation Date and (B) reduced by the amount of any Distributions received by that selling Interest Owner after the Valuation Date, and the Valuation Date will be deemed to be the Closing Date for purposes of applying Treas. Reg. § 1.706-1(c)(2)(ii) for making allocations under Article VI (including Schedule 6 referenced therein) between the buyer(s) and seller(s) for the Taxable Year in which the Valuation Date occurs.

9A.2 Option of Responding Member(s). Upon receipt of the Buy-Sell Notice, each Responding Member must elect either to (a) to purchase the Invoking Member's Loans and Interest at the prices that the Invoking Member is deemed under Section 9A.1 to have offered to sell them, (b) sell the Responding Member's Loans and Interest at the prices that the Invoking Member is deemed under Section 9A.1 to have offered to purchase them, or (c) agree to another arrangement with the Invoking Member. Unless another arrangement is entered into with the Invoking Member(s), each Responding Member, within thirty (30) days after receiving the Buy-Sell Notice, must notify the Invoking Member and the other Responding Members of that Responding Member's election under this Section 9A.2 (the "**First Notice**"). If there are two or more Responding Members and all Responding Members in their First Notice elect to buy the Invoking Member's Loans and Interest, then, unless the purchasing Interest Owners agree otherwise, the Invoking Member's Loans and Interest will be allocated among the Responding Members according to the ratios that the Responding Members' Voting Interests bear to one another. If there are two or more Responding Members and one or more of them elect in their First Notices to buy the Invoking Member's Loans and Interest and one or more of them elect in their First Notice to sell their Loans and Interests, then each Responding Member who elects to buy may do so only if that Responding Member, within seven (7) days after the due date of the First Notice, notifies the other Responding Members of that Responding Member's election to buy not only the Invoking Member's Loans and Interest but also the Loans and Interest of each Responding Member electing to sell for the amount that selling Responding Member would be entitled to receive under Section 9A.1 had that Responding Member in the First Notice elected to sell (the "**Second Notice**"). If a Responding Member fails to timely deliver a First Notice or a Second Notice, that Responding Member will be deemed to have elected to sell that Responding Member's Loans and Interest to the Invoking Member pursuant to option (ii) in the first sentence of this Section 9A.2. Notwithstanding anything in this Section 9A.2 (or the other provisions of this Article IXA), a Responding Member may agree to enter into any other arrangement with either the Invoking Member or one or more of the other Responding Members, regarding the extent to which, if any, this Article IXA is to apply between them.

9A.3 Closing. Unless otherwise agreed by the parties, the closing of the purchase and sale of Loans and Interests under this Article IXA (the "**Closing**") will be held at the principal office of the Company at 10:00 a.m. on or before the first Business Day occurring on or after the sixtieth (60th) day after the date on which all of the Responding Members elect, or are deemed to elect, to enter into the transactions contemplated by this Article IXA. At the Closing, but subject to Section 9A.4, (a) each purchasing Interest Owner shall pay each selling Interest Owner, in immediately available funds in such form as the seller may reasonably request (including by wire transfer of funds to an account designated by the seller), that purchasing Interest Owner's share of the purchase price for that selling Interest Owner's Loans and Interest, and (b) the selling Interest Owner shall execute all documents that the purchasing Interest Owner reasonably determines to be necessary or appropriate to effect the Transfer of that portion of the selling Interest Owner's Loans and Interest to the purchasing Interest Owner free and clear of all Encumbrances (other than restrictions imposed on all Interest Owners under this Agreement and restrictions imposed under any applicable securities Law). Each purchasing Interest Owner shall defend, indemnify and hold harmless each selling Interest Owner (and that selling Interest Owner's Affiliates) against that purchasing Interest Owner's purchased share of all liabilities, known or unknown, contingent or fixed, of the Company. In addition, and as a condition precedent to the Closing of the purchase by a purchasing Interest Owner of that purchasing

Interest Owner's purchased share of the Loans and Interest of a selling Interest Owner, that purchasing Interest Owner shall cause the selling Interest Owner and the Affiliates of the selling Interest Owner to be released at or before the Closing from that purchasing Interest Owner's purchased share of any guaranty, mortgage, pledge or other credit support provided by that selling Interest Owner (or any of that selling Interest Owner's Affiliates) on behalf and with the consent of the Company. If the Invoking Member is comprised of more than one Member and the Members of that group are obligated to sell their Interests to other Interest Owners under this Section 9A.3 and Sections 9A.2 and 9A.4, that obligation will be several (not joint) as to each member of the Invoking Member group and that member's obligation to sell the member's Interest as provided in this Section 9A.3. If the Invoking Member is comprised of more than one Member and the Members of that group are obligated to purchase the other Interest Owners' Interests under this Section 9A.3 and Sections 9A.2 and 9A.4, that obligation will be joint and several as to each member of the Invoking Member group and that member's obligation under this Section 9A.3.

9A.4 Remedies for Breach.

(a) **Defaulting Purchasing Interest Owners.** If a purchasing Interest Owner (the "Defaulting Purchasing Interest Owner") fails to purchase that Interest Owner's share of a selling Interest Owner's Loans and Interest as and when required under this Article IXA, the other purchasing Interest Owners (or if there are no other purchasing Interest Owners, then the selling Interest Owners), in addition to the other rights and remedies that they may have, will have an additional thirty (30) days during which they will have the right, but not the obligation, to purchase the Defaulting Purchasing Interest Owner's Loans and Interest (which Interest shall include the Defaulting Purchasing Interest Owner's obligation to purchase the Defaulting Purchasing Interest Owner's share of the selling Interest Owners' Loans and Interests) at eighty percent (80%) of the value of the Defaulting Purchasing Interest Owner's Loans and Interest determined under, and otherwise applying the conventions of, this Article IXA had the Defaulting Purchasing Interest Owner offered, or been deemed to offer, to sell the Defaulting Purchasing Interest Owner's Loans and Interest. If the non-defaulting purchasing Interest Owners (or if there are no non-defaulting purchasing Interest Owners, then the selling Interest Owners) do not elect to purchase the Loans and Interest of the Defaulting Purchasing Interest Owner within the sixty (60) day period provided in this Section 9A.4, then the selling Interest Owner either may close with the non-defaulting purchasing Interest Owners and pursue the remedies under the Law and this Agreement that the selling Interest Owner may have against the Defaulting Purchasing Interest Owner or, with the written consent of all of the non-defaulting purchasing Interest Owners, may nullify the Invoking Member's Buy-Sell Notice and all actions taken with respect to that Buy-Sell Notice under this Article IXA; thereby, allowing the buy-sell procedure under this Article IXA to be re-instituted.

(b) **Defaulting Selling Interest Owner.** If a selling Interest Owner (the "Defaulting Selling Interest Owner") is not able or fails to deliver to the purchasing Interest Owner the Defaulting Selling Interest Owner's Loans and Interest free and clear of all Encumbrances (other than restrictions imposed on all Interest Owners under this Agreement or restrictions imposed under applicable securities Law), (i) the purchase price that the purchasing Interest Owners are to pay for the Defaulting Selling Interest Owner's Loans and Interest will be reduced by the amount that is needed to discharge or otherwise remove those Encumbrances; (ii) the Defaulting Selling

Interest Owner shall indemnify and otherwise hold the purchasing Interest Owners harmless from all Losses associated with those Encumbrances, including the Losses incurred by the purchasing Interest Owners (for which they were not otherwise compensated under the preceding clause (i)) to discharge or otherwise remove the Encumbrances; and (iii) the purchasing Interest Owners may pursue other remedies available under the Law or this Agreement. Alternatively, each purchasing Interest Owner will have the right not to purchase or, if the Encumbrances are material, to rescind their purchase of the Defaulting Interest Owner's Loans or Interest and recover any associated Losses from the Defaulting Selling Interest Owner.

9A.5 Right to Assign Purchase Obligation. If at the time a Buy-Sell Notice is given, there exist only two (2) Interest Owners, the purchasing Interest Owner will have the right at any time before the Closing, to assign that Interest Owner's right to purchase the selling Interest Owner's Loans and Interest to any Person by giving notice of the assignment to the selling Interest Owner and the Company. An assignment of the rights of the purchasing Interest Owner under this Article IXA will not release the purchasing Interest Owner from any of that Interest Owner's obligations under this Article IXA. After delivery of the notice of assignment under this Article IXA, the designated assignee will have the right and obligation to purchase the selling Interest Owner's Loans and Interest on the same terms and conditions that would apply to the purchasing Interest Owner (including without having to comply with Article IX), except the assigning Interest Owner will remain severally liable for the payment of the purchase price for the selling Interest Owner's Interest and Loans.

9A.6 Preemption of Article IXA Over Rights to Judicial Dissolution and Derivative Actions. This Article IXA is intended to and shall supplant and otherwise pre-empt the right any Member might otherwise have to apply for or obtain a judicial dissolution of the Company or to make or prosecute a derivative action claim, whether under Article 6 or Article 8 of the Act or any other applicable Law.

ARTICLE X DISSOLUTION OF THE COMPANY

10.1 Events of Dissolution. The Company will dissolve and begin winding up its affairs upon the occurrence of any of the following events (each a "**Dissolution Event**"):

(a) Other than in the conduct of the Company's ordinary course of business, the sale (but not any other type of Transfer) of all or substantially all of the Company Assets other than cash and cash equivalents;

(b) *Intentionally left blank;*

(c) At the time specified, and otherwise in accordance with, a plan of dissolution Approved by the Members under Section 4.2(c); or

(d) Ninety (90) days after the date that at any time there are no Members.

The dissolution of the Company under this Section 10.1 will be effective on the date a Dissolution Event occurs, but the Company will not terminate until all of the Company Assets have been Distributed or otherwise applied as provided in Sections 10.2 and 10.3. Except as

provided in this Section 10.1, the Company will not dissolve because of the death, resignation, withdrawal, expulsion, Bankruptcy or dissolution of an Interest Owner or of the Manager or under any other event not described in Subsections (a) through (d) of this Section 10.1.

Each Interest Owner hereby waives and forgoes any rights the Interest Owner might otherwise have to cause the Company to be dissolved except as otherwise provided above in this Section 10.1. Accordingly, each Interest Owner waives and disclaims any and all rights, and shall not have or exercise any such rights that Interest Owner may have or retain, to apply or petition for, demand or initiate proceedings to have the Company judicially or administratively dissolved under the Act or other applicable Law.

10.2 Winding Up of the Company's Affairs. Upon the occurrence of a Dissolution Event, (a) the Company will remain in existence solely for the purposes of winding up its affairs in an orderly manner, liquidating the Company Assets, and satisfying the claims of its creditors and the Interest Owners, and (b) the Manager (or any other Person appointed by the Manager or under applicable Law to wind up the affairs of the Company, in either case, the "*Liquidator*") will not take any action that is inconsistent with, or not necessary or appropriate for, the winding up of the Company's business and affairs. To the extent not inconsistent with the foregoing, all covenants and obligations in this Agreement will remain in full force and effect until all of the Company Assets have been Distributed or otherwise applied in the manner provided in Section 10.3 and the Company is terminated in accordance with the Act. Notwithstanding anything in Section 4.2(c) to the contrary, the Liquidator will be responsible for managing the winding up of the Company's affairs and, in connection therewith, will take account of the Company's liabilities and assets, cause the Company Assets to be liquidated as promptly as is consistent with obtaining a fair value therefor, and cause the proceeds therefrom to be applied and Distributed in the order and priority provided in Section 10.3. Each Interest Owner (and any Affiliate of an Interest Owner) may bid in any auction of, or other solicitation of purchase offers for, the Company or any of the Company Assets that may be conducted in connection with the winding up of the Company under this Section 10.2 in the same manner and with the same opportunities as any other Person who is not an Interest Owner.

10.3 Marshalling of Liquidation Proceeds. The proceeds from the liquidation of the Company Assets and the Company's other available cash (including any amounts released from Reserves and, in accordance with the principles of Section 7.4, any other remaining assets of the Company) are to be applied in the order and priority provided, and as otherwise contemplated, below:

(a) **Creditors.** First, in satisfaction (whether by payment or making reasonable provision for payment) of all of the Company's liabilities to the creditors of the Company (including any Interest Owners who are creditors) in the order of priority required by Law, with the Liquidator having the authority to establish those Reserves that the Liquidator reasonably determines to be necessary to pay the Company's liabilities, including contingent liabilities, and maintain those Reserves for as long as the Liquidator determines that they may be needed to pay the Company's liabilities as they become due; and

(b) **Liquidating Distributions.** The balance, if any, to be Distributed to the Interest Owners in the order and priority provided in Section 7.2 (including subjecting the Distributions

to be made under this Section 10.3(b) to the potential application of Section 5.4); except (i) if the Company is dissolved under Section 10.1(b), "Pro Rata" for purposes of Section 7.2(e) (as Section 7.2(e) is made applicable to this Section 10.3(b)) will mean 50/50, and (ii) no Distributions under this Section 10.3(b) may be made to an Interest Owner in an amount that would cause that Interest Owner to have (or would increase the amount of) an Adjusted Capital Account Deficit (as defined in Section 1.1 of Schedule 6), after giving effect to all Capital Contributions, Distributions, and allocations for all periods (including the period or periods during which the winding up occurs).

10.4 Final Accountings. Upon the termination of the Company, the Liquidator shall cause a proper accounting of the Company to be made from the date of the last previous accounting to the date of the termination. The Liquidator shall cause the results of those accountings to be delivered and otherwise reported to the Members.

10.5 No Capital Account Deficit Balance Restoration Obligation. In no event will any Interest Owner be liable with respect to, or be required to contribute capital solely for the purpose of reducing or eliminating, a negative or deficit balance in that Interest Owner's Capital Account at the time of the dissolution or winding up of the Company or the liquidation of that Interest Owner's Interest or at any other time, unless, and only to the extent, the Interest Owner and the Company enter into a written agreement to the contrary.

10.6 Articles of Dissolution and Related Filings. The Liquidator shall take any other actions as the Liquidator determines to be necessary or appropriate to wind up the affairs of the Company, including, causing Articles of Dissolution to be filed in the office of the North Carolina Secretary of State as contemplated by Act § 57D-6-09 and causing any other necessary filings to be made with the appropriate Governmental Authorities.

ARTICLE XI MISCELLANEOUS

11.1 Notices.

(a) Method of Delivery. Unless otherwise provided in this Agreement, any notice, demand or other communication (each a "**notice**") required or permitted to be given or made by this Agreement or applicable Law must be in writing and all expenses, if any, related to its delivery prepaid. Notices will be deemed to have been given or made to, and received by, a Person as follows:

(i) When delivery is made to that Person, which is deemed to occur when, whether by hand, mail, courier, electronic mail, facsimile transmission, or other means, which is deemed to occur when confirmation of delivery of that notice is made by any means; or

(ii) Four (4) Business Days after being deposited in the United States mail.

(b) Notice Addresses. Notices to a Person must be addressed as follows:

(i) If to the Company or the Manager, to any of the addresses (including the electronic mailing address and facsimile telephone number) of the Representative of the Manager as

provided in Schedule 4.4 (or any other address that the Manager may designate by notice to the Interest Owners), or if the Manager does not have a designated Representative, then to the attention of the Manager at the address of the principal office of the Company; and

(ii) If to an Interest Owner, to any of the addresses (including the electronic mailing address and facsimile transmission number) of that Interest Owner or the Representative of any Entity Interest Owner provided on Schedule 4.4 (or any other address that the Interest Owner may designate by written notice to the Manager), or if an Entity Interest Owner does not have a designated Representative, then to any of the addresses provided by that Interest Owner either on Schedule 5.1(a) or by notice to the Company.

11.2 Amendments.

(a) **General Rule – Voting Majority Approval Required.** Except as otherwise provided herein, this Agreement and the Articles of Organization may be amended or modified from time to time only by a written instrument executed by a Voting Majority or if there are no Members at the time, by the written consent of all of the Economic Interest Owners, and no purported amendment or modification of any of the terms of this Agreement will be valid or enforceable unless it is in such prescribed written form. Any provision in this Agreement requiring the Approval of, or that certain other action be taken only by, more than a Voting Majority (or of or by a particular Member or Members) may be amended or modified only by the Member or Members owning the requisite Interest or Interests to take that action or, if there are no Members at the time, by the written consent of all of the Economic Interest Owners. Amendments to this Agreement may be given retroactive effect.

(b) Exceptions.

(i) **No Requirement for Member Approval.** The Manager (without any Approval of, or notice to, the Members) may amend this Agreement to (A) cure or clarify any ambiguity, or to correct any printing, stenographic, or clerical mistake; or (B) correct, supplement or otherwise resolve any inconsistency or incompatibility between any of the provisions of this Agreement; or (C) make any revisions, modifications, or other changes to this Agreement that are not materially adverse to the interests of any Interest Owner who has not consented in writing to the amendment.

(ii) **No Unfair Discrimination.** Notwithstanding the provisions of Section 11.2(a) to the contrary, no amendment may be made to this Agreement or the Articles of Organization that would disproportionately divest or diminish the rights of, or otherwise disproportionately disadvantage or unfairly discriminate against, any Interest Owner, with respect to that Interest Owner's Interest in relation to other Interests having similar rights ("**Unfair Discrimination**"), or increase the liabilities or obligations of any Interest Owner, without the Approval of that amendment by each Interest Owner who would be so adversely affected by it. Amendments to this Agreement that, for example, result in (i) the issuance of new Units (including a new class of Units or other equity interests) of which each Interest Owner is granted the right to purchase that Interest Owner's Pro Rata share (and failing to do so will cause that Interest Owner's proportionate share of the Company's profits, losses, capital, Distributions, or Approval rights to be reduced), or (ii) adverse tax consequences to one or more Interest Owners but not other Interest

Owners (or results in disproportionately adverse tax consequences to one or more Interest Owners) due to their particular tax situation are not to be deemed to Unfairly Discriminate against, or increase the liabilities or obligations of, the adversely affected Interest Owner(s).

(c) *Actions Authorized Under this Agreement.* Any action taken by the Manager or the Members that is otherwise authorized hereunder is not to be treated as an amendment to this Agreement requiring the Approval of the Members under this Section 11.2.

11.3 No Implied Waiver. Unless otherwise provided in a writing, signed by the Company or other applicable party, no waiver of any provision of this Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver. Neither the failure nor the delay by a party in exercising any right, power or privilege under this Agreement or any of the documents referred to in this Agreement will constitute a waiver of that right, power or privilege, and no single or partial exercise of any right, power or privilege will preclude any other or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.

11.4 Cumulative Remedies. Each right, power and remedy that is provided herein (or which exists in Law) is in addition to every other right, power or remedy that each party hereto may have.

11.5 Specific Performance; Injunctive Relief; No Right to Tortious Interference Claims. The Interest Owners acknowledge that the Company would be damaged irreparably and would have no adequate remedy of law if any provision of this Agreement is not performed in accordance with its specific terms. Accordingly, the Company (and only the Company and not any Interest Owner) is entitled to injunctive and other equitable relief and remedies to prevent or remedy breaches of this Agreement and to enforce specifically the terms and provisions hereof, without having to prove the inadequacy of any remedy that may be available at law or being required to post bond or other security. Notwithstanding anything in this Agreement to the contrary, no Interest Owner has standing or may otherwise bring an action for, or otherwise pursue, any injunctive or other equitable remedies or relief in respect of the Company or their Interest if the Company has the right (regardless of its decision of whether to exercise that right) to bring or prosecute the same or similar claim(s), as each Interest Owner acknowledges and agrees that any such claims or other actions may only be prosecuted by the Company in accordance with the provisions of this Agreement. Each Interest Owner waives, surrenders, and otherwise disclaims and will not bring any claim for tortious interference of contract by any Member, Manager Control Person or other Affiliate of the Manager in respect of this Agreement.

11.6 Entire Agreement; Anti-Reliance. In deciding to become an Interest Owner or otherwise become a party or subject to this Agreement, no such Person has relied on any statements, reports, representations, warranties, or understandings other than those provided in this Agreement. This Agreement embodies the entire agreement and understanding between the parties with respect to its subject matter. It supersedes all prior agreements and understandings, representations and warranties, whether written or oral, between the parties concerning the subject matter hereof; and, except as expressly provided in this Agreement, neither the Company nor any of the Covered Persons or Control Persons or other agents of the Company makes any representation or warranty, expressed or implied at law or in equity, in respect of the Company

or the Company's Affiliates, or any of their respective assets, liabilities or operations, and any such other representations or warranties (whether made at the time or in connection with the acquisition of Units or other ownership interests or portion thereof, or at any time thereafter) are hereby expressly disclaimed unless they hereafter are made in a written document, signed by the Manager, and otherwise duly authorized hereunder.

11.7 References to this Agreement; Headings; Scope. Unless otherwise indicated, "Article," "Section," "Subsection," "Schedule" or "Exhibit" means and refers to the corresponding Article, Section, Subsection, Schedule, or Exhibit of or to this Agreement. Words such as "herein," "hereby," "hereinafter," "hereof," "hereto," and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires. All headings and captions in this Agreement are for convenience of reference only and are not intended to define or limit the scope or intent of this Agreement. Unless otherwise provided, all references to schedules, addenda, and exhibits are to the schedules, addenda, and exhibits that are attached to this Agreement, as they may be amended from time to time. The attached schedules, addenda, and exhibits are an integral part of this Agreement.

11.8 Construction. The parties hereto acknowledge that each has reviewed and has been provided the opportunity to ask questions and provide comments with respect to (and has been advised and has been provided the opportunity to have that party's counsel and other advisers and representatives review and ask questions and provide comments with respect to) this Agreement. The normal rules of construction to the effect that ambiguities are to be construed and resolved against the drafting party are not to be employed, and otherwise do not apply, in the interpretation and application of this Agreement. Instead, this Agreement is to be construed according to its fair meaning and not strictly for or against any party hereto. Any reference to forms, schedules, the Act, Code, Treasury Regulations or other Laws includes any amendments or modifications thereof or replacements thereto. Unless the context indicates otherwise, (a) the following words when used in this Agreement are to be construed as follows: "or" includes both the conjunctive and disjunctive, "any" means "one or more," and "including" means "including without limitation"; (b) "member" or "members" and "limited liability company" or "limited liability companies" are to be substituted for "partner" or "partners" and "partnership" or "partnerships," respectively, in the Code, Treasury Regulations and any pronouncements by the Internal Revenue Service; (c) references herein to "funds," "cash" or "money" refer to United States dollars; and (d) references to "days" refer to calendar days unless expressly stated to be Business Days. Common nouns and pronouns and any variations thereof are to be construed as referring to the gender and number as the identity of the Person, Persons or other reference indicated by the circumstances.

11.9 Severability. Every provision of this Agreement is intended to be severable. If any provision hereof is invalid or unenforceable for any reason whatsoever under the Laws of a particular jurisdiction, this Agreement will be construed and enforced as if the invalid or unenforceable provision were not a part of this Agreement for purposes of that jurisdiction, and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the invalid or unenforceable provision or by its severance from this Agreement. Moreover, a provision as similar in terms to the invalid or unenforceable provision as may be possible and be valid and enforceable in the applicable jurisdiction will be substituted automatically as part of this Agreement in lieu of the illegal, invalid or unenforceable provision.

If the Act or other controlling Law is subsequently amended or interpreted by an appropriate Governmental Authority in a way that causes any provision of this Agreement that was formerly invalid or unenforceable to become valid or enforceable, that provision (to the extent it subsequently becomes valid and enforceable) will be considered to be adopted as part of this Agreement as of the effective date of that amendment or interpretation or this Agreement, whichever is later.

11.10 Further Actions and Assurances. Each Interest Owner, upon the request of the Manager, will execute, acknowledge and deliver any instruments, statements, certifications, affidavits, reports, or other documents, provide any other information, and take any other action that the Manager reasonably determines to be necessary, appropriate, or desirable to organize and operate the Company in accordance with, and to otherwise give full effect to, this Agreement and to comply with applicable Law.

11.11 Governing Law. The validity, construction and interpretation of this Agreement and all questions arising out of or concerning either the organization of, or the investment in, the Company, or this Agreement, or the rights, duties and responsibilities of the parties hereunder (including claims alleging fraud, misrepresentation or similar torts), are to be governed by the Laws of the State of North Carolina, without regard to the choice or conflict of laws principles of any jurisdiction.

11.12 Jurisdiction. To the maximum extent permitted by applicable Law, each Interest Owner and other party to, or beneficiary of, this Agreement hereby irrevocably agrees that any legal action or proceeding arising out of or concerning this Agreement or any agreements or transactions contemplated hereby, or otherwise concerning the Company and that party's interest in the Company, including tort claims, may be brought only in the courts of the State of North Carolina or of the United States of America for the Western District of North Carolina and hereby expressly submits to the personal jurisdiction and the venue of those courts for the purposes thereof and expressly waives any claim of improper venue and any claim that those courts are an inconvenient forum. To the maximum extent permitted by Law, each party or other Person described in this Section 11.12 hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action, or proceeding by the mailing of copies thereof in the manner in which any other notice may be delivered to that Person under Section 11.1 (and should be deemed to be received by such Person as provided in Section 11.1) or by registered or certified mail, postage prepaid, to the address referenced in Section 11.1, and to that service becoming effective five (5) days after that mailing. In addition to the foregoing, the Company and each Interest Owner or other party to, or beneficiary of, this Agreement shall, if and as directed by the Company, take all actions as may be necessary or appropriate to have any action described in this Section 11.12 brought, assigned or transferred, as the case may be, to the North Carolina Business Court located in Charlotte, North Carolina or, if a North Carolina Business Court ceases to be located in Charlotte, North Carolina, then that North Carolina Business Court located closest to Charlotte, North Carolina. Notwithstanding anything herein or applicable Law to the contrary, no creditor of the Company, in that Person's capacity as a creditor of the Company is to have standing or any other right to bring a derivative action against any Covered Person or Control Person because of the insolvency of the Company or for any other reason.

11.13 Dispute Costs. In any legal or arbitration proceedings, or other actions between any of the parties hereto, to enforce any of the terms or conditions of this Agreement or any other contract concerning the Company, or any other action that in any other way pertains to Company affairs or this Agreement, the prevailing party, in addition to any other damages or compensation received, will be entitled to recover and will be awarded, and the nonprevailing party shall otherwise pay, the prevailing party's litigation or arbitration costs and related expenses, and other Losses, including reasonable attorneys' fees, expenses and costs of any such actions and any related appeals that would be incurred by the prevailing party were the prevailing party not indemnified or excused from payment, or not charged, by the prevailing party's counsel, insurer or other third party.

11.14 No Third-Party Beneficiaries. This Agreement is made solely and specifically among and for the benefit of the parties hereto and their successors and assigns, and no other Person, unless express provision is made herein to the contrary, is to have any rights, interests or claims under this Agreement or be entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise.

11.15 No Company Seal. The Company will not have a seal, and no agreement, instrument or other document executed on behalf of the Company that would otherwise be valid and binding on the Company will be invalid or nonbinding on the Company solely because no seal is affixed it.

11.16 Right of Set Off. The Company, as determined by the Manager in the exercise of the Manager's Sole Discretion, has the right to apply any Distribution or other amount otherwise payable to the Manager or an Interest Owner against any sum then due and owing to the Company from the Manager or Interest Owner, as the case may be.

11.17 Time of the Essence. Time is of the essence with respect to all time periods and dates provided or referred to in this Agreement.

11.18 Successors and Assigns. This Agreement is binding on, and inures to the benefit of, the parties hereto and, except as otherwise provided herein, each party's successors and permitted assigns.

11.19 Representations and Warranties of Interest Owners. Each Interest Owner represents and warrants to the Company, the Manager, and every other Interest Owner that in connection with the purchase or other acquisition of that Interest Owner's Interest, the Interest Owner (a) is an "accredited investor" within the meaning of Section (a) of Rule 501 of Regulation D under the Securities Act and financially able to bear all the risks of holding that Interest for an indefinite period of time; (b) has sufficient knowledge and experience in financial and business matters to be able to evaluate the merits and risks of, and otherwise make an informed investment decision with respect to, the acquisition of that Interest; (c) has been provided by (or has had access to) all information that the Interest Owner has requested from the Company and the Manager or promoters in connection with the acquisition of that Interest; (d) has been afforded the opportunity to ask questions of, and receive answers from, the Manager or promoters concerning the terms and conditions of this Agreement and the purchase of that Interest; (e) has been given the opportunity to obtain any additional information necessary to

verify the accuracy of the information furnished by the Company; (f) understands that the Interest has not been registered under the Securities Act of 1933 (the "*Securities Act*") or the securities Law of any jurisdiction in reliance on that Interest either not being a "security" under those Laws or its issuance being exempted from registration under those Laws; (g) has acquired that Interest for that Interest Owner's own account with the intention of holding the Interest for investment and without any intention of participating directly or indirectly in any redistribution or resale of any portion of the interest in violation of the Securities Act or any other applicable Law; (h) has the full power and authority to execute and be made a party to this Agreement; (i) neither the execution, delivery or performance by it of this Agreement nor its compliance with any of the provisions hereof will (i) conflict with, violate, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, license, agreement or other obligation to which it is a party or by which it or any of its properties or assets are bound or (ii) violate any statute, rule, regulation, order or decree of any judicial or other governmental authority, or other Law by which it is bound; (j) there are no legal or administrative proceedings pending, or to the Interest owner's knowledge, threatened that are reasonably likely to prohibit or restrain it from entering into this Agreement or consummate the transactions contemplated hereby; (k) this Agreement has been duly executed and delivered by the Interest Owner, and (assuming the due authorization, execution and delivery by the other parties hereto) this Agreement is legal, valid and binding on it, and is enforceable against it in accordance with its terms; (l) acknowledges and otherwise affirms that, as provided in Article IX, the Interests are not Transferrable and the Interest owner will be required to bear the financial risks of the Interest owner's investment in the Company for an indefinite period of time and the Interest Owner would lose the Interest Owner's entire investment in the Company; and (m) no Person has acted, directly or indirectly, as its broker or finder in connection with the transactions contemplated by this Agreement for which that Person is entitled to any fee or commission or like payment in respect thereof. The exercise of rights and performance of obligations under this Agreement by an Interest Owner will be based on that Interest Owner's own investigation, analysis and expertise.

11.20 Counterpart Execution. This Agreement, any amendments thereto, and any written consents to action by the Members under Section 4.3(g) may be executed and delivered in any number of counterparts, with the same effect as if the parties had signed the same document. For purposes of this Agreement, a photographic, photostatic, facsimile, electronic or similar reproduction and transmission by (or on behalf of) a Person of the signature of that Person on a signature page of this Agreement, amendment to this Agreement, written consent under Section 4.3(g), or other document or writing, as applicable, will have the same effect as that Person signing and delivering that signature page in person to the applicable (or other appropriate) recipient thereof.

11.21 Legal Representation. Each Interest Owner or other party to, or beneficiary of, this Agreement hereby acknowledges being advised to seek independent counsel with regard to the preparation of, or otherwise becoming a party to or bound by, this Agreement and has had the opportunity to seek or has sought such counsel. Each Interest Owner or other party to, or beneficiary of, this Agreement also acknowledges that Shumaker, Loop & Kendrick, LLP has been engaged to represent the Company (and not the individual Members) in connection with this Agreement and the transactions contemplated hereby. Following the date hereof, Shumaker, Loop & Kendrick, LLP may continue to represent the Company. For avoidance of doubt, the Company and the Interest Owners further acknowledge that Shumaker, Loop & Kendrick, LLP

has represented, currently represents and may represent in the future MPV and certain Affiliates thereof in connection with matters unrelated to the Company, this Agreement and the transactions contemplated hereby.

11.22 Survival of this Agreement. Neither the dissolution nor winding up of the Company will cancel or terminate this Article XI or other applicable provisions of this Agreement, including Section 2.4 (freedom to engage in other business ventures and activities), Sections 3.4(e), 3.4(h) and 3.5 (the duties and liabilities of Covered Persons and Control Persons, including those responsible for the management of the Company, Section 8.2 (tax matters), and Section 8.4 (confidentiality).

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**EXECUTION PAGE TO THE
OPERATING AGREEMENT OF
DB2 ASSOCIATES, LLC
a North Carolina Limited Liability Company**

The Company/Manager and the Interest Owners have signed this Agreement on the date provided below, intending it to be effective as of the date of the formation of the Company.

Date: August __, 2015 ("*Execution Date*")

ORGANIZER:

The Organizer joins in this Agreement solely for the purpose of identifying, admitting, and otherwise designating the parties executing this Agreement, and listed on Schedule 5.1(a), as "Members" to be the members of the Company as provided in this Agreement and the Act.

Christopher Skvoretz, Organizer

THE COMPANY:

DB2 ASSOCIATES, LLC

By: MPV DOBYS BRIDGE, LLC, Manager

By: MPV PROPERTIES, LLC, Manager

By: _____ [SEAL]

Name: _____

Title: Manager

MANAGER:

MPV DOBYS BRIDGE, LLC

By: MPV Properties, LLC, Manager

By: _____ [SEAL]

Name: _____

Title: Manager

MEMBERS:

MPV DOBYS BRIDGE, LLC

By: MPV PROPERTIES, LLC

By: _____ [SEAL]

Name: _____

Title: Manager

QUARTER POINTE VENTURES, LLC

By: _____ [SEAL]

Name: Christopher R. Barton

Title: Managing Member

SCHEDULE 4.4

DB2 ASSOCIATES, LLC
Representatives and Substitute Representatives of the Entity
Interest Owners and the Manager

Interest Owners	Names of Representative and Substitute Representative(s)	Mailing Office and Electronic Mailing Addresses and Facsimile Telephone Numbers of Representative and Substitute Representative(s)
MPV Dobys Bridge, LLC	Representative: James E. Merrifield	James E. Merrifield MPV Properties, LLC 521 E. Morehead St., Ste. 400 Charlotte, NC 28202 704.248.2100 merrifield@mpvre.com
	Substitute Representative(s): Steve Vermillion	Steve Vermillion MPV Properties, LLC 521 E. Morehead St., Ste. 400 Charlotte, NC 28202 704.248.2100 svermillion@mpvre.com
Quarter Pointe Ventures, LLC	Representative: Christopher R. Barton	Christopher R. Barton Quarter Pointe Ventures, LLC P.O. Box 1556 Fort Mill, SC 29715 704.309.3379 chris@joshuagroupproperties.com
	Substitute Representative(s): Roger L. Pence	Roger L. Pence Quarter Pointe Ventures, LLC P.O. Box 1556 Fort Mill, SC 29715 304.520.2569 lrivesteward@gmail.com
Manager	Names of Representative and Substitute Representative(s)	Mailing Office and Electronic Addresses and Facsimile Telephone Numbers of Representative and Substitute Representative(s)
MPV Dobys Bridge, LLC	Representative: James E. Merrifield	James E. Merrifield MPV Properties, LLC 521 E. Morehead St., Ste. 400 Charlotte, NC 28202

		704.248.2100 merrifield@mpvre.com
	Substitute Representative(s): Steve Vermillion	Steve Vermillion MPV Properties, LLC 521 E. Morehead St., Ste. 400 Charlotte, NC 28202 704.248.2100 svermillion@mpvre.com

SCHEDULE 5.1(a)

DB2 ASSOCIATES, LLC
Interest Owner Information
Date: August _____, 2015

<u>Names and Addresses of the Interest Owners</u>	<u>Type of Interest Owner</u>	<u>Base Capital Contributions</u>	<u>Priority Capital Contributions</u>	<u>Capital Commitments</u>	<u>Total Capital Contributions</u>	<u>Units</u>	<u>Voting Interests</u>
Quarter Pointe Ventures, LLC	Member	\$500,000	0	\$104,658	\$604,658	50	50%
MPV Dobys Bridge, LLC	Member	\$500,000	0	\$104,658	\$604,658	50	50%
TOTALS		\$1,000,000		\$209,316	\$1,209,316	100	100%

SCHEDULE 5.1(b)

**DB2 ASSOCIATES, LLC
Capital Contributions**

Date: August _____, 2015.

Name of Interest Owner	Character of Capital Contribution (Base or Priority)	Assets Contributed ¹	Adjusted Tax Basis	Assets Committed ²	Adjusted Tax Basis Capital Commitment	Liabilities Transferred to the Company	Total Book Value	Net Capital Account Credit
MPV Dobys Bridge, LLC	Base	Cash	\$500,000		\$104,658	None	\$604,658	\$604,658
Quarter Pointe Ventures, LLC	Base	Undivided one-half interest in Tracts 4, 5a and 6	\$500,000	Undivided one-half interest in Tract 5b	\$104,658	None	\$604,658	\$604,658
TOTALS			<u>\$1,000,000</u>		<u>\$209,316</u>	<u>None</u>	<u>\$1,209,316</u>	<u>\$1,209,316</u>

¹ As of the date of this Schedule 5.1(b), Quarter Pointe Transferred to the Company unencumbered fee simple title to Tracts 4, 5a and 6 in exchange for its Interest and a cash payment of \$500,000. The Members acknowledge and agree that for federal income tax purposes, Quarter Pointe is treated as (i) making a Capital Contribution of an undivided one-half interest in Tracts 4, 5a and 6 to the Company in exchange for Quarter Pointe's Interest and (ii) under Code § 707(a)(2)(B), selling an undivided one-half interest in Tracts 4, 5a and 6 to the Company in exchange for \$500,000.

² As of the date of this Schedule 5.1(b), Quarter Pointe Transferred to the company unencumbered fee simple title to Tract 5b in exchange for its Interest. Within thirty (30) days after the abandonment of Tract 5b as public right of way without the reservation of easements or right to third parties for continued use, Quarter Pointe will receive a cash payment of \$104,658. The Members acknowledge and agree that for federal income tax purposes, Quarter Pointe is treated as (i) making a Capital Contribution of an undivided one-half interest in Tract 5b to the Company in exchange for Quarter Pointe's Interest and (ii) under Code § 707(a)(2)(B), selling an undivided one-half interest in Tract 5b to the Company in exchange for \$104,658.

SCHEDULE 6

DB2 ASSOCIATES, LLC

(CAPITAL ACCOUNTS AND REGULATORY TAX ALLOCATIONS)

**ARTICLE I
DEFINITIONS**

Capitalized words and phrases used in this Schedule 6 not otherwise defined in Article I of this Agreement have the meanings provided in this Article I:

1.1 “*Adjusted Capital Account Deficit*” means, with respect to an Interest Owner, the deficit balance, if any, in that Interest Owner’s Capital Account as of the end of the applicable Taxable Year (or other applicable period), after giving effect to the following adjustments (such adjusted Capital Account, the “*Adjusted Capital Account*”):

(a) Increasing that Interest Owner’s Capital Account balance by any amounts (i) described in Treas. Reg. § 1.704-1(b)(2)(ii)(c) that the Interest Owner is obligated to contribute to the capital of the Company under this Agreement or applicable Law or (ii) that the Interest Owner is deemed obligated to restore or otherwise contribute to the capital of the Company under the penultimate sentences of Treas. Reg. § 1.704-2(g)(1) or 1.704-2(i)(5); and

(b) Decreasing that Interest Owner’s Capital Account balance by the items described in Treas. Reg. §§ 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) that pertain to that Interest Owner.

The foregoing definition of Adjusted Capital Account Deficit, in conjunction with Sections 2.2(f), 2.2(g), and 2.2(h) of this Schedule 6, is intended to comply with the allocation rules of the alternate test for economic effect contained in Treas. Reg. § 1.704-1(b)(2)(ii)(d) and is to be interpreted in a manner that is consistent with that intent.

1.2 “*Book Depreciation*” means, for each Taxable Year of the Company with respect to a particular asset of the Company, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to that asset for the Taxable Year, except if, as of the beginning of the Taxable Year, the Book Value of the asset differs from its adjusted basis for federal income tax purposes, Book Depreciation for that asset will be an amount that bears the same ratio to its Book Value at the beginning of the year as the federal income tax depreciation, amortization, or other cost recovery deduction with respect to that asset for the Taxable Year bears to its adjusted tax basis at the beginning of the year; except if the asset’s adjusted basis for federal income tax purposes at the beginning of a Taxable Year is zero, the Book Depreciation for that asset will be determined with reference to its Book Value using any reasonable method selected by the Manager.

1.3 “*Book Value*” means, for each of the Company Assets, the adjusted basis for federal income tax purposes of the Company in that asset, except as follows:

(a) **Fair Market Value of Contributed Property.** Each asset contributed by an Interest Owner to the capital of the Company will have an initial Book Value equal to the fair market value of that asset on the date of its contribution (determined by the Manager without regard to Code § 7701(g) as provided by Treas. Reg. § 1.704-1(b)(2)(iv)(d)(1)).

(b) **Book Ups and Book Downs.** Unless, and to the extent, the Manager determines that making the adjustments under this Section 1.3(b) are not necessary to preserve the Interest Owners' economic interests in the Company, the Manager shall cause the Book Values of all of the assets of the Company to be adjusted to equal their fair market values as determined by the Manager (taking into account Code § 7701(g), as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(f)(1), and Treas. Reg. § 1.704-1(b)(2)(iv)(h)) at the times and under the applicable circumstances described in, and contemplated by, Treas. Reg. § 1.704-1(b)(2)(iv)(f)(5) or, with respect to the exercise of any noncompensatory option (as defined in Treas. Reg. § 1.721-2(f)) issued by the Company, Treas. Reg. § 1.704-1(b)(2)(iv)(s).

(c) **Distributions of Property.** The Book Value of a Company Asset (excluding money, but including any promissory note of the Company) Distributed to any Interest Owner is to be adjusted to equal the fair market value [determined by the Manager without regard to Code § 7701(g), except Code § 7701(g) will be taken into account for purposes of determining the effect that the Distribution will have on the allocation of the Company's Net Income and Net Losses under Section 1.4(c) of this Schedule 6 (by its reference to this Section 1.3(c)), as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(e)(1)] of that asset on the date of the Distribution.

(d) **Adjustments Related to Section 754 Election.** The Book Values of certain Company Assets will be increased (or decreased, as the case may be) to reflect any adjustments to the adjusted federal income tax basis of those assets pursuant to Code § 734(b) or Code § 743(b), but only to the extent those adjustments are taken into account in determining Capital Accounts pursuant to Treas. Reg. § 1.704-1(b)(2)(iv)(m) and Section 1.4(f) or 2.2(e) of this Schedule 6, except Book Values of Company Assets will not be adjusted under this Section 1.3(d) to the extent an adjustment under Section 1.3(b) of this Schedule 6 is made in connection with the transaction that would otherwise result in an adjustment under this Section 1.3(d).

If the Book Value of an asset of the Company has been determined or adjusted under Section 1.3(a), 1.3(b), or 1.3(d) of this Schedule 6, that Book Value will thereafter be adjusted by the Book Depreciation taken into account with respect to that asset for purposes of computing Net Income and Net Losses (or items, if any of income, gain, expense, deduction, or loss of the Company to be allocated hereunder that are not included in the computation of Net Income and Net Losses). Unless this Agreement provides otherwise, all decisions concerning the Book Value of the Company Assets, including the determination of their fair market values at the times provided in this Section 1.3, will be made by the Manager.

1.4 "Net Income" and "Net Losses" means, for each Taxable Year of the Company, an amount equal to the Company's taxable income or loss for that Taxable Year, determined in

accordance with Code § 703(a) (for this purpose, all items of income, gain, expense, deduction, or loss required to be stated separately pursuant to Code § 703(a)(1) are included in taxable income or loss), with the following adjustments (without duplication):

(a) **Tax-Exempt Income.** Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses under this Section 1.4 will be added to the Company's taxable income or loss;

(b) **Section 705(a)(2)(B) Expenditures.** Any expenditures of the Company described in Code § 705(a)(2)(B), or treated as Code § 705(a)(2)(B) expenditures pursuant to Treas. Reg. § 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses under this Section 1.4, will be subtracted from the Company's taxable income or loss;

(c) **Book Ups and Book Downs.** If the Book Value of any asset of the Company is adjusted under Section 1.3(b) or Section 1.3(c) of this Schedule 6, then for purposes of computing Net Income or Net Losses, the amount of that adjustment will be taken into account as income, gain, loss or deduction, as the case may be, as if the asset had been sold for an amount equal to its adjusted Book Value as provided by Treas. Reg. § 1.704-1(b)(2)(iv)(f)(2) or, with respect to the exercise of any noncompensatory options (as defined in Treas. Reg. § 1.721-2(f)) issued by the Company, Treas. Reg. § 1.704-1(b)(2)(iv)(s);

(d) **Use of Book Value for Determining Gain or Loss.** Gain or loss recognized for federal income tax purposes from the disposition of Company Assets will be computed by reference to the Book Value of the disposed asset, notwithstanding that the adjusted tax basis of that asset may differ from its Book Value;

(e) **Use of Book Depreciation.** Book Depreciation will be used in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing the Company's taxable income or loss;

(f) **Adjustments Related to Section 754 Election.** To the extent Treas. Reg. § 1.704-1(b)(2)(iv)(m)(4) requires an adjustment made to the adjusted tax basis of any of the Company Assets under Code § 734(b) to be taken into account in determining Capital Account balances as a result of a Distribution made other than in liquidation of an Interest Owner's Interest in the Company, the amount of that adjustment will be treated as a taxable gain or loss, as the case may be, from the Transfer of that asset; and

(g) **Specially Allocated Items of Income, Gain, Expense, Deduction, and Loss.** Notwithstanding any other provision of this Section 1.4, no items of income, gain, expense, deduction, or loss that are specially allocated under this Agreement, including under this Schedule 6, are to be taken into account in computing Net Income or Net Losses, but the amounts of those items (except with respect to allocations made under Section 2.4, 2.5, or 2.6 of this Schedule 6) are to be determined by applying rules comparable to those provided in Subparagraphs (a) through (f) of this Section 1.4.

1.5 “*Nonrecourse Deductions*” has the meaning provided in Treas. Reg. §§ 1.704-2(b)(1) and 1.704-2(c).

1.6 “*Nonrecourse Liability*” has the meaning provided in Treas. Reg. § 1.704-2(b)(3).

1.7 “*Partner Nonrecourse Debt*” has the meaning provided in Treas. Reg. § 1.704-2(b)(4).

1.8 “*Partner Nonrecourse Debt Minimum Gain*” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if the Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treas. Reg. § 1.704-2(i)(3).

1.9 “*Partner Nonrecourse Deductions*” has the meaning provided in Treas. Reg. §§ 1.704-2(i)(1) and 1.704-2(i)(2).

1.10 “*Partnership Minimum Gain*” has the meaning provided in Treas. Reg. §§ 1.704-2(b)(2) and 1.704-2(d).

1.11 “*Tax Regulatory Allocations*” has the meaning provided in Section 2.3 of this Schedule 6.

ARTICLE II REGULATORY, TAX AND SPECIAL ALLOCATIONS

2.1 *Capital Accounts.* Each Interest Owner is to have a “*Capital Account*” that is maintained as provided in this Section 2.1:

(a) *Credits.* Each Interest Owner’s Capital Account balance will be increased by (i) the Capital Contributions made by that Interest Owner, including the Book Value of any property contributed to the Company by the Interest Owner [determined for this purpose without reducing the amount of those Capital Contributions by the amount of liabilities associated with those Capital Contributions described in the first sentence of the definition of Capital Contributions in Article I of this Agreement, which amount is to be taken into account for that purpose under Section 2.1(b)(iii) of this Schedule 6]; (ii) that Interest Owner’s distributive share of Net Income (and any items of income or gain of the Company to be allocated hereunder that are not included in the computation of Net Income or Net Losses); (iii) the amount of any Company liabilities that the Interest Owner is deemed to assume under the last sentence of Treas. Reg. § 1.704-1(b)(2)(iv)(c) or that are secured by any property of the Company Distributed to the Interest Owner and that the Interest Owner is deemed to take the property subject to under Code § 752; and (iv) any reallocation of Company capital from another Interest Owner in connection with the exercise of a noncompensatory option (as defined in Treas. Reg. § 1.721-2(f)) as; and to the extent and under the circumstances, described in Treas. Reg. § 1.704-1(b)(2)(s)(3).

(b) *Debits.* Each Interest Owner’s Capital Account balance will be reduced by the amount of (i) Distributions made to that Interest Owner [determined for this purpose without reducing the amount of those Distributions by either (A) the amount of

liabilities associated with those Distributions described in the first sentence of the definition of Distributions in Article I of this Agreement, which amount is to be taken into account for purposes of this Section 2.1 under Section 2.1(a)(iii) of this Schedule 6 or (B) the amount that the Interest Owner's Capital Account would otherwise be reduced under this Section 2.1(b)(i) with respect to any Distribution of a promissory note of the Company to the Interest Owner (instead, that Interest Owner's Capital Account will be reduced with respect to the promissory note only as, and to the extent, provided in Treas. Reg. § 1.704-1(b)(2)(iv)(e)(2)); (ii) that Interest Owner's distributive share of Net Losses and any items of expense, deduction, or loss of the Company to be allocated hereunder that are not included in the computation of Net Income or Net Losses; (iii) the amount of any liabilities of that Interest Owner that the Company is deemed to assume under the last sentence of Treas. Reg. § 1.704-1(b)(2)(iv)(c) or that are secured by any property contributed by the Interest Owner to the Company and that the Company is deemed to take the property subject to under Code § 752; and (iv) any reallocation of Company capital from the Interest Owner to another Interest Owner in connection with the exercise of a noncompensatory option (as defined in Treas. Reg. § 1.721-2(f)) as, and to the extent and under the circumstances, described in Treas. Reg. § 1.704-1(b)(2)(s)(3).

(c) **Transfer of Capital Accounts.** In the event all or any portion of an Interest in the Company is transferred in accordance with this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest; and

(d) **Section 752(c).** In determining the amount of any liability for purposes of this Section 2.1, there will be taken into account Code § 752(c) and any other applicable provisions of the Code and Treasury Regulations.

The foregoing provisions and the other provisions of this Agreement concerning the maintenance of Capital Accounts are intended to comply with Treas. Reg. § 1.704-1(b) and are to be interpreted and applied in a manner that is consistent with that intent. The Manager may make appropriate modifications to this Section 2.1 to the extent necessary for the Company to comply with the capital account maintenance requirements of Treas. Reg. § 1.704-1(b)(2)(iv).

2.2 Special Allocations. The following special allocations are to be made in the following order:

(a) **Nonrecourse Deductions.** Nonrecourse Deductions for any Taxable Year are to be specially allocated Pro Rata among the Interest Owners except to the extent applicable Treasury Regulations require those deductions to be allocated in some other manner. The allocations of Nonrecourse Deductions will be offset by Minimum Gain Chargebacks under Section 2.2(c) of this Schedule 6 and not by allocations of Net Income under Article VI of this Agreement. The objective of the preceding sentence is to avoid the result illustrated in Example 1 of Treas. Reg. § 1.704-2(f)(7) and is to be interpreted and applied in a manner that is consistent with that intention.

(b) **Partner Nonrecourse Deductions.** Partner Nonrecourse Deductions for any Taxable Year are to be specially allocated to the Interest Owner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner

Nonrecourse Deductions are attributable in accordance with Treas. Reg. § 1.704-2(i)(1). The allocations of Partner Nonrecourse Deductions are to be offset by Partner Minimum Gain Chargebacks under Section 2.2(d) of this Schedule 6 and not by allocations of Net Income under Article VI. The objective of the preceding sentence is to avoid the result illustrated in Example 1 of Treas. Reg. § 1.704-2(f)(7) and is to be interpreted and applied in a manner that is consistent with that intention.

(c) **Minimum Gain Chargeback.** Except as otherwise provided in Treas. Reg. § 1.704-2(f), if there is a net decrease in Partnership Minimum Gain during any Taxable Year, each Interest Owner will be specially allocated items of the Company's income and gain for that Taxable Year (and, if necessary, subsequent Taxable Years) in an amount equal to that Interest Owner's share of the net decrease in Partnership Minimum Gain, determined in accordance with Treas. Reg. § 1.704-2(g). Allocations pursuant to the previous sentence are to be made in proportion to the amounts required to be allocated to each Interest Owner thereunder. The items of income and gain to be allocated under this Section 2.2(c) are to be determined in accordance with Treas. Reg. §§ 1.704-2(f)(6) and 1.704-2(j)(2). This Section 2.2(c) is intended to comply with the minimum gain chargeback requirement in Treas. Reg. § 1.704-2(f) and is to be interpreted in a manner that is consistent with that intention.

(d) **Partner Minimum Gain Chargeback.** Except as otherwise provided in Treas. Reg. § 1.704-2(i)(4), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any Taxable Year, each Interest Owner who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to that Partner Nonrecourse Debt, determined in accordance with Treas. Reg. § 1.704-2(i)(5), will be specially allocated items of income and gain of the Company for that Taxable Year (and, if necessary, subsequent Taxable Years) in an amount equal to that Interest Owner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to that Partner Nonrecourse Debt, determined in accordance with Treas. Reg. § 1.704-2(i)(4). Allocations pursuant to the previous sentence are to be made in proportion to the amounts required to be allocated to each Interest Owner thereunder. The items of income and gain to be allocated under this Section 2.2(d) are to be determined in accordance with Treas. Reg. §§ 1.704-2(i)(4) and 1.704-2(j)(2). This Section 2.2(d) is intended to comply with the partner minimum gain chargeback requirement in Treas. Reg. § 1.704-2(i)(4) and is to be interpreted in a manner that is consistent with that intention.

(e) **Code § 754 Adjustments.** To the extent Treas. Reg. § 1.704-1(b)(2)(iv)(m)(2) or Treas. Reg. § 1.704-1(b)(2)(iv)(m)(4) requires an adjustment to the adjusted tax basis of any asset of the Company under Code § 734(b) or Code § 743(b) to be taken into account in determining the Capital Account balance of any Interest Owner, the amount of the adjustment to the Capital Account balances of the Interest Owners is to be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset). That gain or loss will be specially allocated to the Interest Owners (i) in proportion to their interests in the Company (as reasonably determined by the Manager) if Treas. Reg.

§ 1.704-1(b)(2)(iv)(m)(2) applies, or (ii) as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(m)(4) if Treas. Reg. § 1.704-1(b)(2)(iv)(m)(4) applies.

(f) **Reallocation of Loss.** Net Losses (and any items of expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Losses) for any Taxable Year that would otherwise be allocated to an Interest Owner will not be allocated to that Interest Owner to the extent the Interest Owner would have an Adjusted Capital Account Deficit at the end of that Taxable Year (determined without regard to any allocations to be made under Sections 2.2(g) or 2.2(h) of this Schedule 6 for that Taxable Year) if not for this Section 2.2(f). Under those circumstances, Net Losses (and any items of expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) that could not be allocated to that Interest Owner will be allocated to the other Interest Owners for whom the limitation described in the preceding sentence does not apply in proportion to the amounts of Net Losses (or items of expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) that otherwise would be allocated among them for that Taxable Year.

(g) **Gross Income Allocation.** If any Interest Owner has an Adjusted Capital Account Deficit (determined without regard to subparagraph (b) of the definition thereof in Section 1.1 of this Schedule 6 and after all other allocations provided for in this Agreement tentatively have been made as if Section 2.2(h) of this Schedule 6 and this Section 2.2(g) were not in this Agreement) at the end of any Taxable Year, that Interest Owner will be specially allocated items of income and gain of the Company in the amount and manner sufficient to eliminate that Adjusted Capital Account Deficit as quickly as possible. This Section 2.2(g) is intended to minimize the potential distortion to the economic arrangement of the Interest Owners that might otherwise be caused by Section 2.2(h), while ensuring that this Agreement complies with the requirements of the alternate test for economic effect contained in Treas. Reg. § 1.704-1(b)(2)(ii)(d), and is to be interpreted and applied in a manner that is consistent with that intention.

(h) **Qualified Income Offset.** If any Interest Owner unexpectedly receives any adjustments, allocations, or Distributions described in Treas. Reg. § 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) that cause that Interest Owner to have, or increases the amount of, an Adjusted Capital Account Deficit if the allocations provided in this Agreement were made as if this Section 2.2(h) were not part of this Agreement, items of income and gain of the Company will be specially allocated to that Interest Owner in an amount and manner sufficient to eliminate (to the extent required by, and in compliance with, the Treasury Regulations) the Adjusted Capital Account Deficit as quickly as possible. This Section 2.2(h) is intended to comply with the qualified income offset requirement of the alternate test for economic effect in Treas. Reg. § 1.704-1(b)(2)(ii)(d) and is to be interpreted in a manner that is consistent with that intention.

2.3 Curative Allocations. Section 2.2 and clause (a) of the second sentence of Section 2.7 of this Schedule 6 (the "**Tax Regulatory Allocations**") are intended, to the extent necessary, to cause the allocations made under this Agreement to comply with certain

requirements of the Treasury Regulations. To the extent possible, the application and effect of all Tax Regulatory Allocations are to be minimized and offset by either other Tax Regulatory Allocations or special allocations of other items of income, gain, expense, deduction, or loss of the Company under this Section 2.3. Therefore, notwithstanding any other provision of Article VI of this Agreement (excluding this Article II and the Tax Regulatory Allocations made hereunder), the Manager will make those offsetting special allocations of the Company's income, gain, expense, deduction, or loss or items thereof in any manner the Manager determines to be appropriate to cause, to the extent possible, after the offsetting allocations are made, each Interest Owner's Capital Account balance at the time that the Interest Owner's Interest is to be liquidated, in whole or in part, to equal the Capital Account balance that the Interest Owner would have if the Tax Regulatory Allocations were not part of this Agreement and all items of the Company's income, gain, expense, deduction, and loss were allocated under Article VI of this Agreement (excluding any allocations made under this Schedule 6 other than Section 2.6). In exercising discretion under this Section 2.3, the Manager is to take into account future Tax Regulatory Allocations (including those made under Sections 2.2(c) and 2.2(d) of this Schedule 6) that, although not yet made, are likely to offset other Tax Regulatory Allocations that were previously made under this Schedule 6 (including Sections 2.2(a) and 2.2(b) hereof).

2.4 Section 704(c) Allocations.

(a) **Section 704(c) Allocations.** Items of income, gain, expense, deduction, and loss attributable to property contributed to the Company by an Interest Owner are to be allocated, for income tax purposes only, among the Interest Owners so as to account, in accordance with Code §704(c) and the Treasury Regulations promulgated thereunder, for any variation at the time of contribution between the adjusted federal income tax basis of that property to the Company and its initial Book Value (computed in accordance with Section 1.3(a) of this Schedule 6) ("Section 704(c) Allocations").

(b) **Reverse Section 704(c) Allocations.** If the Book Value of any property of the Company is adjusted on the Company's books under Section 1.3(b) of this Schedule 6, subsequent allocations of items of income, gain, expense, deduction, and loss that are attributable to that property must, solely for income tax purposes, account, in accordance with Code §704(c) and the Treasury Regulations promulgated thereunder, for any variation at the time of that adjustment between the adjusted federal income tax basis of that asset and its Book Value ("Reverse Section 704(c) Allocations").

(c) **Elections.** All decisions and elections pertaining to Section 704(c) Allocations and Reverse Section 704(c) Allocations – including the selection of the method, or of different methods (to the extent permitted under the Treasury Regulations), of allocation, whether the "traditional method" described in Treas. Reg. § 1.704-3(b), the "traditional method with curative allocations" described in Treas. Reg. § 1.704-3(c), the "remedial allocation method" described in Treas. Reg. § 1.704-3(d), or any other reasonable method contemplated by Treas. Reg. § 1.704-3(a)(1) and the preamble to the Treasury Regulations promulgated under Code § 704(c) in Treasury Decision 8500 (Dec. 22, 1993) (published in 58 Fed. Reg. 67676, 67676-78 and reprinted in 1994-1 C.B. 183, 183-85) for making those allocations that are not specifically identified in the Treasury Regulations – are to be made by the Manager.

(d) **Application.** Allocations under this Section 2.4 are solely for purposes of federal, state, and local income taxes and are not to affect, or in any way be taken into account in computing, any Interest Owner's Capital Account or share of Net Income, Net Losses (or items, if any, of income, gain, expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) or Distributions under this Agreement. This Section 2.4 is intended to comply with, and grant the Manager the maximum flexibility afforded under, Code § 704(c) and the applicable Treasury Regulations with respect to the decisions and elections to be made thereunder and is to be interpreted and applied in a manner that is consistent with that intention.

2.5 Corrective Allocations. If Company capital is reallocated between Interest Owners under Section 2.1(a)(iv) and Section 2.1(b)(iv) of this Schedule 6 (a "**Capital Account Reallocation**") in respect of the exercise of noncompensatory option (as defined in Treas. Reg. § 1.721-2(f)) as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(s)(3), then, for income tax purposes only, "corrective allocations" will be made among the Interest Owners, beginning with the Taxable Year of the exercise of the option and all succeeding Taxable Years, so as to account for the Capital Account Reallocation in accordance with Treas. Reg. § 1.704-1(b)(4)(x).

2.6 Varying Interests. If the relative Interests of the Interest Owners change during a Taxable Year, the Manager shall select any method permitted under Code § 706(d) (or any other applicable Law) that the Manager determines to be appropriate for determining the varying Interests of the Interest Owners during that Taxable Year, and the Interest Owners' distributive shares of Net Income or Net Losses (or items, if any, of income, gain, expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) for that Taxable Year.

2.7 Manager's Discretionary Powers; Allocation Savings Provision. The allocation regime in Article VI of this Agreement (including this Schedule 6) is intended to allocate Net Income and Net Losses (and items of income, gain, expense, deduction, or loss that are not included in the computation of Net Income or Net Losses) to the Interest Owners in accordance with their economic interests in the Company while complying with the requirements of Subchapter K of Chapter 1 of Subtitle A of the Code (particularly section 704 thereof) and the Treasury Regulations promulgated thereunder. If, in the opinion of the Manager, the allocation of Net Income or Net Losses (or any items of income, gain, expense, deduction, or loss allocated hereunder that are not included in the computation of Net Income or Net Losses) under this Agreement (exclusive of this Section 2.7) does not (a) satisfy the requirements of Code § 704 or the Treasury Regulations promulgated thereunder; (b) properly take into account any (i) expenditure made by the Company, (ii) Transfer of all or part of an Interest of an Interest Owner, or (iii) admission of a new Interest Owner; (c) properly reflect the economic arrangement of the Interest Owners; (d) preserve the equality between the Capital Accounts of the Interest Owners and the amount of the Company's capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Treas. Reg. § 1.704-1(b)(2)(iv)(g); or (e) provide for a given situation or set of circumstances – then, notwithstanding anything to the contrary contained in Article VI of this Agreement (including Article II of this Schedule 6), the Manager shall cause Net Income and Net Losses (and any items of income, gain, expense, deduction, and loss allocated hereunder that are not included in the computation of Net Income or Net Losses) to be

allocated in that manner (and this Agreement is to be deemed amended to that extent) as the Manager determines is required to comply with the foregoing premises and conditions of this Section 2.7 without materially altering the economic arrangement of the Interest Owners or otherwise Unfairly Discriminating against any Interest Owner.

ADDENDUM A

REPRESENTATIONS, WARRANTIES, AND COVENANTS BY QUARTER POINTE RELATIVE TO THE LAND

Quarter Pointe hereby makes the following representations, warranties, and covenants, each of which is material and is relied upon by the Company and shall survive the Execution Date and the date on which Quarter Pointe Transfers the Land as a Capital Contribution to the Company as provided in this Agreement (the "*Land Contribution Date*," together with the Execution Date, each an "*Effective Date*"):

1. Quarter Pointe is the sole owner of good, marketable, and insurable fee simple title to the Land. Title to the Land is subject on to the matters shown on Schedule B-II to the title policy issued to the Company contemporaneously with the conveyance of the Land to the Company and zoning restrictions (the "*Title Exceptions*"). Other than the Title Exceptions, Quarter Pointe and its direct and indirect beneficial owners have not granted to any Person other than the Company (nor does any Person other than the Company and Quarter Pointe have) any right, title, or interest in or to the Land or any portion thereof, including any adverse interest, and the Land is otherwise free and clear of any Encumbrances that impair or burden the Company's intended use of the Land. Quarter Pointe shall record a cancellation of any mortgage, deed of trust, judgment or monetary lien against the Land on or before the closing of the sale of any portion of the Land by the Company.

2. Quarter Pointe has the right, power, and authority to enter into this Agreement and to convey the Land in accordance with the terms and conditions hereof. This Agreement, when executed and delivered by Quarter Pointe, will be a valid and binding obligation of Quarter Pointe in accordance with its terms.

3. Quarter Pointe has not received any notice that the Land is subject to special taxes or assessments for roadway, sewer, or water improvements or other public improvements. Quarter Pointe shall pay when due all rollback taxes applicable to the period of Quarter Pointe's ownership of the Land and owing as a result of a change in use from any farm use, forestry management or other present use or tax program.

4. As of each Execution Date, no payments for work, materials, or improvements furnished to the Land are due or owing and no mechanic's lien, materialman's lien, or other similar lien Encumber the Land.

5. As of each Execution Date, there is no threatened claim, litigation, or other proceeding, the probable outcome of which will have a material adverse effect on the value of the Land or its intended use, pending or threatened before any court, commission, or other body or authority, and, further, neither Quarter Pointe nor any of its direct or indirect beneficial owners has received written notification of any asserted failure of Quarter Pointe or the Land to comply with applicable Laws (whether statutory or not) or any rule, regulation, order, ordinance, judgment or decree of any federal, municipal, or other governmental authority.

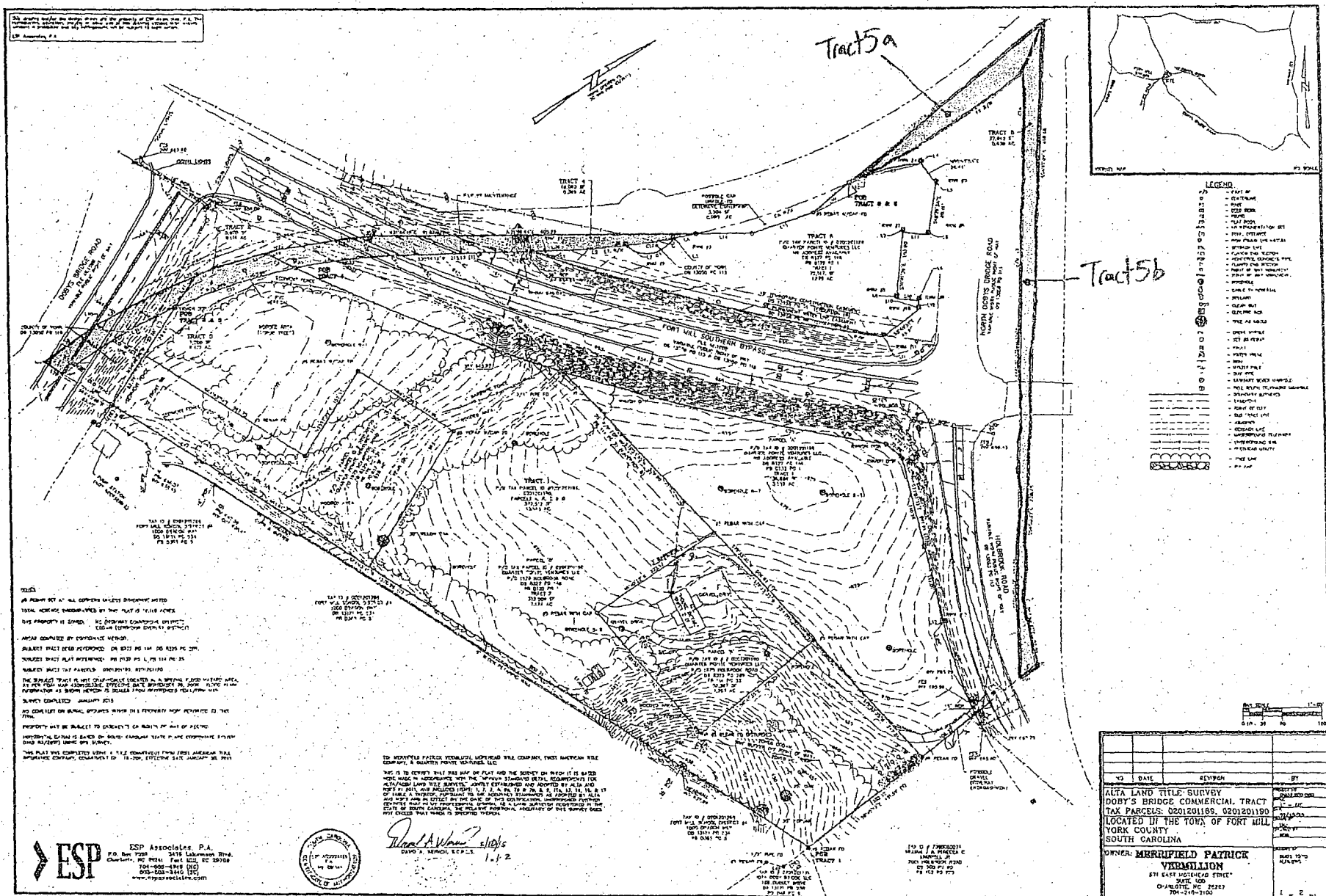
6. As of each Execution Date, the Land is in compliance with all environmental and other Laws applicable to the Land, contains no chemical, material or substance exposure which is prohibited, limited or regulated by governmental authorities and Quarter Pointe, during its period of ownership of the Land, has not brought onto the Land, or generated, used, stored or allowed to remain thereon, or disposed of upon, within, about or under the Land any waste, debris, or contamination in violation of environmental or other Laws applicable to the Land.

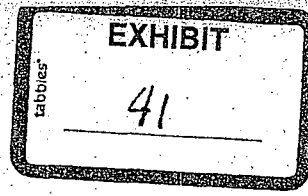
7. As of the Land Contribution Date, Quarter Pointe has delivered to the Company full and exclusive possession of the Land on the Execution Date.

8. Quarter Pointe will do, make, execute, and deliver all such additional and further acts, deeds, instruments and documents as may reasonably be required by the Company's title company to vest in and assure to the Company full rights in and to the Land.

ROA_0352

QPV Disc. Resp 00295





From: [Chris Skvoretz](#)
To: [Cynthia Barton](#)
Subject: RE: Message from KMBT_C454
Date: Friday, August 7, 2015 2:58:42 PM
Attachments: [image001.png](#)

Could you forward the email from the attorney along? We would like to have that in the file.
Thanks,

Chris Skvoretz | MPV Properties | 521 E. Morehead Street, Suite 400 | Charlotte, NC 28202 | 704.561.5278 (direct) | 704.806.0821 (cell) | www.mpvre.com
Like us on [Facebook](#) | Follow us on [Twitter](#) | Follow us on [LinkedIn](#)

From: Cynthia Barton [<mailto:cindy@joshuagroupproperties.com>]
Sent: Friday, August 07, 2015 12:40 PM
To: Chris Skvoretz
Cc: Steve Vermillion; 'Chris Barton'; 'Matthew'
Subject: RE: Message from KMBT_C454

Hey Chris,

The payoff we received thru 8/3/15 was \$410,345.86 with a per diem of \$108.23. This came directly from the attorney representing the lien holder. The payoff funds should be wired to Matthew Cox's trust account. You should already have that information from the March closing but let me know if you need it again. Matthew will coordinate with the lien holder's attorney to get the Mortgage cancelled.

We'll review the other documents you just sent and let you know if there are any changes/questions.

Best regards,

Cynthia F. Barton | President
Joshua Group Properties

P.O. Box 1556
Fort Mill, SC 29716

O 803.802.1840
F 803.801.1841
C 704.351.1987

www.joshuagroupproperties.com

From: Chris Skvoretz [<mailto:cskvoretz@mpvre.com>]
Sent: Friday, August 7, 2015 10:14 AM
To: Chris Barton <chris@joshuagroupproperties.com>; cindy@joshuagroupproperties.com
Cc: Steve Vermillion <svermillion@mpvre.com>

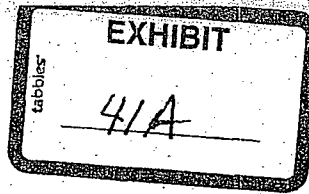
Subject: FW: Message from KMBT_C454

Here are the draft closing documents, let me know if you have any changes.

We are in need of the payoff to finalize the closing statement. Please forward that information to me.

Thanks,

Chris Skvoretz |  MPV Properties | 521 E. Morehead Street, Suite 400 | Charlotte, NC 28202 | 704.561.5278 (direct) | 704.806.0821 (cell) | www.mpvre.com
Like us on [Facebook](#) | Follow us on [Twitter](#) | Follow us on [LinkedIn](#)



Grantee's Address: 449 Hendon Row Way
Fort Mill, SC 29715

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

TITLE TO REAL ESTATE
(LIMITED WARRANTY DEED)

KNOW ALL MEN BY THESE PRESENTS, **QUARTER POINTE VENTURES, LLC**, a South Carolina limited liability company ("Grantor"), in the State aforesaid, County aforesaid for and in consideration of the sum of Six Hundred Thousand Six Hundred Fifty Eight and no/100 (\$604,658.00) Dollars, in hand paid at and before the sealing of these presents by ~~DOBYS BRIDGE INVESTORS~~SDB2 ASSOCIATES, LLC, a North Carolina limited liability company ("Grantee"), in the State aforesaid, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release, subject to the permitted exceptions set forth in Exhibit B attached hereto and incorporated herein by reference (the "Permitted Exceptions") and the matters excluded by the disclaimer of warranties set forth on Exhibit C attached hereto and incorporated herein by reference (the "Disclaimed Matters"), unto the said Grantee, its successors and assigns the following described property, to-wit:

**SEE EXHIBIT A ATTACHED HERETO
AND INCORPORATED HEREIN BY REFERENCE**

THIS CONVEYANCE IS MADE SUBJECT TO the Permitted Exceptions and the Disclaimed Matters.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said property belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said property, subject to the Permitted Exceptions and Disclaimed Matters, unto the said Grantee, its successors and assigns forever.

AND Grantor hereby covenants with the Grantee that Grantor will warrant and defend the title to the property, subject to the Permitted Exceptions and Disclaimed Matters, against the lawful claims of all persons claiming by, under or through Grantor and no others.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed, this

____ day of ~~March~~August in the year of our Lord, two thousand fifteen.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____ (SEAL)

Name: Christopher R. Barton

Title: Managing Member

STATE OF [STATE])
)
COUNTY OF [COUNTY])

GRANTOR'S ACKNOWLEDGMENT

On this _____ day of ~~March~~August, 2015, before me personally appeared _____, to me known to be the individual described herein who executed the foregoing Title To Real Estate and acknowledged that he executed the same.

Notary Public For _____ (Seal)

My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

To Be Inserted

TRACT 1: TMS: 0201201189

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 1, BEGINNING AT A #5 REBAR AT THE COMMON CORNER OF WILLIAM J. & REBECCA C. KIMBRELL JR. DEED BOOK 500 PAGE 80, FORT MILL SCHOOL DISTRICT #4 DEED BOOK 13171 PAGE 234 AND IOTA DOBYS BRIDGE LLC DEED BOOK 13171 PG 238; THENCE WITH THE COMMON LINE OF FORT MILL SCHOOL DISTRICT #4 S 64 43.45 W, A DISTANCE OF 1,270.96 FEET TO A POINT ALONG THE EASTERLY MARGIN OF DOBYS BRIDGE ROAD PER DEED BOOK 13050 PAGE 118 AND DOCKET NO. 46.264 THENCE WITH SAID EASTERLY MARGIN N 24 40 39 W, A DISTANCE OF 182.68 FEET TO A FOUND RIGHT OF WAY DISK, SAID RIGHT OF WAY DISK BEING ALONG THE EXISTING RIGHT OF WAY PER DOCKET NO. 46.264, THENCE WITH SAID EXISTING RIGHT OF WAY ALONG AN ARC CONCAVED TO THE SOUTHEAST WITH A RADIUS OF 892.00 FEET AND AN ARC LENGTH OF 197.54 FEET AND HAVING A CHORD BEARING OF N 13 56 06 E AND A CHORD DISTANCE OF 197.14 FEET TO A SET #5 REBAR AND THE SOUTHERLY MARGIN OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PG 113, DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH AN ARC CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 3,095.00 FEET AND AN ARC LENGTH OF 955.56 FEET WITH A CHORD BEARING OF N 48 55 38 E AND A CHORD DISTANCE OF 951.77 FEET TO A FOUND RIGHT OF WAY DISK; THENCE N 74 23 41 E, A DISTANCE OF 32.96 FEET TO A FOUND RIGHT OF WAY DISK AND THE SOUTHWESTERLY MARGIN OF HOLBROOK ROAD PER DEED BOOK 13050 PAGE 113; THENCE CONTINUING WITH THE SOUTHWESTERLY MARGIN THE FOLLOWING TWO CALLS; (1) S 71 07 13 E, A DISTANCE OF 261.61 FEET; (2) WITH A CURVE CONCAVED TO THE NORTHEAST HAVING A RADIUS OF 709.40 FEET AND AN ARC LENGTH OF 146.58 FEET WITH A CORD BEARING OF S 76 26 41 E AND A CHORD LENGTH OF 146.32 FEET TO A SET #5 REBAR, SAID SET REBAR BEING THE COMMON CORNER OF WILLIAM J. & REBECCA C. KIMBRELL JR. PER DEED BOOK 500 PAGE 80 AND PLAT BOOK 102 PAGE 925; THENCE WITH THE COMMON LINE OF WILLIAM J. & REBECCA C. KIMBRELL JR. S 6 45 17 E, A DISTANCE OF 332.32 FEET TO THE POINT OF BEGINNING, CONTAINING 13.143 ACRES MORE OR LESS.

TRACT 2:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 2, BEGINNING AT A FOUND RIGHT OF WAY DISK BEING THE COMMON CORNER OF PROPERTY PURCHASED BY THE COUNTY OF YORK PER DEED BOOK 13050 PAGE 118 AND RIGHT OF WAY PER DOCKET NO. 46.264; THENCE N 24 40 39 W, A DISTANCE OF 57.99 FEET TO A LINE PER DEED BOOK 8327 PAGE 148; THENCE WITH SAID LINE THE FOLLOWING TWO CALLS; (1) N 9 17 51 E, A DISTANCE OF 35.76 FEET; (2) N 16 20 59 E, A DISTANCE OF 79.66 FEET TO A POINT OF INTERSECTION WITH THE EXTENSION OF THE SOUTHERLY MARGIN OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH SAID EXTENSION ALONG A CURVE CONCAVED TO THE NORTH HAVING A RADIUS OF 3,095.00 FEET AND AN ARCH LENGTH OF 51.14 FEET HAVING A CHORD BEARING OF N 58 14 41 E AND A CHORD LENGTH OF 51.14 FEET TO A SET #5 REBAR AND THE COMMON CORNER OF DOBYS BRIDGE ROAD PER DOCKET NO. 46.264 AND FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH A CURVE CONCAVED TO THE SOUTHEAST WITH A RADIUS OF 892.00 FEET AND AN ARC LENGTH OF

197.54 FEET and HAVING A CHORD BEARING OF S 13-56-06 W AND A CHORD DISTANCE OF 197.14 FEET TO THE TO THE POINT OF BEGINNING, CONTAINING 0.116 ACRES MORE OR LESS.

Derivation: BEING a portion of the property conveyed to the Grantor by deed of James Alton Kimbrell and Joyce H. Kimbrell recorded in the Office of the Clerk of Court for York County in Book 08327, Page 146 on August 21, 2006

EXHIBIT B

PERMITTED EXCEPTIONS

| Tract 1 and Tract 2:

B-1

| CHAR2\666881\+CHAR2\709135v1

ROA_0360

QPV Disc. Resp 00304

1. ~~Taxes for the year 2015 and subsequent years, not yet due and payable.~~

Tract 1 only:

1. ~~Survey by David A. Weirich (Preliminary), dated February 10, 2015, reveal (s) the following matters: AS TO TRACT 1: a) Reinforced Concrete Pipes; b) Boreholes; c) Underground Telephone Lines; d) Underground Utilities; e) Headwalls; f) Fences; g) Flared End Sections; and h) Pipes.~~

Tract 2 only:

1. ~~As to Tract 2 only: The right of way of Doby's Bridge Road (66' R/W) shown on plat recorded in Plat Book 108, Page 17; and the right of way of Doby's Bridge Road (66' R/W) shown plat recorded in Plat Book D132, Page 1 in the office of the Register of Deeds for York County, South Carolina.~~
2. ~~Title to that portion of the land lying within the bounds of Doby's Bridge Road. (AS TO TRACT 2).~~

EXHIBIT C

DISCLAIMER OF WARRANTIES

~~WITH RESPECT TO TRACT 2 ONLY, GRANTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE TO THE PORTION OF THE PROPERTY LYING WITHIN TRACT 2 AS THE SAME IS DESCRIBED ON EXHIBIT A TO THIS LIMITED WARRANTY DEED (the "Disclaimed Matters").~~

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

AFFIDAVIT FOR TAXABLE OR EXEMPT TRANSFERS

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is located in the City of Fort Mill, York County, South Carolina as more particularly described on Exhibit A attached hereto, bearing York County Tax Map Number 0201201189 and is being conveyed by QUARTER POINTE VENTURES, a South Carolina limited liability company to DOBYS BRIDGE INVESTORS DB2 ASSOCIATES, LLC, a North Carolina limited liability company on August, 2015

3. Check one of the following: The deed is

- (a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- (c) ☐ exempt from the deed recording fee because (See Information section of affidavit): _____

(If exempt, please skip items 4-7, and go to item 8 of this affidavit.)

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes _____ or No _____

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit.):

(a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ 604,658.00

(b) _____ The fee is computed on the fair market value of the realty which is _____

(c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____

5. Check Yes _____ or No ☒ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____

6. The deed recording fee is computed as follows:

(a) Place the amount listed in item 4 above here: \$ 604,658.00

(b) Place the amount listed in item 5 above here: \$ 0.00

(If no amount is listed, place zero here.)

(c) Subtract Line 6(b) from Line 6(a) and place result here:
\$ 604,658.00

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$ 2,238.50

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Manager of the Manager of the limited liability company.

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Signed, Sealed and Delivered
In the Presence Of:

Quarter Pointe Ventures, a South
Carolina limited liability company

Witness #1

By: _____

Name: Christopher R. Barton

Title: Managing Member

Witness #2

SWORN to before me.

this ____ day of August, 2015

Notary Public for _____

My Commission Expires: _____

First American Title Insurance Company
OWNER'S AFFIDAVIT AND INDEMNITY

State of South Carolina, County of York

Issuing Office File No. _____

I, QUARTER POINTE VENTURES, LLC, a South Carolina limited liability company ("Owner"), being first duly sworn, on oath depose and state on behalf of Owner that Owner owns the property described on Exhibit "A" attached hereto (the "Property"):

Owner has owned the Property now mortgaged by Owner continuously for more than FIVEEIGHT (58) years, and Owner's enjoyment thereof has been peaceable and undisturbed, and

1. Except for the tenants under those leases set forth on Exhibit "B" attached hereto, no party other than Owner is in possession of all or any portion of the Property under any unrecorded leases, tenancies at will or otherwise.

2. Owner at present, and for a period of 90 days past, has caused no construction, erection, alteration or repairs of any structures or improvements on the Land or Improvements above cited to be done, nor has contracted for any material to be delivered to the Land or Improvements for which charges therefor remain unpaid.

3. The undersigned has no knowledge of any due special assessments.

4. The undersigned has no knowledge of any pending suits, proceedings, judgments, bankruptcies, liens or executions against Owner, either in the aforesaid county or any other county in the aforesaid state.

This affidavit is given to induce FIRST AMERICAN TITLE INSURANCE COMPANY, to issue endorsements to the title insurance policy or policies without exception to claims of materialmen's and laborers' liens, survey matters, special assessments and rights of parties in possession, and as an inducement therefor, said affiant agrees to indemnify and hold FIRST AMERICAN TITLE INSURANCE COMPANY harmless of and from any and all loss, cost, damage and expense of every kind, including Attorney's fees, which FIRST AMERICAN TITLE INSURANCE COMPANY shall or may suffer or become liable for under its said policy or policies now to be issued, or any reissue, renewal or extension thereof, directly or indirectly, as a result of any misrepresentation herewith.

DATE: ~~March~~August _____, 2015

OWNER:

QUARTER POINTE VENTURES, LLC,
a limited liability company

By: _____

Name: Christopher R. Barton

Title: Managing Member

SUBSCRIBED and sworn to before me this
_____ day of ~~March~~August, 2015.

(SEAL)

Notary Public for _____ Carolina

My Commission Expires: _____

First American Title Insurance Company

Exhibit "A"

TRACT 1:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 1, BEGINNING AT A #5 REBAR AT THE COMMON CORNER OF WILLIAM J & REBECCA C. KIMBRELL JR. DEED BOOK 500 PAGE 80, FORT MILL SCHOOL DISTRICT #4 DEED BOOK 13171 PAGE 234 AND IOTA DOBYS BRIDGE LLC DEED BOOK 13171 PG 238; THENCE WITH THE COMMON LINE OF FORT MILL SCHOOL DISTRICT #4 S 64 43 45 W, A DISTANCE OF 1,270.96 FEET TO A POINT ALONG THE EASTERLY MARGIN OF DOBYS BRIDGE ROAD PER DEED BOOK 13050 PAGE 118 AND DOCKET NO. 46.264 THENCE WITH SAID EASTERLY MARGIN N 24 40 39 W, A DISTANCE OF 182.68 FEET TO A FOUND RIGHT OF WAY DISK, SAID RIGHT OF WAY DISK BEING ALONG THE EXISTING RIGHT OF WAY PER DOCKET NO. 46.264; THENCE WITH SAID EXISTING RIGHT OF WAY ALONG AN ARC CONCAVED TO THE SOUTHEAST WITH A RADIUS OF 892.00 FEET AND AN ARC LENGTH OF 197.54 FEET AND HAVING A CHORD BEARING OF N 13 56 06 E AND A CHORD DISTANCE OF 197.14 FEET TO A SET #5 REBAR AND THE SOUTHERLY MARGIN OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PG 113, DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH AN ARC CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 3,095.00 FEET AND AN ARC LENGTH OF 955.56 FEET WITH A CHORD BEARING OF N 48 55 38 E AND A CHORD DISTANCE OF 951.77 FEET TO A FOUND RIGHT OF WAY DISK; THENCE N 74 23 41 E, A DISTANCE OF 32.96 FEET TO A FOUND RIGHT OF WAY DISK AND THE SOUTHWESTERLY MARGIN OF HOLBROOK ROAD PER DEED BOOK 13050 PAGE 113; THENCE CONTINUING WITH THE SOUTHWESTERLY MARGIN THE FOLLOWING TWO CALLS; (1) S 71 07 13 E, A DISTANCE OF 261.61 FEET; (2) WITH A CURVE CONCAVED TO THE NORTHEAST HAVING A RADIUS OF 709.40 FEET AND AN ARC LENGTH OF 146.58 FEET WITH A CORD BEARING OF S 76 26 41 E AND A CHORD LENGTH OF 146.32 FEET TO A SET #5 REBAR, SAID SET REBAR BEING THE COMMON CORNER OF WILLIAM J & REBECCA C KIMBRELL JR. PER DEED BOOK 500 PAGE 80 AND PLAT BOOK 102 PAGE 925; THENCE WITH THE COMMON LINE OF WILLIAM J & REBECCA C KIMBRELL JR. S 6 45 17 E, A DISTANCE OF 332.32 FEET TO THE POINT OF BEGINNING, CONTAINING 13.143 ACRES MORE OR LESS.

TRACT 2:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 2, BEGINNING AT A FOUND RIGHT OF WAY DISK BEING THE COMMON CORNER OF PROPERTY PURCHASED BY THE COUNTY OF YORK PER DEED BOOK 13050 PAGE 118 AND RIGHT OF WAY PER DOCKET NO. 46.264; THENCE N 24 40 39 W, A DISTANCE OF 57.99 FEET TO A LINE PER DEED BOOK 8327 PAGE 148; THENCE WITH SAID LINE THE FOLLOWING TWO CALLS; (1) N 9 17 51 E, A DISTANCE OF 35.76 FEET; (2) N 16 20 59 E, A DISTANCE OF 79.66 FEET TO A POINT OF INTERSECTION WITH THE EXTENSION OF THE SOUTHERLY MARGIN OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH SAID EXTENSION ALONG A CURVE CONCAVED TO THE NORTH HAVING A RADIUS OF 3,095.00 FEET AND AN ARCH LENGTH OF 51.14 FEET HAVING A CHORD BEARING OF N 58 14 41 E AND A CHORD LENGTH OF 51.14 FEET TO A SET #5 REBAR AND THE COMMON CORNER OF DOBYS BRIDGE ROAD PER DOCKET NO. 46.264 AND FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH A CURVE CONCAVED TO THE SOUTHEAST WITH A RADIUS OF 892.00 FEET AND AN ARC LENGTH OF 197.54 FEET and HAVING A CHORD BEARING OF S 13 56 06 W AND A CHORD DISTANCE OF 197.14 FEET TO THE TO THE POINT OF BEGINNING, CONTAINING 0.116 ACRES MORE OR LESS.

~~CHAR2\1666881~~ + CHAR2\1709135v1

ROA_0366

QPV Disc. Resp 00310

First American Title Insurance Company

Exhibit "B"

NONE

TITLE INSURANCE FINANCIAL INTEREST DISCLOSURE FORM
(SCID 3601)
AND
NOTICE OF AVAILABILITY OF OWNER'S INSURANCE

NAME: QUARTER POINTE VENTURES, LLC, a South Carolina limited liability company
PROPERTY ADDRESS: _____
INSURANCE CO.: FIRST AMERICAN TITLE INSURANCE COMPANY
AGENT: _____

In accordance with S.C. Code #38-75-960(a)(1976), as amended, the undersigned producer of title insurance business or associate of such producer hereby advises that it has a financial interest in the following title insurer(s) or title agent(s):

<u>Name of Insurer or Agent</u>	<u>Address</u>	<u>Nature of Interest</u>
<i>Morehead Title Company</i>	<i>1805 East Boulevard, Charlotte, NC 28203</i> <i>100%</i>	

Producer Associate's Name: _____

Address: _____

Date: _____

Closing date

The undersigned applicant is a buyer, seller, or lender who has been referred by the above named producer of title business or associate of such producer to one or more of the title insurers or title agents identified hereinabove. The undersigned expressly recognizes and acknowledges the financial interest of such producer or associate as disclosed hereinabove, and further certifies that:

1. I understand that a mortgage title insurance policy is required on my loan, and that this policy does not provide title insurance for my separate ownership interest.
2. I have been given the opportunity to purchase an Owner's Title Insurance Policy with the insurer of my choice to protect my separate ownership interest.
3. I understand that I have the right to choose the title insurer notwithstanding the recommendation of the agent, representative or attorney.
4. I understand that when a licensed agent issues title insurance, a commission of approximately 60% will be paid to the licensed agent for underwriting and issuing the title insurance. Morehead Title Company is a licensed issuing agent for First American Title Insurance Company.
5. (—X) I would like to obtain an Owner's Title Insurance Policy in the amount of the total purchase price for the additional premium of \$ _____
() I do not wish to obtain an Owner's Policy.
6. I ACKNOWLEDGE THAT THE TITLE INSURANCE COMPANY HAS AGREED TO ISSUE A POLICY OF TITLE INSURANCE AS A PART OF THIS TRANSACTION. AS SAID POLICY MAY CREATE CERTAIN OBLIGATIONS FOR THE TITLE INSURANCE COMPANY WITH RESPECT TO THE DISBURSEMENT OF ALL CLOSING PROCEEDS, I HEREBY CONSENT TO AN AUDIT BY THE TITLE INSURANCE COMPANY OF ANY AND ALL TRUST ACCOUNT RECORDS INCLUDING THOSE PERTAINING TO THE DISPOSITION OF CLOSING PROCEEDS AND WAIVE ANY CLAIM OF ATTORNEY-CLIENT PRIVILEGE OF CONFIDENTIALITY WHICH I MAY HAVE THERETO.

DATED: _____

Applicant/Mortgagor/Purchaser: _____

Applicant/Mortgagor/Purchaser: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

NONFOREIGN AFFIDAVIT
(FIRPTA AFFIDAVIT)

THE UNDERSIGNED, BEING FIRST DULY SWORN, DEPOSES AND SAYS THAT:

1. This Nonforeign Affidavit is given by Seller pursuant to Section 1445(b)(2) of the Internal Revenue Code of 1954, as amended, (the "Code") in order to induce ~~Debys Bridge Investors~~ DB2 ASSOCIATES, LLC (the "Purchaser") to refrain from deducting and withholding a tax equal to 10% of the amount realized by Sellers upon the sale to Purchaser of the property briefly described as follows:

13.143 Acres ± in York County, South Carolina, described on "Exhibit A" attached hereto.

2. Seller is NOT a foreign person, nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations), and Seller is either:

A citizen or resident of the United States,

A domestic partnership, or

A domestic corporation, or

An estate or trust (other than a foreign estate of foreign trust as those terms are defined in Section 7701(a)(31) of the Code.

3. Seller's taxpayer identification number, as that term is defined in Sections 7701(a)(41) and 6109 of the Code is:

Seller's TIN: 20-5329527

4. Seller's address is: 449 Hendon Row Way
Fort Mill, SC 29715

5. The undersigned Seller acknowledges that this certification may be disclosed to the Internal Revenue Service and declares under penalties of perjury that the foregoing information is true, correct, and complete. Section 7206 of the Code reads, in applicable part, as follows:

"Any person who ... willfully makes and subscribes any return, statement, or other document, which contains or is verified by written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter ... shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$100,000 (\$500,000 in the case of a corporation) or imprisoned not more than 3 years, or both, together with the costs of prosecution."

IN WITNESS WHEREOF, this Nonforeign Affidavit is given this the ____ day of ~~March~~ August, 2015.

SELLER:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____
Name: Christopher R. Barton
Title: Managing Member

State of North Carolina
County of _____

Signed and sworn to (or affirmed) before me this day by _____

Date: _____

Date: _____

Notary Public

(Official/Notarial Seal)

My commission expires:

EXHIBIT A
Legal Description of Property

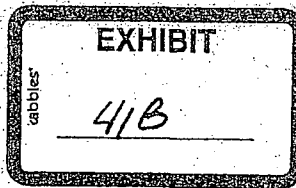
TRACT 1:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 1, BEGINNING AT A #5 REBAR AT THE COMMON CORNER OF WILLIAM J & REBECCA C. KIMBRELL JR. DEED BOOK 500 PAGE 80, FORT MILL SCHOOL DISTRICT #4 DEED BOOK 13171 PAGE 234 AND IOTA DOBYS BRIDGE LLC DEED BOOK 13171 PG 238; THENCE WITH THE COMMON LINE OF FORT MILL SCHOOL DISTRICT #4 S 64 43 45 W, A DISTANCE OF 1,270.96 FEET TO A POINT ALONG THE EASTERLY MARGIN OF DOBYS BRIDGE ROAD PER DEED BOOK 13050 PAGE 118 AND DOCKET NO. 46.264 THENCE WITH SAID EASTERLY MARGIN N 24 40 39 W, A DISTANCE OF 182.68 FEET TO A FOUND RIGHT OF WAY DISK, SAID RIGHT OF WAY DISK BEING ALONG THE EXISTING RIGHT OF WAY PER DOCKET NO. 46.264, THENCE WITH SAID EXISTING RIGHT OF WAY ALONG AN ARC CONCAVED TO THE SOUTHEAST WITH A RADIUS OF 892.00 FEET AND AN ARC LENGTH OF 197.54 FEET AND HAVING A CHORD BEARING OF N 13 56 06 E AND A CHORD DISTANCE OF 197.14 FEET TO A SET #5 REBAR AND THE SOUTHERLY MARGIN OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PG 113, DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH AN ARC CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 3,095.00 FEET AND AN ARC LENGTH OF 955.56 FEET WITH A CHORD BEARING OF N 48 55 38 E AND A CHORD DISTANCE OF 951.77 FEET TO A FOUND RIGHT OF WAY DISK; THENCE N 74 23 41 E, A DISTANCE OF 32.96 FEET TO A FOUND RIGHT OF WAY DISK AND THE SOUTHWESTERLY MARGIN OF HOLBROOK ROAD PER DEED BOOK 13050 PAGE 113; THENCE CONTINUING WITH THE SOUTHWESTERLY MARGIN THE FOLLOWING TWO CALLS; (1) S 71 07 13 E, A DISTANCE OF 261.61 FEET; (2) WITH A CURVE CONCAVED TO THE NORTHEAST HAVING A RADIUS OF 709.40 FEET AND AN ARC LENGTH OF 146.58 FEET WITH A CORD BEARING OF S 76 26 41 E AND A CHORD LENGTH OF 146.32 FEET TO A SET #5 REBAR, SAID SET REBAR BEING THE COMMON CORNER OF WILLIAM J & REBECCA C KIMBRELL JR. PER DEED BOOK 500 PAGE 80 AND PLAT BOOK 102 PAGE 925; THENCE WITH THE COMMON LINE OF WILLIAM J & REBECCA C KIMBRELL JR. S 6 45 17 E, A DISTANCE OF 332.32 FEET TO THE POINT OF BEGINNING, CONTAINING 13.143 ACRES MORE OR LESS.

TRACT 2:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY SHOWN AND DESCRIBED AS TRACT 2, BEGINNING AT A FOUND RIGHT OF WAY DISK BEING THE COMMON CORNER OF PROPERTY PURCHASED BY THE COUNTY OF YORK PER DEED BOOK 13050 PAGE 118 AND RIGHT OF WAY PER DOCKET NO. 46.264; THENCE N 24 40 39 W, A DISTANCE OF 57.99 FEET TO A LINE PER DEED BOOK 8327 PAGE 148; THENCE WITH SAID LINE THE FOLLOWING TWO CALLS; (1) N 9 17 51 E, A DISTANCE OF 35.76 FEET; (2) N 16 20 59 E, A DISTANCE OF 79.66 FEET TO A POINT OF INTERSECTION WITH THE EXTENSION OF THE SOUTHERLY MARGIN OF FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH SAID EXTENSION ALONG A CURVE CONCAVED TO THE NORTH HAVING A RADIUS OF 3,095.00 FEET AND AN ARCH LENGTH OF 51.14 FEET HAVING A CHORD BEARING OF N 58 14 41 E AND A CHORD LENGTH OF 51.14 FEET TO A SET #5 REBAR AND THE COMMON CORNER OF DOBYS BRIDGE ROAD PER DOCKET NO. 46.264 AND FORT MILL SOUTHERN BYPASS PER DEED BOOK 13050 PAGE 118 AND FILE 46.188B; THENCE WITH A CURVE CONCAVED TO THE SOUTHEAST WITH A RADIUS OF 892.00 FEET AND AN ARC LENGTH OF 197.54 FEET and HAVING A CHORD BEARING OF S 13 56 06 W AND A CHORD DISTANCE OF 197.14 FEET TO THE TO THE POINT OF BEGINNING, CONTAINING 0.116 ACRES MORE OR LESS.

Summary report:	
Litéra® Change-Pro TDC 7.5.0.155 Document comparison done on 7/30/2015 3:53:43 PM	
Style name: MVASet	
Intelligent Table Comparison: Active	
Original DMS: dm://CHAR2/1666881/1	
Modified DMS: dm://CHAR2/1709135/1	
Changes:	
Add	39
Delete	57
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	96



Grantee's Address: 449 Hendon Row Way
Fort Mill, SC 29715

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

TITLE TO REAL ESTATE
(LIMITED WARRANTY DEED)

KNOW ALL MEN BY THESE PRESENTS, **QUARTER POINTE VENTURES, LLC**, a South Carolina limited liability company ("**Grantor**"), in the State aforesaid, County aforesaid for and in consideration of the sum of Six Hundred Thousand Six Hundred Fifty Eight and no/100 (\$604,658.00) Dollars, in hand paid at and before the sealing of these presents by **DB2 ASSOCIATES, LLC**, a North Carolina limited liability company ("**Grantee**"), in the State aforesaid, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release, subject to the permitted exceptions set forth in Exhibit B attached hereto and incorporated herein by reference (the "**Permitted Exceptions**") and the matters excluded by the disclaimer of warranties set forth on Exhibit C attached hereto and incorporated herein by reference (the "**Disclaimed Matters**"), unto the said Grantee, its successors and assigns the following described property, to-wit:

**SEE EXHIBIT A ATTACHED HERETO
AND INCORPORATED HEREIN BY REFERENCE**

THIS CONVEYANCE IS MADE SUBJECT TO the Permitted Exceptions and the Disclaimed Matters.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said property belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said property, subject to the Permitted Exceptions and Disclaimed Matters, unto the said Grantee, its successors and assigns forever.

AND Grantor hereby covenants with the Grantee that Grantor will warrant and defend the title to the property, subject to the Permitted Exceptions and Disclaimed Matters, against the lawful claims of all persons claiming by, under or through Grantor and no others.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed, this _____ day of August in the year of our Lord, two thousand fifteen.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____ (SEAL)
Name: Christopher R. Barton
Title: Managing Member

STATE OF [STATE])
COUNTY OF [COUNTY])

GRANTOR'S ACKNOWLEDGMENT

On this _____ day of August, 2015, before me personally appeared _____, to me known to be the individual described herein who executed the foregoing Title To Real Estate and acknowledged that he executed the same.

Notary Public For _____ (Seal)
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

To Be Inserted

TMS: 0201201189

Derivation: BEING a portion of the property conveyed to the Grantor by deed of James Alton Kimbrell and Joyce H. Kimbrell recorded in the Office of the Clerk of Court for York County in Book 08327, Page 146 on August 21, 2006

EXHIBIT B
PERMITTED EXCEPTIONS

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

AFFIDAVIT FOR TAXABLE OR EXEMPT TRANSFERS

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is located in the City of Fort Mill, York County, South Carolina as more particularly described on Exhibit A attached hereto, bearing York County Tax Map Number 0201201189 and is being conveyed by QUARTER POINTE VENTURES, a South Carolina limited liability company to DB2 ASSOCIATES, LLC, a North Carolina limited liability company on August _____, 2015

3. Check one of the following: The deed is

- (a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- (c) _____ exempt from the deed recording fee because (See Information section of affidavit):

(If exempt, please skip items 4-7, and go to item 8 of this affidavit.)

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes _____ or No _____

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit.):

- (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$604,658.00
- (b) _____ The fee is computed on the fair market value of the realty which is _____
- (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____

5. Check Yes _____ or No ☒ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____

6. The deed recording fee is computed as follows:

- (a) Place the amount listed in item 4 above here: \$604,658.00
(b) Place the amount listed in item 5 above here: \$ 0.00
(If no amount is listed, place zero here.)
(c) Subtract Line 6(b) from Line 6(a) and place result here: \$604,658.00

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$2,238.50

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Manager of the Manager of the limited liability company.

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Signed, Sealed and Delivered
In the Presence Of:

Quarter Pointe Ventures, a South
Carolina limited liability company

Witness #1

By: _____
Name: Christopher R. Barton
Title: Managing Member

Witness #2

SWORN to before me
this ____ day of August, 2015

Notary Public for _____
My Commission Expires: _____

First American Title Insurance Company
OWNER'S AFFIDAVIT AND INDEMNITY

State of South Carolina, County of York

Issuing Office File No. _____

I, QUARTER POINTE VENTURES, LLC, a South Carolina limited liability company ("Owner"), being first duly sworn, on oath depose and state on behalf of Owner that Owner owns the property described on Exhibit "A" attached hereto (the "Property"):

Owner has owned the Property now mortgaged by Owner continuously for more than EIGHT (8) years, and Owner's enjoyment thereof has been peaceable and undisturbed, and

1. Except for the tenants under those leases set forth on Exhibit "B" attached hereto, no party other than Owner is in possession of all or any portion of the Property under any unrecorded leases, tenancies at will or otherwise.

2. Owner at present, and for a period of 90 days past, has caused no construction, erection, alteration or repairs of any structures or improvements on the Land or Improvements above cited to be done, nor has contracted for any material to be delivered to the Land or Improvements for which charges therefor remain unpaid.

3. The undersigned has no knowledge of any due special assessments.

4. The undersigned has no knowledge of any pending suits, proceedings, judgments, bankruptcies, liens or executions against Owner, either in the aforesaid county or any other county in the aforesaid state.

This affidavit is given to induce FIRST AMERICAN TITLE INSURANCE COMPANY, to issue endorsements to the title insurance policy or policies without exception to claims of materialmen's and laborers' liens, survey matters, special assessments and rights of parties in possession, and as an inducement therefor, said affiant agrees to indemnify and hold FIRST AMERICAN TITLE INSURANCE COMPANY harmless of and from any and all loss, cost, damage and expense of every kind, including Attorney's fees, which FIRST AMERICAN TITLE INSURANCE COMPANY shall or may suffer or become liable for under its said policy or policies now to be issued, or any reissue, renewal or extension thereof, directly or indirectly, as a result of any misrepresentation herewith.

DATE: August _____, 2015

OWNER:

QUARTER POINTE VENTURES, LLC,
a limited liability company

By: _____

Name: Christopher R. Barton

Title: Managing Member

SUBSCRIBED and sworn to before me this
____ day of August, 2015.

_____(SEAL)
Notary Public for _____ Carolina
My Commission Expires: _____

First American Title Insurance Company

Exhibit "A"

First American Title Insurance Company

Exhibit "B"

NONE

TITLE INSURANCE FINANCIAL INTEREST DISCLOSURE FORM
(SCID 3601)
AND
NOTICE OF AVAILABILITY OF OWNER'S INSURANCE

NAME: QUARTER POINTE VENTURES, LLC, a South Carolina limited liability company
PROPERTY ADDRESS: _____
INSURANCE CO.: FIRST AMERICAN TITLE INSURANCE COMPANY
AGENT:

In accordance with S.C. Code #38-75-960(a)(1976), as amended, the undersigned producer of title insurance business or associate of such producer hereby advises that it has a financial interest in the following title insurer(s) or title agent(s):

<u>Name of Insurer or Agent</u>	<u>Address</u>	<u>Nature of Interest</u>
<i>Morehead Title Company</i>	<i>1805 East Boulevard, Charlotte, NC 28203</i>	<i>100%</i>

Producer Associate's
Name: _____

Signature: _____

Address: _____

Date: _____
Closing
date

ACKNOWLEDGEMENT

The undersigned applicant is a buyer, seller, or lender who has been referred by the above named producer of title business or associate of such producer to one or more of the title insurers or title agents identified hereinabove. The undersigned expressly recognizes and acknowledges the financial interest of such producer or associate as disclosed hereinabove, and further certifies that:

1. I understand that a mortgage title insurance policy is required on my loan, and that this policy does not provide title insurance for my separate ownership interest.
2. I have been given the opportunity to purchase an Owner's Title Insurance Policy with the insurer of my choice to protect my separate ownership interest.
3. I understand that I have the right to choose the title insurer notwithstanding the recommendation of the agent, representative or attorney.
4. I understand that when a licensed agent issues title insurance, a commission of approximately 60% will be paid to the licensed agent for underwriting and issuing the title insurance. Morehead Title Company is a licensed issuing agent for First American Title Insurance Company.
5. (X) I would like to obtain an Owner's Title Insurance Policy in the amount of the total purchase price for the additional premium of \$ _____
() I do not wish to obtain an Owner's Policy.
6. I ACKNOWLEDGE THAT THE TITLE INSURANCE COMPANY HAS AGREED TO ISSUE A

POLICY OF TITLE INSURANCE AS A PART OF THIS TRANSACTION. AS SAID POLICY MAY
CREATE CERTAIN OBLIGATIONS FOR THE TITLE INSURANCE COMPANY WITH RESPECT
TO THE DISBURSEMENT OF ALL CLOSING PROCEEDS, I HEREBY CONSENT TO AN AUDIT
BY THE TITLE INSURANCE COMPANY OF ANY AND ALL TRUST ACCOUNT RECORDS
INCLUDING THOSE PERTAINING TO THE DISPOSITION OF CLOSING PROCEEDS AND
WAIVE ANY CLAIM OF ATTORNEY-CLIENT PRIVILEGE OF CONFIDENTIALITY WHICH I
MAY HAVE THERETO.

DATED: _____

Applicant/Mortgagor/Purchaser: _____

Applicant/Mortgagor/Purchaser: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

NONFOREIGN AFFIDAVIT
(FIRPTA AFFIDAVIT)

THE UNDERSIGNED, BEING FIRST DULY SWORN, DEPOSES AND SAYS THAT:

1. This Nonforeign Affidavit is given by Seller pursuant to Section 1445(b)(2) of the Internal Revenue Code of 1954, as amended, (the "Code") in order to induce DB2 ASSOCIATES, LLC (the "Purchaser") to refrain from deducting and withholding a tax equal to 10% of the amount realized by Sellers upon the sale to Purchaser of the property briefly described as follows:

_____ Acres $\pm$ in York County, South Carolina, described on "Exhibit A" attached hereto.

2. Seller is NOT a foreign person, nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations), and Seller is either:

A citizen or resident of the United States,

A domestic partnership, or

A domestic corporation, or

An estate or trust (other than a foreign estate or foreign trust as those terms are defined in Section 7701(a)(31) of the Code.

3. Seller's taxpayer identification number, as that term is defined in Sections 7701(a)(41) and 6109 of the Code is:

Seller's TIN: 20-5329527

4. Seller's address is: 449 Hendon Row Way
Fort Mill, SC 29715

5. The undersigned Seller acknowledges that this certification may be disclosed to the Internal Revenue Service and declares under penalties of perjury that the foregoing information is true, correct, and complete. Section 7206 of the Code reads, in applicable part, as follows:

"Any person who ... willfully makes and subscribes any return, statement, or other document, which contains or is verified by written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter ... shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$100,000 (\$500,000 in the case of a corporation) or imprisoned not more than 3 years, or both, together with the costs of prosecution."

IN WITNESS WHEREOF, this Nonforeign Affidavit is given this the ____ day of August, 2015.

9

SELLER:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____
Name: Christopher R. Barton
Title: Managing Member

State of North Carolina
County of _____

Signed and sworn to (or affirmed) before me this day by

Date: _____

Notary Public

(Official/Notarial Seal)

My commission expires:

EXHIBIT A
Legal Description of Property

EXHIBIT

tabbies

41C

SUBSTITUTE FORM 1099-S
PROCEEDS FROM REAL ESTATE TRANSACTIONS

FOR THE TAX YEAR: 2015

OMB No. 1545-0997

SETTLEMENT AGENT/FILER'S NAME AND ADDRESS

Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202Filer's Federal Tax ID Number: 56-0559307
FILE NUMBER: 033356

SELLER/TRANSFEROR'S NAME AND ADDRESS

Quarter Pointe Ventures, LLC
449 Hendon Row Way
Fort Mill, SC 29715

Transferor's Federal Tax ID Number: 20-5329527

1) Date of Closing: August __, 2015	2) Gross Proceeds: \$604,658.00	4) X here if property or services received:	5) Buyer's part of real estate tax:
3) Address or Legal Description: See attached Exhibit A.			

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

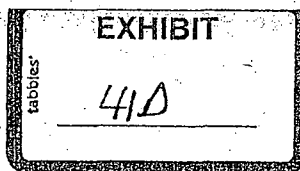
YOU ARE REQUIRED BY LAW TO PROVIDE SETTLEMENT AGENT/FILER WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE SETTLEMENT AGENT/FILER WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN ABOVE ON THIS STATEMENT IS MY CORRECT TAX PAYER IDENTIFICATION NUMBER. I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

QUARTER POINTE VENTURES, LLC,
a limited liability companyBy: _____
Name: Christopher R. Barton
Title: Managing Member

Date: August __, 2015

Exhibit A



**Seller's Affidavit
Nonresident Seller Withholding
S.C. Code Section 12-8-580 et seq.**

THIS IS AN AFFIDAVIT OF FACTS. WHETHER OR NOT THIS AFFIDAVIT IS
SUFFICIENT TO RELIEVE THE BUYER OF THE RESPONSIBILITY TO WITHHOLD IS
GOVERNED BY SC REVENUE ADVISORY BULLETIN #02-6. PLEASE READ THIS
AFFIDAVIT CAREFULLY IN CONJUNCTION WITH THIS ADVISORY OPINION.

The undersigned on oath, being first duly sworn, hereby certifies as follows:

1. This affidavit is being given in connection with a sale of real estate pursuant to SC Revenue Advisory Bulletin #02-6.
2. I have attached to this affidavit a description of the real property and any tangible personal property being sold as a part of this sale. The real property is located in the County of York and its tax map number(s) is set forth on Exhibit A hereto.
3. The undersigned is the seller of the property described in the description attached hereto as Exhibit A.
4. The closing date of this sale is August _____, 2015.
5. The Seller's name is **Quarter Pointe Ventures, LLC**, a South Carolina limited liability company.
6. The Seller's address is 449 Hendon Row Way
(number, street or rural route)

Fort Mill, SC 29715
(city, state and zip code)
7. The Seller's social security number or taxpayer identification number is 20-5329527.
8. The undersigned acknowledges his obligation to file a South Carolina income tax return for the year of sale.
9. ☒ **Resident.** The seller is a resident of South Carolina, as that term is defined in the South Carolina income tax laws (Code Section 12-6-30 et seq.).
10. ☐ **Deemed Resident.** Pursuant to Code Section 12-8-580(C) and SC Revenue Advisory Bulletin #02-6, the seller is deemed to be a resident of South Carolina because:
 - 1.a. The seller is a corporation incorporated outside South Carolina, has its principal place of business in South Carolina, and does no business in its state of incorporation, or
 - b. The seller (i) has been in business in South Carolina during the last two taxable years, including the year of sale, (ii) will continue substantially the same business in South Carolina after the sale, (iii) is not delinquent with respect to filing any South Carolina income tax returns, (iv) has filed at least one South Carolina

income tax return, and (v) has a certificate of authority to do business in South Carolina or is registered to do business in South Carolina and

2. The seller agrees to report the sale on a timely filed South Carolina income tax return.
11. ☐ **Tax Exempt Organizations.** The seller is an organization exempt from income taxes under Internal Revenue Code Section 501(a) or is an insurance company exempt from South Carolina taxes on income.
12. ☐ **Gain Amount.** The seller affirms pursuant to Code Section 12-8-580(B) that the amount of gain required to be recognized on this transaction and on which buyer is to make the requisite withholding will not exceed \$_____.
13. ☐ **Withholding Amount Equals Entire Net Proceeds.** If the withholding amount is limited to the entire net proceeds, any lien, mortgage or credit line advance which was made within one year prior to the closing was not made in contemplation of the sale. See Question and Answer 15 in SC Revenue Advisory Bulletin #02-6 for a discussion of loans made in contemplation of the sale.
14. **Installment Sale.**
 - ☐ The seller will report this sale on the installment method for South Carolina income tax purposes, and has attached an amortization schedule correctly designating the principal and interest portions of the payments. If withholding is to be limited to the gain, the seller has entered the gain amount in item 12.
 - ☐ The seller elects out of the installment sale method for South Carolina purposes and will report the entire withholding in one payment. If withholding is to be limited to the gain, the seller has entered the gain amount in item 12.
15. ☐ **Principal Residence or Involuntary Conversion – Nonrecognition of Gain.**

The sale of the property will not be subject to taxes because of Internal Revenue Code Section 121 (sale of a principal residence) or Internal Revenue Code Section 1033 (involuntary conversions). If the seller fails to comply with Section 1033, the seller acknowledges an obligation to file an amended South Carolina income tax return for the year of the sale.

16. **Like Kind Exchange.**

☐ In a simultaneous exchange, the entire gain is deferred under Internal Revenue Code Section 1031.

☐ A gain will be partially recognized. Enter the gain amount in item 12.

☐ The gain is intended to be deferred under Internal Revenue Code Section 1031 using a qualified intermediary and the steps required by SC Revenue Advisory Bulletin #02-6 have been completed.

17. ☐ **Employee Relocation.** The transaction involves the sale of an employee's property which is being sold by an employer or relocation company in connection with the employee's transfer. For income tax purposes the sale is treated as a sale by the employer or relocation company.

The undersigned understands that this affidavit may be disclosed to the Department and that any false statement contained herein could be punished by fine, imprisonment, or both.

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____

Name: Christopher R. Barton

Title: Managing Member

SUBSCRIBED AND SWORN TO
before me this _____ day of August, 2015.

Notary Public for _____
My Commission Expires: _____

[NOTARIAL SEAL]

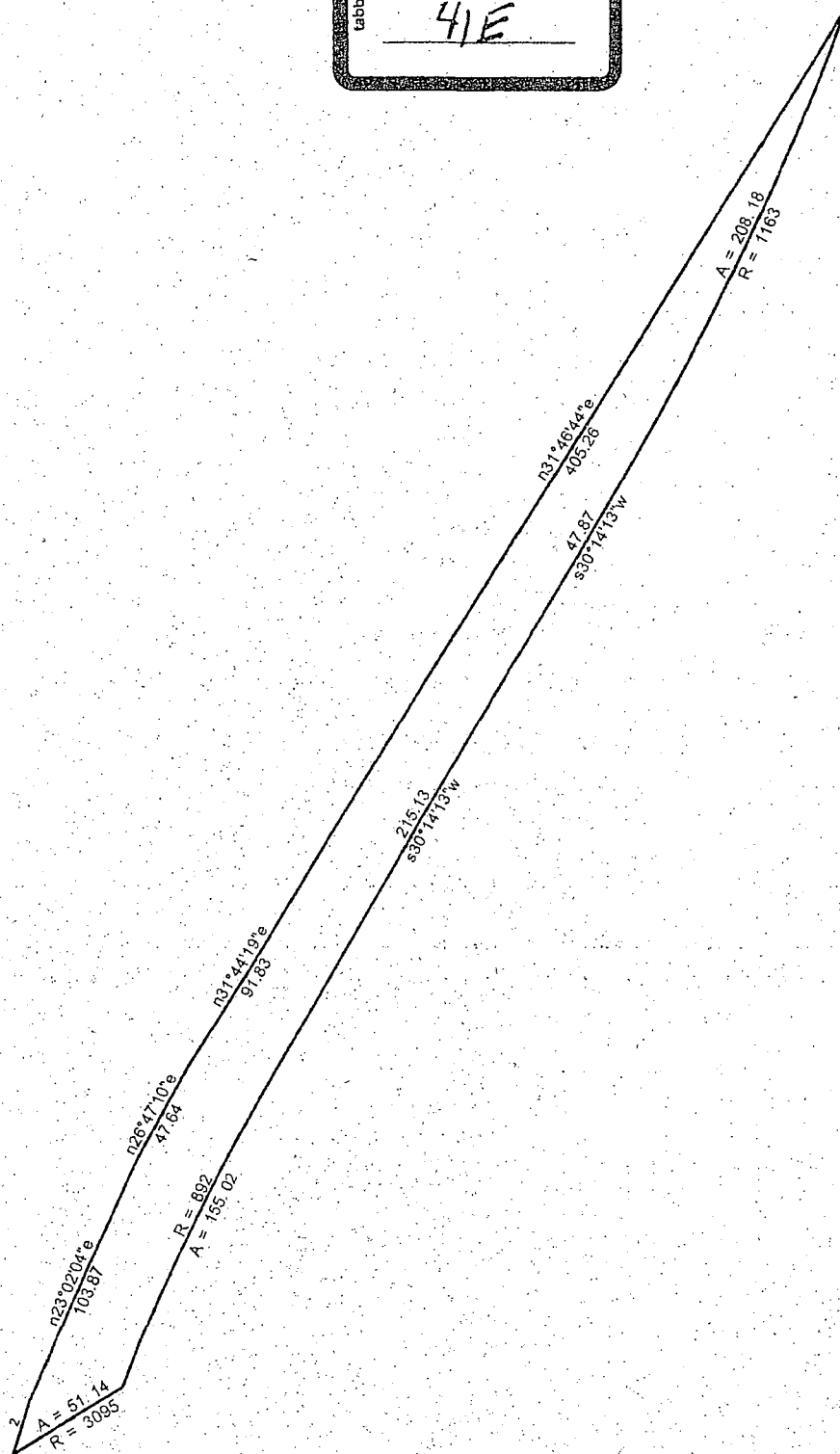
EXHIBIT A

[Legal Description]

EXHIBIT

tabbies

41E



7/30/2015

Scale: 1 inch= 69 feet

File: MPV - DB2 Associates - Tract 4.ndp

Tract 1: 0.3694 Acres (16092 Sq. Feet), Closure: n20.3624e 0.01 ft. (1/223154), Perimeter=1349 ft.

01 Rt, r=3095.00, arc=51.14, chord=s58.1441w 51.14

02 n16.2059e 22.60

03 n23.0204e 103.87

04 n26.4710e 47.64

05 n31.4419e 91.83

06 n31.4644e 405.26

07 Rt, r=1163.00, arc=208.18, chord=s25.0633w 207.90

08 s30.1413w 47.87

09 s30.1413w 215.13

10 Lt, r=892.00, arc=155.02, chord=s25.1529w 154.82

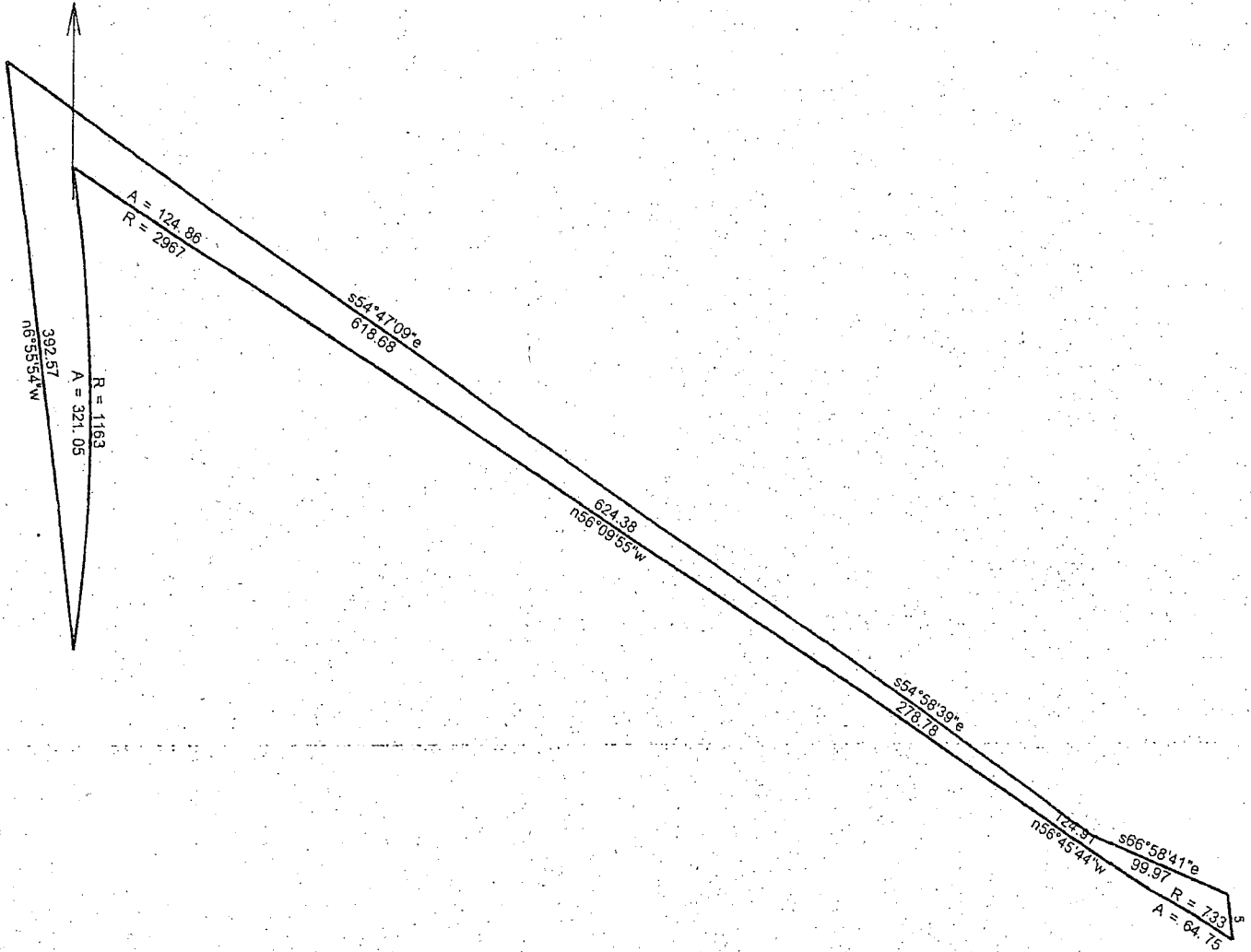
ROA_0395

OPV Disc. Resp 00339

EXHIBIT

tabbies

41F



7/30/2015

Scale: 1 inch= 108 feet

File: MPV - DB2 Associates - Tract 5.ndp

Tract 1: 0.6403 Acres (27891 Sq. Feet), Closure: n00.0000e 0.00 ft. (1/999999), Perimeter=2680 ft.

01 n6.5554w 392.57

02 s54.4709e 618.68

03 s54.5839e 278.78

04 s66.5841e 99.97

05 s6.4517e 30.54

06 Lt, r=733.00, arc=64.75, chord=n59.1738w 64.73

07 n56.4544w 124.91

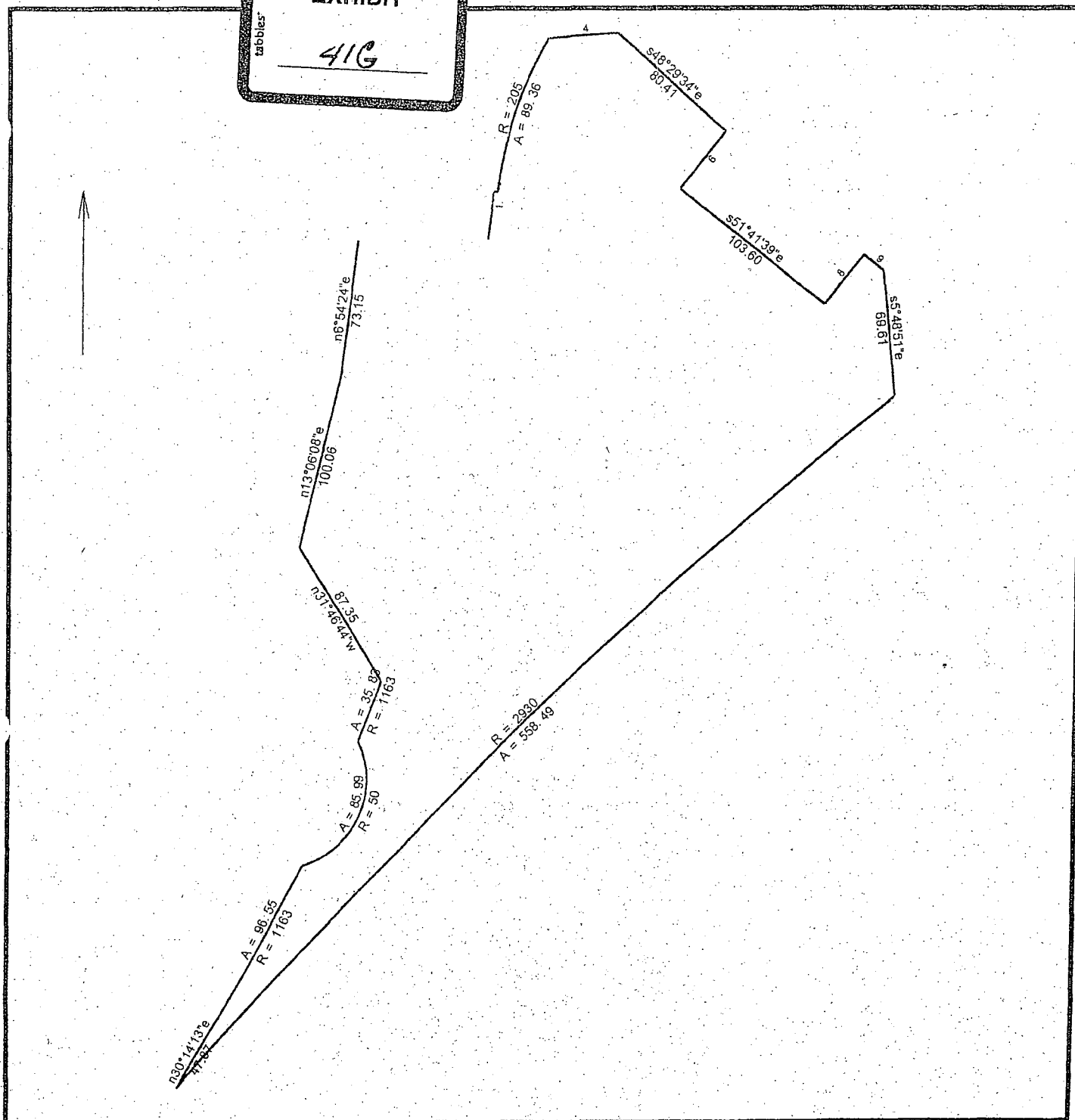
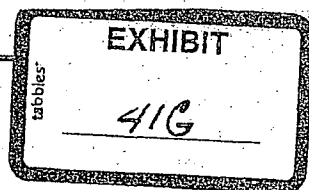
08 n56.0955w 624.38

09 Rt, r=2967.00, arc=124.86, chord=n57.2215w 124.85

10 Rt, r=1163.00, arc=321.05, chord=s00.2042e 320.03

ROA_0396

OPV Disc. Resp 00340



7/30/2015

Scale: 1 inch= 75 feet

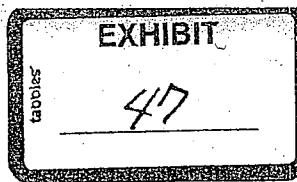
File: MPV - DB2 Associates - Tract 6.ndp

Tract 1: 1.5704 Acres (68407 Sq. Feet), Closure: n89.5952e 74.42 ft. (1/21), Perimeter=1584 ft.

- 01 Lt, r=1163.00, arc=26.49, chord=n06.5439e 26.49
- 02 s83.3238e 2.25
- 03 Rt, r=205.00, arc=89.36, chord=n18.5638e 88.65
- 04 n85.4754e 38.44
- 05 s48.2934e 80.41
- 06 s38.1822w 40
- 07 s51.4139e 103.60
- 08 n38.1821e 35
- 09 s51.4139e 14.04
- 10 s5.4851e 69.61
- 11 Lt, r=2930.00, arc=558.49, chord=s46.0055w 557.64

- 12 n30.1413e 47.87
- 13 Lt, r=1163.00, arc=96.55, chord=n27.5131e 96.52
- 14 Lt, r=50.00, arc=85.99, chord=n23.3648e 75.78
- 15 Lt, r=1163.00, arc=35.83, chord=n20.5149e 35.83
- 16 n31.4644w 87.35
- 17 n13.0608e 100.06
- 18 n6.5424e 73.15

OPV Disc. Resp 00341



From: Matthew Cox
To: Ruth Cunnup
Subject: Quarter Pointe - Closing
Date: Wednesday, August 12, 2015 10:55:25 AM
Attachments: CHAR2 - 1711771v1 - Satisfaction of Lineberger Mortgage.pdf
CHAR2 - 1709149v1 - DB2 Associates - Closing Statement (00000002).pdf

Ruth:

Good news. The group that originally purchased the larger tract is going to purchase an interest in the remaining tract. They are purchasing this interest for \$500,000, which will allow your client to get his note paid off.

I am attaching a Settlement Statement, which shows payoff to your client. I need wiring instructions that can be substituted in place of my firms information for his proceeds.

Before the matter can close and funds can be disbursed, we will need the originals of the following sent to the closing attorney for Moore & Van Allen:

- 1) Original Dissociation executed by James Lineberger in March 2015.
- 2) The originally executed release that will be held in Trust by the closing attorney and not recorded until after the funds have been wired to Jim.
- 3) Wiring Instructions.

Please let me know if you have any questions, the information and I can provide you with the closing attorney's name and mailing address.

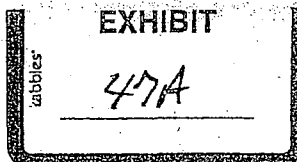
With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC
1320 Main Street, Suite 300 | 803-724-1320
Columbia, South Carolina 29201 | Admitted in NC, SC & DC
matthew@mecoxlaw.com

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of the original message (and any copies) to the sender named above, care of Matthew E. Cox, LLC,
1320 Main Street, Suite 300, Columbia, South Carolina 29201.



STATE OF SOUTH CAROLINA MORTGAGE/DEED OF TRUST SATISFACTION
PURSUANT TO SECTION 29-3-330(B)(3) OF
THE SOUTH CAROLINA CODE OF LAWS, 1976

The undersigned being the mortgagee of record, the trustee of a deed of trust, or the legal representative, agent or officer, or attorney-in-fact of the mortgagee of record or the trustee of the trust, under a written agreement duly recorded, of either of the foregoing, certifies:

The debt from James Lineberger secured by the mortgage/deed of trust listing Quarter Pointe Ventures, LLC, a South Carolina limited liability company, as mortgagor recorded in the Office of the Clerk of Court or Register of Deeds of York County in Book 14842 at Page 19, Document Number 201500296253 is:

☒ paid in full and the lien or foregoing instrument has been released; or

☐ the lien of the foregoing has been released.

The Clerk of Court or Register of Deeds may enter this cancellation into record.

Under penalties of perjury, I declare that I have examined this affidavit and that as of August _____, 2015, to the best of my knowledge and belief, it is true, correct and complete.

WITNESS my/our hand this _____ day of August, 2015.

WITNESSETH:

MORTGAGEE:

JAMES LINEBERGER

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of August, 2015 by James Lineberger.

Notary Public for _____
My Commission expires: _____

SEAL

EXHIBIT

tabbies

47B

SETTLEMENT STATEMENT

JOINT VENTURE: DB2 ASSOCIATES, LLC, a North Carolina limited liability company
 MEMBER: Quarter Pointe Ventures, LLC, a South Carolina limited liability company
 SETTLEMENT AGENT: Morhead Title Company
 PROPERTY: The Land described in the Operating Agreement
 CASH CONSIDERATION: \$500,000.00
 NON-CASH CONTRIBUTION: The Land described in the Operating Agreement
 CLOSING DATE: August 12, 2015

JOINT VENTURE:

Cash Consideration	\$	500,000.00
Balance Cash Consideration	\$	500,000.00

PLUS:

Joint Venture's Expenses:

Title Insurance Commitment Premium Fee and Owner's Policy
 Title Exam, Update and Recording Service Fees
 Endorsement Package Work
 Survey fee to ESP Associates, P.A.
 Legal Fees - Moore & Van Allen PLLC
 Recording Fee
 Limited Warranty Deed (York County)

\$	713.60	POC
\$	POC	POC
\$	16.00	\$ 729.60

NET AMOUNT DUE FROM JOINT VENTURE:

\$ 500,729.60

MEMBER:

Cash Consideration	\$	500,000.00
--------------------	----	------------

LESS Member's Expenses:

Deed Transfer Tax
 Payoff to James Lineberger

\$	2,234.80
\$	411,319.93
\$	413,554.73

NET AMOUNT DUE TO
MEMBER:

\$ 86,445.27

(Signatures on next page)

JOINT VENTURE:

DB2 ASSOCIATES, LLC,
a North Carolina limited liability company

By: MPV DOBYS BRIDGE, LLC, Manager

By: MPV Properties, LLC, Manager

By: _____
Name: _____
Title: Manager

REVIEWED AND APPROVED BY MEMBER:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____
Name: Christopher R. Barton
Title: Managing Member

DISBURSEMENT STATEMENT

SOURCES OF FUNDS:

DB2 Associates, LLC (net balance due from Joint Venture)	\$	500,729.60
TOTAL	\$	500,729.60

DISBURSEMENTS:

York County Register of Deeds (recording fees)	(check)	\$	16.00
York County Register of Deeds (deed transfer tax)	(check)		2,234.80
Morehead Title Company (exam, prem/end, title, adm fees)	(check)		713.60
Survey Fee to ESP Associates, P.A.		POC	
(Member's legal fees)		POC	
Moore & Van Allen PLLC (Purchaser's legal fees)		POC	
Payoff to James Lineberger	(wire)	\$	411,319.93
For Member (net proceeds)	(wire)	\$	86,445.27

TOTAL: **\$ 500,729.60**

WIRE INSTRUCTIONS:

I. Matthew E. Cox, LLC (Payoff to James Lineberger)

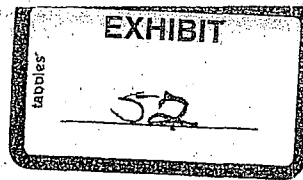
Routing #121000248
 Acct. #: 9797082303
 Matthew E. Cox, LLC IOLTA Account
 Wells Fargo, NA
 Midlands Market - Forest Acres Branch
 4408 Forest Drive
 Columbia, SC 29206

II. Member Wiring Instructions

Routing #121000248
 Acct. #: 9797082303
 Matthew E. Cox, LLC IOLTA Account
 Wells Fargo, NA
 Midlands Market - Forest Acres Branch
 4408 Forest Drive
 Columbia, SC 29206

NOTES:

1. Upon receipt of the funds from Purchaser and a fully executed copy of this Settlement Statement, the Settlement Agent shall be authorized to disburse all funds upon written authorization from Moore & Van Allen PLLC. By execution of this Settlement Statement, the parties acknowledge and approve the contents of this Settlement Statement.
2. In the event this Settlement Statement is hereinafter determined to contain any errors or omissions, Seller and Purchaser hereby agree that they will promptly enter into an appropriate amendment to this Settlement Statement and will make any necessary monetary adjustments to correct or compensate for such errors or omissions.



From: Matthew Cox
To: Ruth Cunnup
Cc: Caroline Cushing
Subject: Re: Quarter Pointe - Closing
Date: Thursday, August 13, 2015 8:55:48 AM

Ruth:

Any update? Did you receive my email?

I understand that Jim may be refusing to sign. There is a note and mortgage. You've given me a payoff. What is the issue?

Do I need to file a DJ action?

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC
1320 Main Street, Suite 300 | 803-724-1320
Columbia, South Carolina 29201 | Admitted in NC, SC & DC
matthew@mecoxlaw.com

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On Wed, Aug 12, 2015 at 10:55 AM, Matthew Cox <matthew@mecoxlaw.com> wrote:
Ruth:

Good news. The group that originally purchased the larger tract is going to purchase an interest in the remaining tract. They are purchasing this interest for \$500,000, which will allow your client to get his note paid off.

I am attaching a Settlement Statement, which shows payoff to your client. I need wiring instructions that can be substituted in place of my firms information for his proceeds.

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Allen:

- 1) Original Dissociation executed by James Lineberger in March 2015.
- 2) The originally executed release that will be held in Trust by the closing attorney and not recorded until after the funds have been wired to Jim.
- 3) Wiring Instructions.

Please let me know if you have any questions, the information and I can provide you with the closing attorney's name and mailing address.

With kind regards,

Matthew E. Cox, Esq.

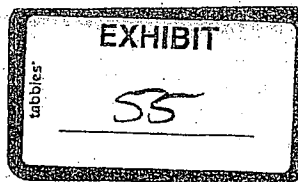
Matthew E. Cox, LLC

1320 Main Street, Suite 300 | [803-724-1320](tel:803-724-1320)

Columbia, South Carolina 29201 | Admitted in NC, SC & DC

matthew@mecoxlaw.com

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MEMBERSHIP BUYOUT AGREEMENT

This Membership Buyout Agreement is entered into by and between Quarter Pointe Ventures, LLC (the "Company") and James Lineberger ("Lineberger") this 17 day of March, 2015. Unless otherwise defined (or required by the context) herein, all capitalized terms shall have the meaning ascribed to them in the operating agreement of the Company dated August 8, 2006 (the "Operating Agreement").

WHEREAS, James Lineberger is an original member of the Company with a 25% LLC Interest in the Company.

WHEREAS, Lineberger wishes to dissociate from the Company;

WHEREAS, all remaining Members of the Company have consented to Lineberger's dissociation and that such dissociation is not a wrongful dissociation and have agreed to purchase his LLC Interest on behalf of the Company pursuant to Section 7.10(a)(ii)(A)(vii) of the Operating Agreement.

WHEREAS, all remaining members have agreed with Lineberger to the valuation of his LLC Interest as set forth pursuant to the terms of this Agreement.

WHEREAS, the Company is selling a portion of its real estate shown on Exhibit D and retaining an approximately 1.6 acre parcel of land, identified as the "Collateral." The Company has plans to sell the Collateral, but cannot anticipate the future sales price for the Collateral;

WHEREAS, the Company is seeking to obtain additional property to add to the Collateral and could increase its acreage, which may or may not increase the value of the Collateral.

WHEREAS, the Company previously had property condemned by York County and believes that York County either took more property than it compensated the Company for, or the Company is entitled to have the property. ; WHEREAS, the Company is currently pursuing compensation for land

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a series of loops and a horizontal line at the end.

which is part of the Company Property shown in gray on Exhibit C (the "ROW") and is a portion of the right of way owned by the Company for which the Company was not compensated in the purchase of Company land for the construction of the Fort Mill Bypass;

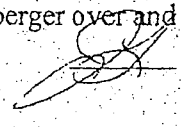
NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties hereto agree as follows:

1. Upon consummation of the Transaction, the Company agrees that all net proceeds from the Transaction shall be placed in an escrow account with Matthew E. Cox, LLC;

2. Upon proper execution of this Agreement and consummation of the Transaction and in partial payment for the LLC Interest, the Company will promptly (i) pay \$320,000 in cash to Lineberger (the "Cash Payment") (ii) execute a promissory note to Lineberger in the amount of \$395,000 (the "Note") and (iii) execute and record a first priority mortgage (the "Mortgage") securing the Note and encumbering the Collateral. (The Note and Mortgage are attached hereto as Exhibits A and B respectively and incorporated herein by this reference.)

3. In addition to the full repayment of the Note including interest upon the sale of the Collateral, if the sale of the Collateral produces a net profit over One Million Dollars (\$1,000,000.00), the Company further agrees to compensate Lineberger for 25% of such net profits over One Million Dollars (\$1,000,000.00). Such additional compensation is due to Lineberger at the time of closing of the sale of the Collateral and shall be shown as payment to Lineberger on the closing statement. This is additional compensation to Lineberger over and above the Cash Payment and full repayment of the Note.

5. If the Company receives any additional compensation for the ROW or additional property for the Collateral, the Company agrees to compensate Lineberger for 25% of the additional compensation received from York County or other governmental entity (collectively, the "Governmental Entity") or other purchaser. Such compensation is due to Lineberger at the time of the Company's receipt of the same. The Company shall not deed any portion of the ROW for its own gain without compensation to Lineberger. This is additional compensation to Lineberger over and



above the Cash Payment and full repayment of the Note. The Company shall be solely liable for any property taxes or assessments regarding the Collateral.

6. Until the Note has been paid in full, the Company agrees not to place any restrictions or encumbrances on the Collateral without Lineberger's prior written consent. The Company further agrees to include Lineberger as an additional insured on its liability insurance policy covering the Collateral.

7. The Company agrees to notify Lineberger prior to the sale of the Collateral and ROW.

8. Lineberger agrees to execute all documents necessary to dissociate from the Company; to not hold himself out as a member of the Company after his dissociation therefrom, and acknowledges that he will only be entitled to his rights as the holder of the Note and Mortgage and to the enforcement of the terms and conditions set forth within this Agreement, the Note, and the Mortgage.

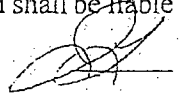
9. James Lineberger enters into this Agreement on behalf of himself, his heirs and assigns and the benefits herein are for the benefit of himself, his heirs and assigns.

10. This Agreement also inures to the benefit of Quarter Pointe Ventures, LLC its members, officers, directors, successors and assigns, agents, representatives, and employees.

11. This Agreement is governed by South Carolina law without regard to choice of law rules.

12. This Agreement, the Note, and Mortgage contain the entire agreement of the parties with respect to the matters referred to herein and all prior negotiations or agreements are merged into the Agreement, Note, and Mortgage.

13. Upon execution of this Agreement, Lineberger will have no further obligations or liabilities to or on behalf of the Company except for those contained in this Agreement. The remaining members of the Company shall be liable to the Company as members and shall be liable



WITNESSES:

Cheryl Sain

Emma Custance

COMPANY:

_____[SEAL]
Christopher R. Barton

_____[SEAL]
Meverell L. Pence, Jr.

_____[SEAL]
Roger L. Pence

LINEBERGER:

[Signature]
James Lineberger

[SEAL]

Exhibit A

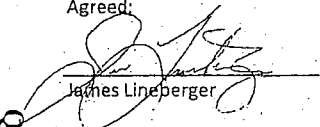
PROMISSORY NOTE

[Signature]

Quarter Pointe Ventures, LLC
Statement of Distributions

	Closing	Amount	Date	Notes
Sales Proceeds		\$1,300,000.00		
Park Sterling Bank	\$658,148.18			
Coldwell Banker Futtle	\$78,000.00			
York County Tax Assessor	\$16,289.26			
Deed Transfer Tax	\$4,810.00			
		<u>\$757,247.44</u>		
Net Sale Proceeds received in MEC, LLC Trust		\$542,752.56	3/6/2015	Incoming Wire from Moore & Van Allen
Distributed to James Lineberger 3/17/15		\$320,000.00		Per Buy Out Agreement
TOTAL DISBURSED to QPV 3/17/15		<u>\$222,752.56</u>		After payment to James Lineberger

Agreed:


James Lineberger

Quarter Pointe Ventures, LLC

By: Christopher Barton
Its: Managing Member

ROA_0410

QPV Disc. Resp 00406

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

MEMBERS STATEMENT
OF DISSOCIATION
FROM A LIMITED LIABILITY COMPANY

TYPE OR PRINT CLEARLY IN BLACK INK

The following member of the Limited Liability Company hereby files this statement of Dissociation in accordance with Section 33-44-704 of the 1976 South Carolina Code of Laws, as amended.

1. Name of the Limited Liability Company from which a member has dissociated:

Quarter Pointe Ventures, LLC

2. Name of member who has dissociated from the Limited Liability Company:

James Lineberger

2711 Ski Trail Lane

Street Address

Waxhaw, North Carolina 28173

City S

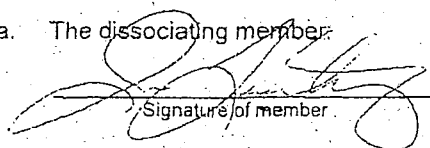
tate

Zip Code

3. Unless otherwise specified, this statement is effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time:

4. This statement is being filed by:

☒ a. The dissociating member:

 3-17-15
Signature of member Date

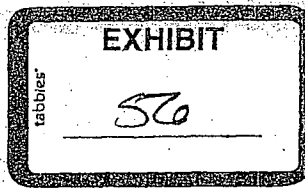
☐ b. The Limited Liability Company:

Signature

Date

Name

Capacity



JOINT VENTURE:

DB2 ASSOCIATES, LLC,
a North Carolina limited liability company

By MPV DOBYS BRIDGE, LLC, Manager

By MPV Properties, LLC, Manager

By _____
Name _____
Title Manager

REVIEWED AND APPROVED BY MEMBER:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By _____
Name Christopher R. Barton
Title Managing Member

*Closing
Statement*

IN WITNESS WHEREOF, this Nonforeign Affidavit is given this the 13 day of August, 2015.

SELLER:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: [Signature]

Name: Christopher R. Barton

Title: Managing Member

State of North Carolina South Carolina
County of York

Signed and sworn to (or affirmed) before me this day by

Christopher Barton

Date: 8/13/2015

[Signature]
Notary Public

(Official/Notarial Seal)

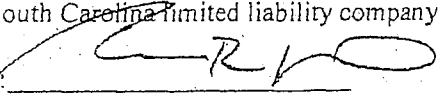
My commission expires: January 3, 2024



*Non-
Foreign
Affidavit*

IN WITNESS WHEREOF, this affidavit is given this the 13 day of August, 2015.

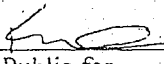
QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: 

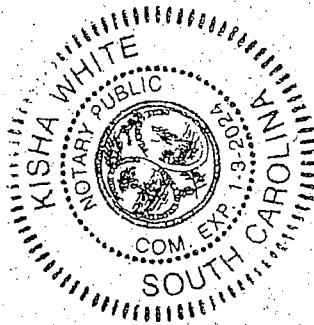
Name: Christopher R. Barton

Title: Managing Member

SUBSCRIBED AND SWORN TO
before me this 13 day of August, 2015.


Notary Public for South Carolina
My Commission Expires: January 3, 2024

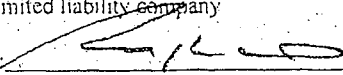
[NOTARIAL SEAL]



*I-295
Now Resident
Seller*

IN WITNESS WHEREOF, this Form 1099 is given this the 13 day of August, 2015.

QUARTER POINTE VENTURES, LLC,
a limited liability company

By: 

Name: Christopher R. Barton

Title: Managing Member

Date: August 17, 2015

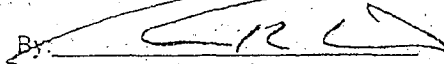
Form
1099

POLICY OF TITLE INSURANCE AS A PART OF THIS TRANSACTION. AS SAID POLICY MAY CREATE CERTAIN OBLIGATIONS FOR THE TITLE INSURANCE COMPANY WITH RESPECT TO THE DISBURSEMENT OF ALL CLOSING PROCEEDS, I HEREBY CONSENT TO AN AUDIT BY THE TITLE INSURANCE COMPANY OF ANY AND ALL TRUST ACCOUNT RECORDS INCLUDING THOSE PERTAINING TO THE DISPOSITION OF CLOSING PROCEEDS AND WAIVE ANY CLAIM OF ATTORNEY-CLIENT PRIVILEGE OF CONFIDENTIALITY WHICH I MAY HAVE THERETO.

DATED: 13 AUG 2005

Applicant/Mortgagor/Purchaser:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: 

Name: Christopher R. Barton

Title: Managing Member

*Title Ins.
Disclosure
Form*

IN WITNESS WHEREOF, Owner has caused this affidavit to be executed, this 13
day of August in the year of our Lord, two thousand fifteen.

OWNER:

QUARTER POINTE VENTURES, LLC,
a limited liability company

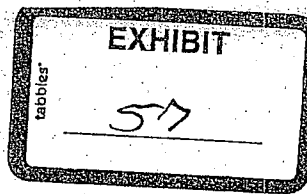
By: [Signature]
Name: Christopher R. Barton
Title: Managing Member

SUBSCRIBED and sworn to before me this
13 day of August, 2015.

[Signature] (SEAL)
Notary Public for South Carolina
My Commission Expires: January 31, 2024



*Owner's
Affidavit*



MEMBERSHIP BUYOUT AGREEMENT

This Membership Buyout Agreement is entered into by and between Quarter Pointe Ventures, LLC (the "Company") and James Lineberger ("Lineberger") this ____ day of March, 2015. Unless otherwise defined (or required by the context) herein, all capitalized terms shall have the meaning ascribed to them in the operating agreement of the Company dated August 8, 2006 (the "Operating Agreement").

WHEREAS, James Lineberger is an original member of the Company with a 25% LLC Interest in the Company.

WHEREAS, Lineberger wishes to dissociate from the Company;

WHEREAS, all remaining Members of the Company have consented to Lineberger's dissociation and that such dissociation is not a wrongful dissociation and have agreed to purchase his LLC Interest on behalf of the Company pursuant to Section 7.10(a)(ii)(A)(vii) of the Operating Agreement.

WHEREAS, all remaining members have agreed with Lineberger to the valuation of his LLC Interest as set forth pursuant to the terms of this Agreement.

WHEREAS, the Company is selling a portion of its real estate shown on Exhibit D and retaining an approximately 1.6 acre parcel of land, identified as the "Collateral." The Company has plans to sell the Collateral, but cannot anticipate the future sales price for the Collateral;

WHEREAS, the Company is seeking to obtain additional property to add to the Collateral and could increase its acreage, which may or may not increase the value of the Collateral.

WHEREAS, the Company previously had property condemned by York County and believes that York County either took more property than it compensated the Company for, or the Company is entitled to have the property. WHEREAS, the Company is currently pursuing compensation for land

which is part of the Company Property shown in gray on Exhibit C (the "ROW") and is a portion of the right of way owned by the Company for which the Company was not compensated in the purchase of Company land for the construction of the Fort Mill Bypass;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties hereto agree as follows:

1. Upon consummation of the Transaction, the Company agrees that all net proceeds from the Transaction shall be placed in an escrow account with Matthew E. Cox, LLC;

2. Upon proper execution of this Agreement and consummation of the Transaction and in partial payment for the LLC Interest, the Company will promptly (i) pay \$320,000 in cash to Lineberger (the "Cash Payment") (ii) execute a promissory note to Lineberger in the amount of \$395,000 (the "Note") and (iii) execute and record a first priority mortgage (the "Mortgage") securing the Note and encumbering the Collateral. (The Note and Mortgage are attached hereto as Exhibits A and B respectively and incorporated herein by this reference.)

3. In addition to the full repayment of the Note including interest upon the sale of the Collateral, if the sale of the Collateral produces a net profit over One Million Dollars (\$1,000,000.00), the Company further agrees to compensate Lineberger for 25% of such net profits over One Million Dollars (\$1,000,000.00). Such additional compensation is due to Lineberger at the time of closing of the sale of the Collateral and shall be shown as payment to Lineberger on the closing statement. This is additional compensation to Lineberger over and above the Cash Payment and full repayment of the Note.

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above the Cash Payment and full repayment of the Note. The Company shall be solely liable for any property taxes or assessments regarding the Collateral.

6. Until the Note has been paid in full, the Company agrees not to place any restrictions or encumbrances on the Collateral without Lineberger's prior written consent. The Company further agrees to include Lineberger as an additional insured on its liability insurance policy covering the Collateral.

7. The Company agrees to notify Lineberger prior to the sale of the Collateral and ROW.

8. Lineberger agrees to execute all documents necessary to dissociate from the Company, to not hold himself out as a member of the Company after his dissociation therefrom, and acknowledges that he will only be entitled to his rights as the holder of the Note and Mortgage and to the enforcement of the terms and conditions set forth within this Agreement, the Note, and the Mortgage.

9. James Lineberger enters into this Agreement on behalf of himself, his heirs and assigns and the benefits herein are for the benefit of himself, his heirs and assigns.

10. This Agreement also inures to the benefit of Quarter Pointe Ventures, LLC its members, officers, directors, successors and assigns, agents, representatives, and employees.

11. This Agreement is governed by South Carolina law without regard to choice of law rules.

12. This Agreement, the Note, and Mortgage contain the entire agreement of the parties with respect to the matters referred to herein and all prior negotiations or agreements are merged into the Agreement, Note, and Mortgage.

13. Upon execution of this Agreement, Lineberger will have no further obligations or liabilities to or on behalf of the Company except for those contained in this Agreement. The remaining members of the Company shall be liable to the Company as members and shall be liable

to Lineberger for all such representations, obligations, and liabilities contained within this Agreement.

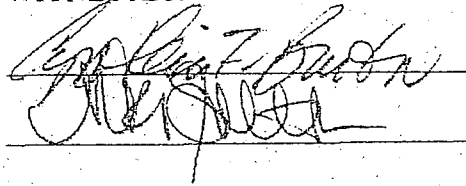
14. This Agreement may be signed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) instrument. Facsimile signatures and signatures transmitted by email/pdf shall be binding as originals.

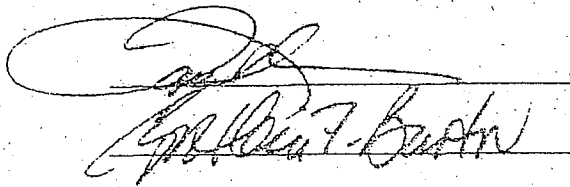
15. The undersigned certify that they have read the Agreement, that they understand its contents, and that they have signed it after consulting with their counsel.

16. Christopher R. Barton, Meverell L. Pence, Jr. and Roger L. Pence (the "Members") are executing this Agreement as the remaining Members of the Company on behalf of the Company. The Members also do hereby waive any and all requirements for the holding of a meeting to approve this Agreement and, by execution of this Agreement agree to the terms hereof and authorize Christopher R. Barton alone to execute the Note and Mortgage on behalf of the Company.

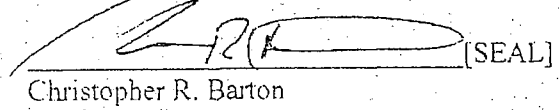
this Agreement and, by execution of this Agreement agree to the terms hereof and authorize Christopher R. Barton alone to execute the Note and Mortgage on behalf of the Company.

WITNESSES:





COMPANY:

 [SEAL]
Christopher R. Barton

[SEAL]
Mevrell L. Pence, Jr.

 [SEAL]
Roger L. Pence

LINEBERGER:

[SEAL]
James Lineberger

WITNESSES:

Jim A. Pence
Andre Steiner

COMPANY:

_____[SEAL]
Christopher R. Barton

Meyerell L. Pence, Jr. [SEAL]
Meyerell L. Pence, Jr.

_____[SEAL]
Roger L. Pence

LINEBERGER:

_____[SEAL]
James Lineberger

Exhibit A

PROMISSORY NOTE

PROMISSORY NOTE

\$395,000.00

March 19 2015
York County, South Carolina

FOR VALUE RECEIVED, Quarter Pointe Ventures, LLC, a South Carolina limited liability company having an EIN Number of ~~26-5329527~~ and an address at 449 Hendon Row Way, Fort Mill, South Carolina 29715 (the "Debtor"), promises to pay to the order of James Lineberger (the "Lender") with an address of 2711 Ski Trail Lane, Waxhaw, North Carolina, 28173 (or at such other place as the Lender may designate) the principal sum of up to THREE HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS (\$395,000.00) (the "Loan") under the terms and conditions of this promissory note (including all renewals, extensions or modifications hereof, this "Note").

1. Security. This Note is secured by a first-priority Mortgage on a 1.6-acre tract, more or less, located at the intersection of Doby's Bridge Road and Holbrook Road in Fort Mill Township, York County, South Carolina, as more particularly described in the Mortgage (the "Mortgage"). The Mortgage, this Note and the Membership Buyout Agreement executed in connection with the Loan, shall be referred to herein as the "Loan Documents." All of the terms, definitions, conditions and covenants of the Mortgage are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length. Any Event of Default under the Mortgage or any other Loan Document, is an Event of Default under the terms of this Note.

2. Interest. Interest shall accrue on the unpaid principal balance of this Note at the rate of 10.00% (the "Interest Rate") from the date hereof until paid in full. The Loan shall be amortized over ten (10) years with a balloon payment due after seven (7) years. The delayed monthly payments contemplated under this Note shall result in accrual of interest of approximately \$82,950.00 before repayment begins.

3. Repayment Terms. This Note shall be payable in eighty-four (83) consecutive monthly payments of principal and interest in the amount of \$6,316.14 beginning March 2, 2017 and on the second (2nd) day of each month thereafter. The eighty-four and final payment of all principal and accrued interest shall be due on February 2, 2024 (the "Maturity Date").

4. Prepayment. Nothing shall prevent the Debtor from prepaying the indebtedness evidenced by this Note, in whole or in part without penalty. Debtor may not designate a payment as Prepayment if Debtor is not current with the monthly payments due under this Note. Any partial Prepayment will not excuse any later scheduled payments until this Note is paid in full.

5. Events of Default. Debtor will be in default if any one or more of the following occur (each an "Event of Default"):

- (a) Debtor fails to make a payment on time or in the amount due;

- (ii) Debtor fails to keep the Property insured as required;
- (iii) Any other creditor of Debtor attempts to collect any debt Debtor owes him through court proceedings;
- (iv) Debtor does or fails to do something material to the terms of the Loan Documents which causes Lender to believe that it will have difficulty collecting the amount Debtor owes Lender;
- (v) Debtor makes an assignment for the benefit of creditors, or becomes insolvent (either because its liabilities exceed its assets or Debtor is unable to pay its debts as they become due);
- (vi) Debtor makes any written statement or provides any financial information that is untrue or inaccurate at the time it was provided;
- (vii) Any collateral securing this Note is used in a manner or for a purpose which threatens confiscation by a legal authority;
- (ix) Debtor changes its name or assumes an additional name without first notifying Lender before making such a change; and
- (x) An event of default occurs under the Mortgage or any other Loan Document.

b. Remedies Upon Default. If an Event of Default occurs under this Note or any of the Loan Documents, the Lender may at any time thereafter, take the following actions:

- (i) Bring an action to and foreclose on the Mortgage;
- (ii) Accelerate the maturity of this Note whereupon this Note shall be immediately due and payable;
- (iii) Demand security, additional security or additional parties to be obligated to pay this Note as a condition for not pursuing any other remedy;
- (iv) Exercise any rights and remedies as provided under the Note, the Mortgage or any other Loan Document, or as provided by law or equity.

By selecting any one or more of these remedies Lender does not give up its right to later use any other remedy. No waivers, amendments or modifications of this Note and other Loan Documents shall be valid unless in writing and signed by an authorized officer of Lender. No waiver by Lender of any Event of Default shall operate as a waiver of the same or any other Event of Default at that time or on a future occasion. Lender's course of dealing, forbearance from or delay in exercising any of its rights, remedies or privileges (including, but not limited to Lender's right to insist upon Debtor's strict performance of any provisions contained in this

Note or other Loan Documents) shall not be construed as a waiver by Lender unless such waiver is in writing as set forth above.

7. Default Rate. In addition to all other rights contained in this Note, if an Event of Default is declared by Lender under the terms of this Note, Lender may increase the Interest Rate to the Interest Rate plus five percent (5%). If a law, court decision, or regulation which applies to this Note and which sets maximum loan charges is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this Loan exceeds the permitted limits, then any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit.

8. Application of Payments. Each payment made on this Note will first reduce the amount owed for accrued unpaid interest, and then unpaid principal.

9. Accrual. During the scheduled term of this Loan, the interest shall be computed using a 365 day year for the total number of days that the principal balance of this Note is outstanding.

10. Late Charge. If any payments are made more than ten (10) days after their due date, Debtor shall also pay to Lender a late charge equal to 5% of the past due payment. Acceptance by Lender of any late payment without an accompanying late charge shall not be deemed a waiver of Lender's right to collect such late charge or to collect a late charge for any subsequent late payment received. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives the Debtor a right to cure an Event of Default. Imposition of late charges is not contingent upon giving of any notice or lapse of any cure period provided for in the Mortgage or any other Loan Document.

11. Expenses. If there is an Event of Default, Debtor agrees to pay all costs and expenses associated with the collection, enforcement or protection of Lender's rights and remedies under this Note which shall include, but not be limited to, attorneys' fees, court costs, legal fees, whether incurred with or without the commencement of a suit.

12. Waivers, Amendments. Debtor hereby (i) agrees and consents to any extension of time for payment or other modification of any term or condition of this Note without limit on the number or duration of such extensions or modifications; (ii) agrees that Lender may compromise or receive less than the full amount due on or value of any collateral and grant any other indulgence to any other party primarily or secondarily liable with respect to this Note.

13. Payments by Lender. If Lender pays charges that Debtor is obligated to pay, then Lender may treat those payments as advances and add them to the unpaid principal under this Note, or Lender may demand immediate payment of the charges.

14. Assignment. This Note and the other Loan Documents shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Lender's interests in and rights under this Note and the other Loan Documents are

freely assignable, in whole or in part, by Lender. Debtor shall not assign its rights and interest hereunder without the prior written consent of Lender, which may be withheld in Lender's sole discretion, and any attempt by Debtor to assign without Lender's prior written consent is null and void. Any assignment shall not release Debtor from its obligations hereunder.

15. Applicable Law. This Note shall be governed by and construed under the laws of the state of South Carolina. Any term of this Note which is contrary to applicable law will not be effective, unless the law permits Lender and Debtor to agree to such a variation. If any provision of this Note cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this Note.

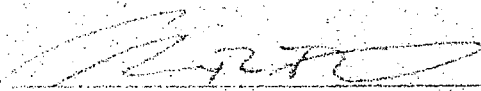
16. Notices. Any notices shall be given pursuant to Section 3.01 of the Mortgage.

17. Final Agreement. This Note and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

18. Obligations Independent. Debtor understands that it must pay this Note even if someone else has also agreed to pay it. Debtor agrees that Lender may, at its option, extend this Note or the debt represented by this Note, or any portion of the Note or debt, from time to time without limit or notice and for any term, without affecting Debtor's liability for payment of the Note. Lender may, without notice, fail to perfect its security interest in, impair, or release any security and Debtor will still be obligated to pay this Note.

IN WITNESS WHEREOF, the Debtor has caused this Note to be duly executed under seal as of the day and year first above written.

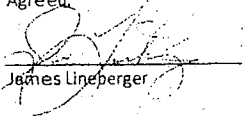
DEBTOR:
Quarter Pointe Ventures, LLC

 [SEAL]
By: Christopher R. Barton
Its: Member/Manager

Quarter Pointe Ventures, LLC
Statement of Distributions

	Closing	Amount	Date	Notes
Sales Proceeds	\$1,300,000.00			
Park Sterling Bank	\$658,148.18			
Coldwell Banker Tuttle	\$78,000.00			
York County Tax Assessor	\$16,289.26			
Deed Transfer Tax	\$4,810.00			
	<u>\$757,247.44</u>			
Net Sale Proceeds received in MEC, LLC Trust		\$542,752.56	3/6/2015	Incoming Wire from Moore & Van Allen
Distributed to James Lineberger 3/17/15		\$320,000.00		Per Buy Out Agreement
TOTAL DISBURSED to QPV 3/17/15		<u>\$222,752.56</u>		After payment to James Lineberger

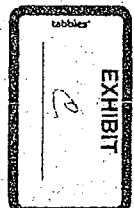
Agreed:


James Lineberger

Quarter Pointe Ventures, LLC

By: Christopher Barton
Its: Managing Member

ROA_0428



Wire Transfer Services

Outgoing Wire Transfer Request



Today's Date:		Wells Fargo Reference Number:	
03/17/2015		FW0068287076145014	
Banker Name:		Officer/Portfolio Number:	
WILLIAM GRUNDHOEFER		L9377	
Banker Phone:	Store Number:	Banker AU:	Banker MAC:
803/790-8814	09377	0068287	D3024-010

Outgoing wires can only be sent for Wells Fargo customers. Provide the Customer Copy to the customer ensuring you give them the Wire Transfer Agreement on pages 3 and 4. Note: Wells Fargo Wire Transfer Services will route wires based on correspondent banking relationships. See the Wire Transfer Information for explanations of the Mexican CLABE number, the SWIFT BIC, the International Routing Code ("IRC") and the International Bank Account Number ("IBAN").

Originator's Information

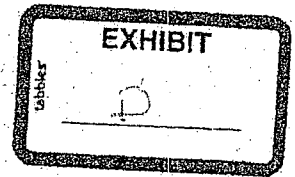
Originator Name:		Street Address:	
MATTHEW E COX		1320 MAIN ST STE 300	
Primary ID Type:	Primary ID Description:	Address Line 2:	
LLIC	007486309		
Primary ID Su/Cty/Prov:	Primary ID Issue Date:	Primary ID Expiration Date:	Address Line 3:
SC	11/15/2011	11/14/2021	
Secondary ID Type:	Secondary ID Description:	City:	State:
PINV	IPIN Validation	COLUMBIA	SC
Secondary ID State/Country:	Secondary ID Issue Date:	Secondary ID Expiration Date:	ZIP/Postal Code:
			29201-3266
Business, Trust, or Estate Name:		Country:	Home Phone:
MATTHEW E COX LLC		US	Business Phone:
			803/724-1320

Wire Amount and Source of Funds

Create AU:	Amount (US Dollars):	Debit Wells Fargo Account:	Bank/COD:
0068287	\$320,000.00	9797082303	00367

Beneficiary/Recipient Information (This is the ultimate recipient of the wire transfer funds)

Beneficiary/Recipient Name:	Name/Address Line 1:
Providence Land Acquisition and	Realty
Beneficiary Account Number/IBAN (Foreign)/CLABE (Mexico):	Name/Address Line 2:
000654687439	
Purpose of Funds:	Name/Address Line 3:
Membership Buyout	
Additional Instructions:	Beneficiary Phone Number:
	704/363-3475



Drawn by and sent to
Hamilton Martens Ballou & Carroll, LLC (RHC)
130 East Main Street
Rock Hill, South Carolina 29730

STATE OF SOUTH CAROLINA

COUNTY OF YORK

MORTGAGE

THIS MORTGAGE ("Mortgage") is made as of the 10th day of March, 2015, by and among

Quarter Pointe Ventures, LLC, a South Carolina limited liability company with a principal place of business at 449 Hendon Row Way, Fort Mill, South Carolina 29712 (hereinafter referred to as the "Mortgagor"); and

James Linebarger, having an address of 2711 Ski Trail Lane, Waxhaw, NC 28173 (hereinafter referred to as the "Mortgagee").

WITNESSETH

Mortgagor is indebted to Mortgagee in the original principal amount of Three Hundred, Ninety-Five Thousand and 00/100 Dollars (\$395,000.00) (the "Loan") pursuant to that certain promissory note of even date herewith (the "Note"). It has been agreed that all of the obligations of Mortgagor under the Note are to be secured by this Mortgage. The Note, this Mortgage and the Membership Buyout Agreement evidencing and securing the Loan shall be referred to herein as the "Loan Documents."

NOW, THEREFORE, as security for the Secured Obligations (as hereinafter defined) and in consideration of the premises and of the mutual covenants herein contained and the sum of Ten Dollars (\$10.00) in hand paid by Mortgagee to Mortgagor upon the execution and delivery of this Mortgage, and for other good and valuable considerations, the receipt of which is hereby acknowledged, Mortgagor by these presents does give, grant, bargain, sell, alienate, remise,

warrant, convey, release, confirm, mortgage, assign, transfer and set over unto Mortgagee, its successors and assigns, subject to the terms of this Mortgage, all of the following property:

Real property more specially described in Exhibit A attached hereto and incorporated herein by reference, including all buildings, improvements and structures now or hereafter built, constructed or situated on said real property (all of such properties being hereinafter collectively referred to as the "Premises").

Together with all easements, rights-of-way, streets, alleys, passages, sewer rights, waters, water courses, water privileges, tenements, hereditaments, appurtenances and rights, whatsoever, now or hereafter, in any way belonging, relating or appertaining to the Premises, all right, title and interest, if any, of Mortgagor, now or hereafter in and to the land lying in the streets, roads or avenues, open or proposed, in front of, adjoining, or servicing said Premises and in and to any strips of land adjoining said Premises and all royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers related to the Premises (the "Appurtenances" and collectively with the Premises, the "Property"), and

Together also, with any insurance proceeds from any property transferred under this Mortgage, and with any and all awards, including interest thereon, heretofore and hereafter made to Mortgagor for taking by eminent domain of the whole or any part of said Premises or any easement therein, including any awards for changes of grade of streets, which awards are hereby assigned to Mortgagee, who is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor; and to apply the same to the Secured Obligations;

TO HAVE AND TO HOLD the Premises, Building Equipment, Appurtenances and other property, privileges, rights, interests and franchises hereby granted or mortgaged, unto Mortgagee, its successors and assigns, forever for the uses and purposes hereinafter set forth:

PROVIDED, HOWEVER, and these presents are upon the condition that, if the Secured Obligations shall be paid when due, and if Mortgagor shall keep, perform and observe all and singular the covenants, agreements and provisions in this Mortgage and the Note of even date herewith expressed to be kept, performed and observed by or in the part of Mortgagor, then this Mortgage shall be satisfied or redeemed pursuant to a proper mortgage satisfaction executed by Mortgagee and upon the recording of the satisfaction, the estate and rights hereby granted shall cease and be void but otherwise shall be and remain in full force and effect.

AND the parties hereby covenant and agree as follows:

ARTICLE I

Secured Obligations

Section 1.01. The obligations secured by this Mortgage (the "Secured Obligations") are as follows: Payment of all indebtedness and the performance of all obligations of Mortgagor under the Note and this Mortgage including payment of all sums due and owing to Mortgagee hereunder, together with interest thereon and performance of all obligations under the Membership Buy-out Agreement.

ARTICLE II

Representations, Warranties and Covenants of Mortgagor.

Mortgagor represents and warrants to and covenants with Mortgagee, as follows:

Section 2.01. Mortgagor will pay or cause to be stayed or discharged within sixty (60) days after they shall be payable, or will make adequate provisions for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and materialmen which, if unpaid, might be a lien or charge upon the Property (or any part thereof), or the income therefrom.

Section 2.02. If any action or proceeding is commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created by this Mortgage (including reasonable counsel fees), shall be paid by Mortgagor, together with interest thereon at the default rate set forth in the Note (hereinafter the "Default Rate"), and any such sum and the interest thereon shall be a lien on the Property, prior to any right or title to interest in, or claim upon the Property attaching or accruing subsequent to the lien of this Mortgage and shall be deemed to be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage, or to recover or collect the debt secured hereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

Section 2.03. Mortgagor, at its sole cost and expense, shall obtain and keep in full force and effect a liability insurance policy providing coverage in an amount not less than \$100,000. Mortgagor shall name Mortgagee as an Additional Insured.

Section 2.04. In the event of Mortgagor's default in the performance of any of the covenants or agreements herein or contained in the Note or any other Loan Document, Mortgagee may, at Mortgagee's option, perform the same and the cost thereof, with interest at the Default Rate, shall immediately be due from Mortgagor to Mortgagee and shall be secured by this Mortgage.

Section 2.05. Mortgagor shall, at any time and from time to time upon receiving not less than ten (10) days prior written notice from Mortgagee, execute, acknowledge and deliver to Mortgagee a statement in certifying that this Mortgage is unmodified and in full force and effect

or, if modified, stating the nature thereof and certifying that this Mortgage, as so modified, is in full force and effect and (ii) acknowledging that there are no uncured Events of Default under this Mortgage or specifying such Events of Default if any are claimed. Any such certificate may be conclusively relied upon by Mortgagee and any prospective purchaser or assignee of this Mortgage. Mortgagor's failure to deliver such certificate within such time shall be conclusive upon Mortgagor that (a) this Mortgage is in full force and effect, without modification, except as may be represented by Mortgagee, and (b) there are no uncured Events of Default hereunder.

Section 2.04. Mortgagor shall not, without Mortgagee's prior written consent, directly or indirectly sell, transfer or convey or further pledge, encumber (including, but not limited to, encumbering the Property with any easements, rights of way or restrictive covenants), hypothecate, mortgage, assign or lease, whether voluntary, involuntary or by operation of law, or suffer or permit the same, all or any part of the Property or any interest therein.

Section 2.05. Mortgagor shall comply with all affirmative and negative covenants set forth in the Note, this Mortgage and any other Loan Document.

ARTICLE III

Possession and Administration of the Premises

Section 3.01. (a) Mortgagor shall pay all taxes, assessments and other charges now or hereafter levied against the Property or any part thereof, and also any and all license fees or similar charges which may be imposed by the municipality in which the Premises are situated for the use of walks, areas and other space beyond the lot line and on or abutting the public sidewalks in front of or adjoining the Premises, together with any penalties or interest on any of the foregoing, and in default thereof, Mortgagee may pay the same and Mortgagor will repay or cause to be repaid the same with interest at the Default Rate, and the same shall be added to the indebtedness secured hereby and be secured by this Mortgage.

(b) Mortgagor will not claim any credit on or make any deduction from the interest or principal of the Secured Obligations by reason of the payment of any taxes levied or to be levied upon the Property or any part thereof during the continuance of the lien of this Mortgage.

Section 3.02. Mortgagor warrants that Mortgagor is seized of the Premises and other property covered hereby in fee simple, subject only to real property taxes for the current and subsequent years which are a lien but not yet due and payable and routine utility easements which do not materially affect the property or its value (the "Permitted Exceptions"), and has full power and lawful authority to convey and mortgage the same; that Mortgagor shall and will make, execute, acknowledge and deliver all such further or other deeds or assurances as may at any time hereafter be reasonably desired or required to more fully and effectually convey the Premises and other property covered hereby unto Mortgagee, their successors or

assigns, for the purposes aforesaid, and unto all and every person or persons deriving any estate, right, title or interest therein under this Mortgage; and that Mortgagor will warrant and defend the Premises, Building Equipment and other property against all persons whomsoever, subject only to the Permitted Exceptions. Mortgagor warrants that this Mortgage shall be a first priority lien on the Property and that there are no prior liens or judgments to which this Mortgage is subordinate.

Section 3.03. Mortgagor shall protect any improvements hereafter constructed on the Premises, will not commit or suffer any waste of the Property, and will comply with or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the Property.

Section 3.04. Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the Property at all reasonable times upon reasonable prior notice to Mortgagor.

ARTICLE IV

Remedies of Mortgagee

Section 4.01. If any one or more of the following events (herein "Events of Default") shall occur:

(a) Mortgagor shall default in the due and punctual payment or performance of the secured Obligations and such default has not been cured within ten (10) days' notice of such default by Mortgagee.

(b) Mortgagor shall default in the due observance or performance of any covenant, condition or agreement contained herein and such default shall not be cured within thirty (30) days after written notice from Mortgagee.

(c) Any other Event of Default shall occur under the Note or any other Loan Document.

then and in each and every such case, and at any time thereafter during the continuance of such event, Mortgagee, to the extent permitted by law, may, but shall not be obligated to, enter into and upon all or any part of the Premises and may exclude Mortgagor and its agents and servants wholly therefrom; and having and holding the same may use, operate, manage and control the Premises or any part thereof, either personally, or by Mortgagee's agents, attorneys, or receivers, in such manner as Mortgagee may deem to be to Mortgagee's best advantage. To the extent permitted by law, Mortgagee shall be entitled to collect and receive all earnings, income, rents, issues, revenues and profits of the same and every part thereof after deducting the expenses of conducting the business thereof, and of all necessary repairs, maintenance,

renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and other charges creating liens on the Property, or any part thereof, as well as reasonable compensation for their own services, and for the services of their counsel, agents, clerks, servants and other employees, by them properly engaged and employed. Mortgagee, as the case may be, shall apply the balance of the money derived from the operation and management of the Premises and business towards payment of the balance due on the Secured Obligations. The surplus, if any, shall be paid to Mortgagor, their successors or assigns, or to whomsoever as shall be lawfully entitled to receive same, or as a court of competent jurisdiction may direct.

(d) If an Event of Default shall have occurred and be continuing, then the entire Secured Obligations shall, at the option of Mortgagee, immediately become due and payable without notice or demand, time being of the essence of this Mortgage, and no omission on the part of Mortgagee to exercise such option when entitled to do so shall be construed as waiver of such right.

Section 402. Subject to limitations as may be provided by applicable law:

(a) If an Event of Default shall have occurred and be continuing, Mortgagee may immediately commence proceedings to collect the Secured Obligations, foreclose this Mortgage and sell the Premises, or any part thereof, in bar of the right and equity of redemption, homestead, elective share and all other rights and exceptions of every kind, all of which are hereby waived to the extent permitted by applicable law, in order to pay the Secured Obligations, and all expenses of sale and of all proceedings in connection therewith, including without limitation reasonable attorney's fees.

The Premises may be sold, at Mortgagee's option, as an entirety or in separate parcels, and the personal property covered by this Mortgage may be sold, at Mortgagee's option, at one or more separate sales in any manner permitted by the Uniform Commercial Code of the State of South Carolina. If the Secured Obligations are now or hereafter further secured by any charter mortgages, pledges, contracts or guaranty, assignments of lease or other security instruments, Mortgagee at its option may exhaust the remedies granted under any of said security instruments for this Mortgage either concurrently or independently, and in such order as Mortgagee may determine.

(b) If an Event of Default shall have occurred and be continuing, Mortgagee may, in addition to and not in abrogation of the rights covered under subparagraph (a) of this paragraph 402, either with or without entry or taking possession as herein provided or otherwise, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy, (i) to enforce payment of the Note or the performance of any term, covenant, condition or agreement of this Mortgage or any other right, and (ii) to pursue any other remedy available to it, all as Mortgagee in its sole discretion shall elect.

Section 4.03. Upon any foreclosure sale or sale of all or any portion of the Premises, Mortgagee may bid for and purchase the Premises and shall be entitled to apply all or any part of the Secured Obligations as a credit to the purchase price.

Section 4.04. In the event of any such foreclosure sale or sale under the powers herein granted, Mortgagor (if Mortgagor shall remain in possession) shall be deemed a tenant holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

Section 4.05. Deleted

Section 4.06. The proceeds of any sale, whether made pursuant to judicial proceedings or other sale of all or any portion of the Premises, shall be applied first to the payment of the costs and expenses reasonably incurred in connection with such sale, including reasonable counsel fees and the payment of all taxes, assessments, or other charges constituting liens on the Property prior to the lien of this Mortgage, except taxes and assessments and other charges constituting prior liens, if any, subject to which any of the Property shall have been sold; then to the payment of all fees and amounts due and unpaid under the Secured Obligations; the surplus, if any, after payment of the amount set forth above, shall be payable to Mortgagor, its successors, and assigns, or to whomsoever may be lawfully entitled to receive same, or as a court of competent jurisdiction may direct.

Section 4.07. Any failure by Mortgagor to insist upon the strict performance by Mortgagee of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by Mortgagor. Neither Mortgagor nor any other person now or hereafter obligated for the payment of the whole or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor, or of any other person so obligated, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or any obligations secured by this Mortgage, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner or owners of the Premises and Mortgagee extending the time of payment or modifying the terms of the Secured Obligations or this Mortgage without first having obtained the consent of Mortgagor or such other person, and in the latter event, Mortgagor and all such other persons shall continue to be liable to make such payments according to the terms of any such agreement of extension or modification, unless expressly released and discharged in writing by Mortgagee. Regardless of consideration, Mortgagee may release the obligation of anyone at any time liable for any of the Secured Obligations without in any way impairing or affecting the lien hereof, and Mortgagee may resort for the payment of the Secured Obligations to any other security therefor held by Mortgagee in such order and manner as it may elect.

Section 4.08. Mortgagor hereby waives and renounces all homestead and exemption rights provided for by the Constitution and the laws of the United States and of any state, in and to the Premises as against the collection of the Secured Obligations, or any part thereof, to the extent permitted by law.

Section 4.09. Subject to limitations of applicable law, if any, Mortgagee, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Mortgagor, a defense to any proceeding instituted by Mortgagee to collect the sums secured hereby.

Section 4.10. In case Mortgagee shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then in every such case, to the extent permitted by law, Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had occurred.

ARTICLE V

Miscellaneous

Section 5.01. Any notice or demand which, by any provision of this Mortgage, is required or permitted to be given or served by or to Mortgagee or by or to Mortgagor, shall be conclusively deemed to have been properly given or served by such party and to be effective on the date on which personally delivered to such party at the address specified for such party on page 1 hereof or at such other address as such party shall specify to the other party in writing), or when deposited in the mail if sent by registered or certified mail, return receipt requested, or in the case of notice by telex, telecopier or the like, when sent addressed as set forth on page 1 hereof. The time period in which a response to any notice or demand must be given, if any, however, shall commence to run from the date of personal delivery or receipt on the return receipt by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address or which no notice was given shall be deemed to be receipt of the notice or demand sent. Any party hereto may change its address by giving thirty (30) days prior written notice of such change to the other parties hereto.

Section 5.02. To the extent that any provision of this Mortgage may be deemed invalid or unenforceable under any applicable law, such provision shall be deemed void and inoperative and shall not form part of this Mortgage, but the remainder of this Mortgage shall remain in full force and effect. The parties hereto specifically declare that they would have entered into this Mortgage if any such void provisions had been omitted herefrom.

Section 5.03. The rights of Mortgagee arising under the clauses and covenants contained in this Mortgage shall be separate, distinct and cumulative and none of them shall be in

exclusion of the others. No act or Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

Section 5.04 This Mortgage and the enforcement of the rights and remedies hereunder shall be governed by the laws of the State of South Carolina.

Section 5.05 Mortgagor and Mortgagee acknowledge that this Mortgage is made solely for the benefit of the parties hereto and no third party should or may assume that any third party Mortgagee rights are extended or created hereby.

Section 5.06 Except as may be prohibited by applicable law, if at any time the United States of America, any state thereof or any governmental subdivision of such state, having jurisdiction, shall require revenue, excise or documentary stamps to be affixed to this Mortgage, or other tax to be paid on or in connection therewith, Mortgagor will pay the same with any interest or penalties imposed in connection therewith.

Section 5.07 This Mortgage may be executed simultaneously in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

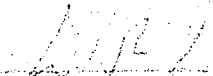
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

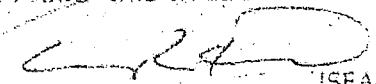
Section 5.05. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction.

IN WITNESS WHEREOF, Mortgagor, by and through its duly-authorized undersigned officer, has executed and delivered this Mortgage as of the day and year first above written.

Signed, sealed and delivered
in the presence of

Quarter Pointe Ventures, LLC


Witness #1

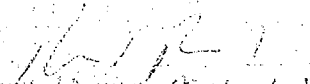

By: Christopher R. Barton
Its: Member/Manager [SEAL]


Witness #2

STATE OF SOUTH CAROLINA

COUNTY OF YORK

The foregoing instrument was acknowledged before me this 16 day of March, 2015, by Christopher R. Barton, as Member/Manager of Quarter Pointe Ventures, LLC, a South Carolina limited liability company, on behalf of the limited liability company.


Printed Name: Michael C. Paolino [SEAL]
Notary Public for: SC
My commission expires: 6/1/2017

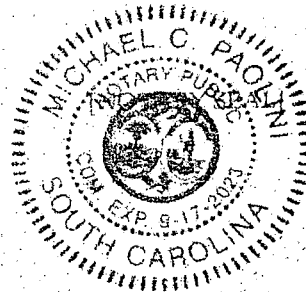


EXHIBIT A

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING, BEING AND SITUATED IN FORT MILL TOWNSHIP, YORK COUNTY, SOUTH CAROLINA AND BEING MORE PARTICULARLY DESCRIBED AS TAX PARCEL NO. 0201201189 CONTAINING 1.665 ACRES, MORE OR LESS, AS SHOWN ON A PLAT PREPARED BY ESP ASSOCIATES, P.A. AND RECORDED ON OR ABOUT APRIL 16, 2015 IN PLAT BOOK E311, PAGE 3, IN THE OFFICE OF THE CLERK OF COURT FOR YORK COUNTY, SOUTH CAROLINA, ALONG WITH THOSE AREAS IDENTIFIED AS RIGHT OF WAY BY MAINTENANCE.

This being the a portion of the property conveyed to Quarter Pointe Ventures, LLC by deed of James Alton Kimbrell and Joyce H. Kimbrell, dated 8/18/2006, recorded 8/21/06 in Book 8327 at Page 146, in the Office of the Clerk of Court for York County, South Carolina.

From: Chris Barton
To: Debbie Weatherby
Cc: Bryan Tuttle; Lee Pence; Roger Pence; Cindy
Subject: Re: DURBAN ACQ - QTR PT VENT - OFFER TO PURCHASE
Date: Tuesday, March 24, 2015 12:02:16 PM

Debbie go ahead and send it to all the parties I Cc on this email, when you get it.

Chris Barton

On Mar 24, 2015, at 10:28 AM, Debbie Weatherby <debbie@tuttleco.com> wrote:

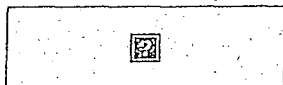
Chris:

Just heard back from Mayson Petty this morning and they have agreed to the \$1.1M. All other terms agreed to in the last LOI remain the same and we should have a contract for review this morning. I will forward to you ASAP. The only stipulation is that the contract must be fully executed no later than April 7. He said the board wants to move forward or move on to the next deal. Hopefully we can review the contract quickly and keep things moving.

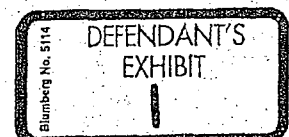
I'll be in touch shortly. May be we should set up a time to review on Thursday or Friday so we can get any comments back quickly. Let me know.

*Kind regards,
Debbie*

Debbie Weatherby, NC/SC Broker-Realtor



3014 Southcross Blvd., Suite B
Rock Hill, South Carolina 29730
803.366.1158 x225 Office
803.329.1386 Fax
704.408.8701 Cell
Debbie@tuttleco.com



AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT ("Agreement") is made this _____ day of _____ 2015, by and between Durban Acquisitions, LLC ("Buyer"), and Quarter Pointe Ventures, LLC ("Seller").

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meanings given them as set forth below:

- (a) **"Brokers"** shall mean The Tuttle Company, Inc., as Seller's Broker, and Gallant Properties, LLC, as Buyer's Broker.
- (b) **"Closing"** shall mean the consummation of the transaction contemplated herein, which shall occur on or about thirty (30) days after the expiration of the Examination Period (as defined herein) (the "Closing Date").
- (c) **"Earnest Money"** shall mean Ten Thousand Dollars (\$10,000.00), plus any and all interest accrued thereon, deposited in accordance with Section 7(a) herein with Chicago Title Insurance Company ("Escrow Agent"), 200 South Tryon Street, Suite 800, Charlotte, North Carolina 28202 (Attention: Scott Mansfield, Phone: 704-375-0700), and to be applied as partial payment of the Purchase Price of the Property at Closing (or to be returned to Buyer upon full payment of the Purchase Price), or otherwise disbursed as agreed upon under the terms of this Agreement.
- (d) **"Examination Period"** shall mean the period beginning on the Effective Date (as defined herein) extending through one hundred and twenty (120) days. The Examination Period may be extended at the option of the Buyer for up to four (4) additional periods of thirty (30) days each. For each such thirty (30) day extension of the Examination Period, Buyer shall increase the Earnest Money with an additional deposit of Ten Thousand Dollars (\$10,000.00), such additional deposits to be deemed part of the Earnest Money and to be applicable to the Purchase Price at Closing. Buyer hereby has the right to terminate this Agreement for any reason, or no reason whatsoever, in its sole discretion, within the initial one hundred and twenty (120) day Examination Period, upon which termination the Earnest Money shall be promptly returned to Buyer and neither party hereto shall have any further obligations or liabilities to the other hereunder, except as set forth herein.
- (e) **"Intended Use"** shall mean the use of the Property for the following purpose: Commercial / Retail.
- (f) **"Property"** shall mean that certain property consisting of approximately 1.66 useable acres (each an "Acre", rounded to the nearest one hundredth), located at the intersection of Dobys Bridge Road, Holbrook Road and the Fort Mill Southern Bypass, in the Town of Fort Mill, County of York, State of South Carolina, having Tax Parcel Identification Numbers of 0201201189; as more particularly shown or described on Exhibit A attached hereto, together with all buildings, improvements and fixtures thereon and all rights, easements and appurtenances thereto, as well as all personal property located thereon.
- (g) **"Purchase Price for Property"** shall mean One Million One Hundred Thousand Dollars and 00/100 (\$1,100,000.00), payable in cash or cash equivalents at Closing, less any and all Earnest Money applied to the Purchase Price, as directed by Buyer. Purchase Price for Property may also be referred to herein as the "Purchase Price".
- (h) **"Effective Date"** shall mean the latter of either (i) the date first appearing at the top of this Agreement, or (ii) the date of the last signature by Buyer or Seller on the signature page hereto.

Section 2. Proration of Expenses and Payment of Costs and Recording Fees. Seller and Buyer agree that all property taxes, assessments, leases, rents or any assumed liabilities, if any, shall be prorated on a calendar-year basis as of the date of Closing and that Seller shall pay all agricultural and/or roll-back taxes, if any, at Closing. In addition to Seller's attorney's fees and other fees customarily paid by Sellers at closings in the locality in which the Property is located, at Closing Seller shall pay for the preparation of the deed, deed stamps, excise taxes, state and local taxes, grantor's taxes and any and all other conveyance fees or taxes, on behalf of Buyer and Seller. Buyer shall pay its attorneys' fees and the costs of any title search, title insurance, survey, and recording costs. The Closing shall be conducted by Escrow Agent or another nationally recognized title company, Buyer and Seller shall share equally (and pay at Closing) the cost of any standard escrow or closing fee charged by Escrow Agent or title company.

Section 3. Title. Seller agrees to convey fee simple good and marketable title to the Property by special warranty deed at Closing, subject only to such exceptions acceptable to Buyer in its sole discretion. Seller represents and warrants that Seller is the fee simple owner of the Property, that Seller has full authority to convey the Property as set forth herein, and that title to the Property is (or no later than Closing shall be) insurable at commercially reasonable rates, free and clear of all liens, assessments, delinquent taxes and other monetary encumbrances ("Monetary Liens") and all leases, tenancies, encumbrances, defects and other matters of title.

Section 4. Examination; Conditions; Other Obligations. Seller and Buyer hereby agree to the following with respect to title examination, property inspections, conditions, and other obligations:

- (a) **Title Examination.** Buyer shall have the right but not the obligation to cause a title examination to be made of the Property and, prior to expiration of the Examination Period, to deliver notice to Seller of any objections to such title (the "Objections"). Seller shall have ten (10) days after receipt of the Objections ("Seller Response Period") to either: (i) deliver notice to Buyer of its intent and agreement to cure, prior to Closing, all of the Objections at Seller's sole cost and expense, with no adjustment to the Purchase Price; or (ii) notify the Buyer of its election not to cure one or more of the Objections. Within the Seller Response Period, if Seller does not expressly (in writing) agree to cure all of the Objections, Seller shall be deemed to have elected option (ii) above. If Seller elects option (i) above, Seller's agreement to cure all Objections automatically shall become a binding obligation of Seller hereunder. If Seller elects (or is deemed to have elected) option (ii) above, then Buyer shall have the option to either: (a) terminate this Agreement by delivering a termination notice to Seller, upon which termination Buyer shall be entitled to receive a full refund of the Earnest Money, with neither party having any further obligations in connection with this Agreement; or (b) proceed toward Closing and take title to the Property subject only to the Objections that Seller does not agree to cure. Notwithstanding anything to the contrary contained herein (including, without limitation, inclusion or exclusion from Buyer's Objections notice) in no event shall Buyer be required to take title to the Property subject to the Objections that Seller does not agree to cure.

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...er elect or be deemed to have elected not to cure: (1) any Monetary Liens and/or (2) any other liens, encumbrances or other matters first appearing of record after the date of Buyer's initial title examination ("Subsequent Encumbrances"), Seller being hereby obligated to remove or satisfy all such Monetary Liens and Subsequent Encumbrances prior to Closing. In the event Seller fails to remove or satisfy such Monetary Liens and/or Subsequent Encumbrances prior to Closing, Buyer shall have the right, in addition to its remedies contained in Section 7(c) herein, to proceed to Closing and remove or satisfy such matters on behalf of Seller, offsetting the cost to do so with a credit of equal amount against the Purchase Price.

(b) **Delivery and Review of Due Diligence Materials.** Within five (5) days after the Effective Date, Seller shall deliver to Buyer copies of any and all documents in Seller's possession or readily available to Seller pertaining to the Property, including without limitation any title-related documents, easements, surveys, engineering plans, maps, leases, contracts, site plans, environmental reports, soils reports, governmental correspondence or notices ("Due Diligence Materials"). Seller shall deliver all such Due Diligence Materials along with a signed Due Diligence Certification in the form set forth on Exhibit B, attached hereto ("Due Diligence Certification"). Buyer shall have until the expiration of the Examination Period to complete its review of the Due Diligence Materials.

(c) **Examination of Property.** During the term of this Agreement, Buyer, its agents and/or representatives, at Buyer's expense and at reasonable times, shall have the right but not the duty to enter upon the Property for the purposes of inspecting, examining, performing soil boring and other testing, surveying and performing other tests and/or inspections of the Property. Buyer shall be responsible for all damage or liability to the extent resulting from its acts in exercising its rights under this subsection.

(d) **Cooperation.** Buyer may undertake to rezone the Property at any time(s) during the Term of this Agreement. Seller shall support and cooperate with Buyer to the best of its ability and shall consent to such rezoning including signing any and all necessary applications or consent forms. In addition, Seller shall reasonably cooperate with Buyer at all times during the term of this Agreement, at no material cost or expense to Seller, in obtaining permits, examining the Property, providing the Due Diligence Materials, and otherwise proceeding toward Closing.

Section 5. Environmental. Seller represents and warrants that (i) no portion(s) of the Property (including without limitation any buildings, structures or containers thereon) contains any petroleum, oil, asbestos or any other hazardous wastes, hazardous substances, hazardous materials, toxic substances, hazardous air pollutants or toxic pollutants (collectively, "Hazardous Waste") as those terms are defined or otherwise used under any applicable federal, state or local law, regulation or ordinance (collectively, the "Environmental Laws"); (ii) no portion(s) of Property is/are in violation of any Environmental Laws; (iii) neither Seller nor any third party has used, manufactured, generated, treated, stored, disposed of, or released any Hazardous Waste on, under or about the Property; (iv) there is/are no storage tank(s) well(s) (whether existing or abandoned) located on, under or about the Property; and (v) Seller has received no correspondence or notice(s) from any governmental department or agency regarding any violations of Environmental Laws or the actual or suspected presence (past or present) of Hazardous Waste on the Property. Seller shall keep Buyer promptly informed at all times during the term of this Agreement with regard to any actual or suspected contamination of the Property by any Hazardous Waste (past or present), and will immediately forward to Buyer any and all correspondence, reports and/or documents Seller receives with respect to the same. In the event that Buyer discovers any Hazardous Waste on the Property prior to Closing, Buyer, in addition to any and all other rights and remedies available hereunder or at law or in equity, shall have the right to terminate this Agreement and receive a full refund of the Earnest Money. In the event any Hazardous Waste or any above-ground storage tanks ("AST's") or underground storage tanks ("UST's") are discovered on, in or under the Property, Seller shall immediately (prior to Closing) and properly remove and dispose of such items and all related contamination, such removal and disposal to be obligations of Seller and conditions precedent to Buyer's Closing obligations.

Section 6. Risk of Loss/Damage/Condition/Repair. Until the Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Seller shall not interfere with Buyer's rezoning or permitting processes. Seller hereby unconditionally agrees that without Buyer's express written approval (at Buyer's sole discretion) Seller shall not (i) apply for any municipal, state, or federal permit(s) related to the Property; (ii) attempt to rezone the Property or any portion thereof; and (iii) undertake any action that obstructs or unreasonably interferes with Buyer's rezoning or permitting processes. If at any time prior to Closing the Property is not in the same condition as it was on the Effective Date, or the Property is damaged or altered, or the condition thereof becomes such that the Property cannot be conveyed in a manner that would reasonably allow Buyer to develop the Property for the Intended Use, Buyer may, in its sole discretion, either: (a) terminate this Agreement, upon which Buyer shall be entitled to all Earnest Money and shall have no further obligations or liabilities hereunder; (b) proceed to Closing and have the right to require Seller to repair such change, damage or alterations to the Property.

Section 7. Earnest Money Deposit/Disbursement/Default.

(a) Within five (5) business days after the Effective Date, Buyer shall deliver to Escrow Agent the Earnest Money in the form of a cash deposit. In the event Buyer terminates this Agreement prior to expiration of the one hundred twentieth (120th) day of the Examination Period (notwithstanding whether such period has yet commenced), the Earnest Money shall be promptly returned by Escrow Agent to Buyer and neither party shall have any further rights, obligations or liabilities to the other hereunder, except as specified herein. If Buyer does not so terminate this Agreement prior to expiration of the one hundred twentieth (120th) day of the Examination Period then the Earnest Money shall thereafter be held by Escrow Agent to be applied as partial payment of the Purchase Price, and shall be non-refundable to Buyer except in the event of a Seller default and as otherwise expressly set forth in this Agreement. Escrow Agent shall be entitled to rely on (i) a receipt from Buyer of the written notice of termination of this Agreement dated on or before the one hundred twentieth (120th) day of the Examination Period, or (ii) a written notice of other permitted termination in accordance with the terms contained herein, for purposes of returning or disbursing the Earnest Money (as applicable) and Escrow Agent shall be absolved of any further responsibility or liability hereunder.

(b) In the event that Buyer defaults in any of its obligations undertaken in this Agreement and Seller is not in default of Seller's obligations hereunder, then Seller may provide Buyer with written notice of Buyer's default. If Buyer does not cure such default within fifteen (15) business days after such written default notice, Seller shall have the right to terminate this Agreement. Buyer's default shall constitute a breach of the Agreement.

Buyer, upon which termination Seller shall be entitled to receive the Earnest Money as full and agreed upon liquidated damages, and the parties hereto shall be released from further liabilities and/or obligations hereunder (except as otherwise provided herein). Except as may expressly stated in this Agreement, under no circumstances shall this Agreement be deemed to have automatically terminated. Seller hereby specifically waives and relinquishes any and all other rights and remedies, at law or in equity that it may have including but not limited to specific performance.

(c) In the event of a default or breach of the obligations, representations or warranties herein taken or made by Seller, Buyer shall be entitled to its choice of the following remedies:

(i) Buyer may compel Seller to perform each and every one of Seller's obligations, or to cure each and every breach, untruth or inaccuracy of a representation or warranty, as applicable, contained in this Agreement by a suit for specific performance and Buyer shall also be entitled to recover all costs and expenses incurred in connection therewith, and Buyer shall be entitled to pursue any other remedies it may have at law or in equity to collect damages from Seller. In the event the remedy of specific performance is impractical, impossible or unavailable to Buyer, Seller shall be responsible to Buyer for any and all damages incurred by Buyer, and Buyer shall have any and all remedies available at law or in equity, including without limitation a reduction in Purchase Price equal to the amount of damages incurred or to be incurred by Buyer because of such default or breach. Seller hereby authorizes Buyer to record a memorandum of this Agreement to the extent permitted by applicable law in the Public Records / Office of the Register of Deeds for the County in which the Property is located; and/or

(ii) Buyer may terminate this Agreement by written notice to Seller, upon which termination Buyer shall be entitled to receive a full refund of, and Escrow Agent is hereby authorized to distribute directly to Buyer, the Earnest Money and Buyer shall be entitled to pursue any other remedies it may have at law or in equity to collect damages from Seller, including but not limited to reimbursement for due diligence fees, such as, without limitation, the cost of obtaining a survey, title reports, title commitments, legal fees, appraisal fees, loan fees, environmental and soils reports fees.

Section 8. Closing. Seller hereby agrees to sell the Property to Buyer for the Purchase Price at Closing, and Buyer hereby agrees to pay the Purchase Price at Closing. The Closing shall consist of the execution and delivery by Seller to Buyer of a Special Warranty Deed and other documents customarily executed by a seller in similar transactions, including without limitation, an owner's affidavit, lien waiver and a non-foreign affidavit. The Closing shall take place at the office of Buyer's attorney or such other place as the parties hereto may mutually agree. Possession of the Property shall be delivered at Closing, unless otherwise agreed herein. Buyer shall have a reasonable amount of time after the Closing Date to complete this transaction so long as Buyer is, in good faith, proceeding towards Closing.

Section 9. Notices. 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 either: (i) delivered in person, (ii) one (1) day after being deposited with a nationally-recognized overnight courier, (iii) sent via facsimile, as evidenced by an automatically generated confirmation report (provided that such notice is also sent via another acceptable method hereunder), or (iv) three (3) days after being deposited in the United States mail, registered or certified, return receipt requested, items (i)-(iv) above being sent to the applicable addresses/numbers set out below, or at such other addresses/numbers as specified by written notice delivered in accordance herewith. Any notices given or made under this Agreement may be given by legal counsel for the party giving such notice. Buyer's and Seller's respective notice addresses shall be as follows:

Seller's Notice Address:
Quarter Pointe Ventures, LLC
P.O. Box 395
Fort Mill, SC 29716
Phone: _____
Fax: _____

Buyer's Notice Address:
Durban Acquisitions, LLC
3735-B Beam Road
Charlotte, NC 28217
Attn: Collin Ricks

Section 10. Representations and Warranties; Other Obligations. Seller hereby represents and warrants to and covenants with Buyer as follows, the truth and accuracy of such representations or warranties being obligations of Seller:

(a) **Authorization.** Seller is duly authorized and has full authority to enter into this Agreement and to execute and deliver all documents required for Closing. This Agreement and all documents to be executed and delivered hereunder are and at the time of Closing shall be legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Seller has not granted any option or right of first refusal or first opportunity to any party to acquire any interest in the Property.

(b) **Compliance.** Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property, the use and operation of the Property is in compliance with all applicable federal, state and local laws, regulations, codes and ordinances, and the performance of the Agreement will not result in the breach of, constitute any 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. Use of the Property for Buyer's Intended Use will not violate any private restrictions, zoning or other governmental ordinances or regulations.

(c) **Condemnation; Pending Litigation.** There is/are no: (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against Seller and/or the Property, and Seller is not aware of any facts that might result in any such action, suit or other proceeding; (iii) changes contemplated in any applicable laws, ordinances or restrictions

fecting the Property; and/or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer or other improvements on or adjoining the Property, and no owners' association special assessments.

(d) **Accuracy.** All reports and documents (including without limitation the Due Diligence Materials) delivered by Seller to Buyer in connection with this Agreement are true, correct and complete copies of such documents, containing no misinformation or material omissions, and are without material default including any default that would arise by notice or the passage of time.

(e) **Utilities; Infrastructure.** Utilities (including electricity, sewer, water, storm water filtration and storm water drainage) currently are, or no later than Closing shall be, provided to the boundary lines of the Property so that the same shall be available to and readily accessible by Buyer for use thereupon immediately after Closing. There currently is no and previously there has been no dumping, burial, abandonment or existence of organic debris, unsuitable soils, man-made materials and/or refuse on any portion(s) of the Property.

(f) **Subdivision.** Either (a) the Property currently is a separate and discrete parcel and shall be conveyed as such at Closing; or (b) if the Property requires subdivision and/or recombination in order to be conveyed as a separate and discrete parcel at Closing, Buyer shall have the right to so subdivide and/or recombine the Property at Closing. Seller shall cooperate with any such subdivision and/or recombination and shall sign any consents or other documents necessary in connection therewith.

(g) **Agreements Concerning Property.** There are no unrecorded written or oral leases or tenancies on or concerning the Property, except as follows: _____ (if this line is left blank, Seller warrants and represents there are no such leases or tenancies). Except as otherwise specifically agreed herein by Buyer, to the extent there are written or oral leases or tenancies on the Property, recorded or unrecorded, all such leases or tenancies shall be terminated by Seller and the Property shall be completely vacated (including any and all personal property associated with such leases or tenancies) prior to Closing. During the term of this Agreement, Seller shall not enter into any new lease agreements or other agreements or contracts (recorded or unrecorded) concerning the Property, nor (by action or inaction) extend, renew, modify, amend, supplement or change any existing leases or contracts, or otherwise encumber the Property without the prior written consent of the Buyer.

Section 11. Miscellaneous.

(a) **Entire Agreement.** 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. All Exhibits attached hereto are hereby incorporated into this Agreement.

(b) **Survival.** All representations, warranties, covenants and agreements made by the parties hereto shall be reasserted at Closing and shall survive Closing. Seller shall, at or within one (1) year after 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 more effectively complete Closing and to fulfill the obligations set forth herein, this provision to survive Closing.

(c) **Applicable Law.** This Agreement shall be construed under the laws of the State in which the Property is located.

(d) **Calculation of Time Periods.** When computing any period of time described in this Agreement, in the event the last day of the period so computed falls on a Saturday, Sunday, bank or legal holiday under the laws of the State in which the Property is located or the State of North Carolina, the period shall run until the end of the next day which is neither a Saturday, Sunday, bank or legal holiday. The final day of any such period shall be deemed to end at 11:59:59 pm eastern time.

(e) **Broker's Commissions.** Seller shall be responsible for paying out of its proceeds at Closing a brokerage commission to the brokers listed in Section 1 as set forth in a separate agreement executed simultaneously herewith. Buyer shall not be responsible for paying brokerage commissions and Buyer and Seller each hereby represent that, except for the brokers listed above, there are no other brokers involved or that have a right to proceeds in this transaction.

(f) **Force Majeure.** In the event that Buyer shall be delayed, hindered in or prevented from performing any act required hereunder by reason of weather-related delays, natural disasters, strikes, lockouts, inability to procure permits, failure of power, restrictive governmental laws or regulations, civil commotion, riots, insurrection, war, acts of God, fire, unavoidable casualty, the discovery and/or removal of any Hazardous Materials on or from the Property or any other reason not the fault of, or within the reasonable control of, Buyer ("Force Majeure"), then performance of such act shall be excused for the period of the delay and the period allowed for the performance of such act shall be extended for a period equivalent to the period of such delay.

(g) **Assignment.** Buyer may freely assign this Agreement at any time or times without the consent of Seller.

(h) **Counterparts; Signatures.** This Agreement may be executed in counterparts and/or with counterpart signature pages, all of which together shall constitute a single agreement. Electronic facsimiles of signatures shall be acceptable and binding.

Section 12. Confidentiality. Seller hereby agrees that, during the term of this Agreement, Seller, its agents, employees, directors, officers, managers and shareholders/members, shall keep all details of this transaction confidential, including without limitation the Purchase Price and any and all tenant information; provided that Seller may disclose such information only as necessary to Seller's accountants, attorneys, lenders and professional advisors, so long as such parties also commit to keeping such information confidential.

Section 13. Offer/Execution Necessary. This Agreement shall be regarded as an offer by Buyer to Seller and is open for acceptance by Seller until 5 p.m. on the 7th day of April, 2015, by which time a copy of this Agreement executed by Seller must have actually been received by Buyer. In the event that Buyer does not receive a copy of this Agreement executed by Seller by said time and date, this Agreement shall be null and void and of no further force or effect, and neither Buyer nor Seller shall have any further rights or obligations hereunder, and Earnest Money, if any, delivered hereunder shall be immediately returned to Buyer. This Agreement shall not be binding upon Seller or Buyer until fully executed and delivered by duly authorized representatives of Seller and Buyer.

SIGNATURE PAGE TO AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY.
THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT
COULD BE ENFORCEABLE IN A COURT OF LAW.

BUYER:

Durban Acquisitions, LLC
By: DBN Durban Management, LLC
its Manager

(SEAL)

SELLER:

Quarter Pointe Ventures, LLC

(SEAL)

By: _____

Name: _____

Title: Manager

Date: _____

Name: _____

Title: _____

Date: _____

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

(Name of Firm)

Date _____

By: _____

Notwithstanding anything to the contrary in this Agreement, Escrow Agent shall have no liability hereunder, and Buyer and Seller shall indemnify and hold harmless Escrow Agent, for any action or inaction of Escrow Agent unless the same constitutes willful misconduct or gross negligence. Escrow Agent shall not incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of counsel given with respect to any questions relating to duties and responsibilities, or (ii) to any action taken or omitted to be taken in reliance upon any documents, including any written notice of instruction provided for in this Agreement, not only as to its execution and the validity and effectiveness of its provisions, but also to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to be signed or presented by a proper person or persons and to conform with the provisions of this Agreement. In the event any party to the transaction underlying this Agreement shall tender any performance after the time when such performance was due, Escrow Agent may proceed under this Agreement unless one of the parties to this Agreement shall give to the Escrow Agent written direction to stop further performance of the Escrow Agent's functions hereunder. In the event written notice of default or default is given to the Escrow Agent by any party, or if Escrow Agent receives contrary written instructions from any party, then Escrow Agent will promptly notify all other parties of such notice. Thereafter, Escrow Agent will decline to disburse funds or to deliver any instrument or otherwise continue to perform its escrow functions, except upon receipt of a mutual written agreement of the parties or upon appropriate order of court. In the event of a dispute, the Escrow Agent is authorized to deposit the escrow into a court of competent jurisdiction for a determination as to the proper disposition of said funds. In the event that the funds are deposited in court, the Escrow Agent shall be entitled to file a claim in the proceeding for its costs and counsel fees, if any.

[illegible]

EXHIBIT B

[Due Diligence Certification]

_____, 2015

Durban Acquisitions, LLC
Attn: Stacey McKeithan
3735-B Beam Road
Charlotte, North Carolina 28217

RE: Agreement for Purchase and Sale of Real Property by and between Quarter Pointe Ventures, LLC ("Seller") and Durban Acquisitions, LLC ("Buyer"), dated _____ (the "Agreement")

Dear Ms. McKeithan:

As required under Section 4(b) of the Agreement, enclosed please find all of Seller's Due Diligence Materials. These materials are true, correct and complete copies of such documents, containing no misinformation or material omissions.

Very truly yours,

From: [Debbie Weatherby](#)
To: chris@joshuagroupproperties.com; cindy@joshuagroupproperties.com; pencelee6@windstream.net
Cc: [Bryan Tuttle](#)
Subject: PSA - Quarter Pointe Ventures - Fort Mill SC (TTC - 3 27 15)(2)
Date: Friday, March 27, 2015 4:43:51 PM
Attachments: [PSA - Quarter Pointe Ventures - Fort Mill SC \(TTC - 3 27 15\)\(2\).docx](#)

Chris:

Attached are the changes I've made today. Bryan will have additional changes on Monday in Section 7, Earnest Money Deposit/Default/Disbursement.

Let me know if you see any other needed changes.

Debbie Weatherby
THE TUTTLE COMPANY
803.366.1158 x225 Office
704.408.8701 Cell
Debbie@tuttleco.com

-----Original Message-----

From: Jim Merrifield [mailto:JMerrifield@mpvre.com]

Sent: Thursday, April 9, 2015 6:03 PM

To: Chris <chris@joshuagroupproperties.com>

Cc: Steve Vermillion <svermillion@mpvre.com>

Subject: Re: Outparcel

Chris-- we are working on studying the out parcel more closely for potential layouts and its effectiveness in blocking another grocer. This will take a few days.

> On Apr 9, 2015, at 7:38 AM, Chris <chris@joshuagroupproperties.com> wrote:

>

> Jim,

>

> Enjoyed speaking with you again yesterday concerning the outparcel and the 1.1m offer we have on it.

>

> I checked the numbers on the outparcel last night, considering the note (Jim L.), commissions and taxes we would need to realize \$500K on a JV.

>

> Jim if this is to high for you and Steve maybe one of those investors you spoke of during the last deal would like to buy and the property out right or some other structure?

>

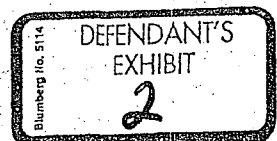
> Please feel free to make suggestions.

>

> Steve enjoy the Masters!

>

> Sent from Chris Barton



From: Chris Barton
To: Roger Pence
Cc: Tamera Pence; CINDY MBLE; Lee pence
Subject: Re: Out-parcel
Date: Monday, April 20, 2015 9:43:38 AM

Roger Lee already replied he would like me to continue with MPV's offer. I'll forward his email to you.

Chris Barton

On Apr 20, 2015, at 9:25 AM, Roger Pence <1riversteward@gmail.com> wrote:

Yeah.

Thoughts:

Doing the deal with mpv and closing with Jim saves us 9 months interest and ends things with him. \$3k/month?

If the parcel loses value then it would be on us anyway.

Partnering with mpv may be safest decision but not best to put as much money in our pockets in nine months.

We would have some money to disburse by closing with mpv.

I am inclined to go with mpv.

Dad?

Tamera?

On Apr 20, 2015 9:01 AM, "Chris Barton" <chris@joshuagroupproperties.com> wrote:

Good question, but they have been unwavering from their requested time frames.

My best recall is a 120 examination period, with 4 ea 30 day extensions and a 30 day closed. If my math is correct that's 9 months.

We also have the path of holding it and wait for another offer, which will come with its own requirements.

Chris Barton

On Apr 20, 2015, at 8:34 AM, Roger Pence <1riversteward@gmail.com> wrote:

If we met them and were ok with their intentions, could get them in writing, would we still consider their offer?

On Apr 20, 2015 8:31 AM, "Chris Barton" <chris@joshuagroupproperties.com> wrote:

We can however it will not be a new proposal, it's the same one.

They were given the opportunity from Debbie to meet with us and clear up who they are and their intentions with the property.



From: Chris Barton
To: Steve Vermillion; Jim Merrifield
Cc: Roger Pence; Lee Pence; Cindy; Tamera Pence
Subject: Re: Dobys outparcel
Date: Monday, April 20, 2015 11:20:50 AM

Jim and Steve,

Thanks for coming down last week.

I've spoken with Lee and Roger and wanted to make sure I conveyed everything correctly from our meeting concerning the out parcel.

1. Form a separate LLC.
2. \$500,000 for 1/2 undivided interest in the 1.66 out parcel.
3. Upon the sell/development, you guys get the first \$500,000 we get the next \$500,000.
4. After that we spit everything 50/50.

This will keep the property in our control but over time net us the same as if we outright sold it.

Please correct or add to if I've missed any key points.

Chris Barton

On Apr 16, 2015, at 2:12 PM, Jim Merrifield <JMerrifield@mpvre.com> wrote:

Chris—thanks for the offer to come up here but we'll come down there in case we want to look at anything on site.

James Merrifield | <[image001.jpg](#)> MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704-561-5241 (direct) | www.mpvre.com

From: Chris Barton [<mailto:chris@joshuagroupproperties.com>]
Sent: Thursday, April 16, 2015 1:26 PM
To: Jim Merrifield
Cc: Steve Vermillion
Subject: Re: Dobys outparcel

That works for me, or your office works also.

Chris Barton

On Apr 16, 2015, at 1:07 PM, Jim Merrifield <JMerrifield@mpvre.com> wrote:

How about your office at 1:30?

James Merrifield | <[image001.jpg](#)> MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704-561-5241 (direct) | www.mpvre.com

From: Chris Barton [<mailto:chris@joshuagroupproperties.com>]
Sent: Thursday, April 16, 2015 12:35 PM
To: Jim Merrifield



From: Jim Merrifield <JMerrifield@mpvre.com>
Date: May 7, 2015 at 3:36:10 PM EDT
To: Chris Barton <chris@joshuagroupproperties.com>
Cc: Chris Skvoretz <cskvoretz@mpvre.com>, Steve Vermillion
<svermillion@mpvre.com>
Subject: DB2 Associates ,LLC --initial draft

Chris—here is the draft of the LLC for the outparcel. Note that I've tried to keep this as simple as possible. I've given you hand written changes because I think it's easier to see the changes from the first LLC. Pls let me know your comments.--Jim

From: mpvscanner@gmail.com [<mailto:mpvscanner@gmail.com>]
Sent: Thursday, May 07, 2015 10:02 AM
To: Jim Merrifield
Subject: Message from KMBT_C554



From: Chris
To: "Jim Merrifield"; "Steve Vermillion"
Cc: "Cynthia Barton"
Subject: DB2 Associates ,LLC --initial draft
Date: Wednesday, May 20, 2015 10:33:04 AM
Attachments: Outparcel Plat - recorded.PDF

Jim,

Sorry I am just now getting back with you on this. Trying to finish up a home construction for one of my clients this week.

My partners and I have reviewed the draft operating agreement you sent over. The only thing we see that we need to make sure gets changed of course is the legal description. Attached is a pdf of the recorded plat of this outparcel for your convenience. There will need to be "Less and Except" language added since the ROW areas that are in question (the gray areas on the plat) are not to be included. Let me know if you have any questions about this.

If you could have your attorney make the changes shown and send us a second revised draft for review as soon as possible. I am leaving Saturday and will be out of town all next week so I'd like to be able to sign off on this before leaving.

Thanks,

Christopher R. Barton | GC/BIC
Joshua Group Properties
P.O. Box 1556
Fort Mill, SC 29716
803.802.1840 O
803.802.1841 F
704.309.3379 C
chris@joshuagroupproperties.com
<http://www.joshuagroupproperties.com>

From: Jim Merrifield [mailto:JMerrifield@mpvre.com]
Sent: Thursday, May 14, 2015 8:57 AM
To: Christopher Barton
Cc: Kim Young
Subject: Fwd: DB2 Associates ,LLC --initial draft

Chris-- I thought I sent this last Thursday. Sorry if it did not go through. -- Jim

Kim-- pls re-send to Chris with the attachment. It's in my dobys folder. My phone won't send the document.

Begin forwarded message:

From: "Jim Merrifield" <JMerrifield@mpvre.com>



From: Copeland, Kathryn E. [mailto:CopelandKE@scdot.org]
Sent: Monday, June 1, 2015 4:17 PM
To: Chris <chris@joshuagroupproperties.com>
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Chris,

We could request concurrence to sell the right of way outside of the new right of way limits needed. In cases where the new area of right of way on a road encompasses areas that were previously acquired by easement, deed, condemnation, or legislation, we retain all rights to the road right of way. We will be glad to request the engineers to review anything outside of those limits, but it cannot occur until after the new project is complete and accepted into the State Highway System for maintenance and the new right of way has been deeded from York County to SCDOT. As Jim Gaddy mentioned, it looks like it will be early 2016 before that occurs.

As an example, on this plat, Tracts 3 and most of 4 appear to be within the new right of way limits and therefore would need to be retained by SCDOT. Since the new right of way along Holbrook Road and Dobys Bridge Rd. is not shown, I cannot tell how much of that right of way may be outside of the right of way limits and considered possible surplus. We will be able to tell more after the construction of the project.

I hope this is not too confusing!

Thanks,

Kathryn E. Copeland
SCDOT, Property Management
Post Office Box 191
Columbia, SC 29202-0191
(803) 737-4477 (phone)
(803) 737-1403 (fax)



From: Chris [<mailto:chris@joshuagroupproperties.com>]
Sent: Monday, June 01, 2015 3:52 PM
To: Copeland, Kathryn E.; 'Gaddy, Jim'
Cc: Celestine, Tabitha W.; Wessinger, Eric; chris@joshuagroupproperties.com
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Sorry Kathryn here are both forms.

Christopher R. Barton | GC/BIC
Joshua Group Properties
P.O. Box 1556
Fort Mill, SC 29716
803.802.1840 O
803.802.1841 F
704.309.3379 C
chris@joshuagroupproperties.com
<http://www.joshuagroupproperties.com>

From: Copeland, Kathryn E. [<mailto:CopelandKE@scdot.org>]
Sent: Monday, June 1, 2015 2:44 PM
To: Gaddy, Jim; 'chris@joshuagroupproperties.com'
Cc: Celestine, Tabitha W.; Wessinger, Eric
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Jim and Chris,

My office will be glad to process your request for possible surplus property on this project after the

new right of way has been deeded to SCDOT. Please complete the attached form and return it to our office along with any drawings or plats to assist us in correctly identifying the property in question. After the project is complete and accepted into the State Highway System for maintenance and the new right of way has been conveyed to SCDOT, we will then request that our engineering sections review the property, taking into consideration any future need SCDOT may have for the area.

Jim – do you have any idea when the deed to SCDOT will be submitted and if the construction is complete?

Thanks so much and please feel free to contact me if you have any questions. I may be reached by phone at the number below or by email at copelandke@scdot.org.

Sincerely,

Kathryn E. Copeland
SCDOT, Property Management
Post Office Box 191
Columbia, SC 29202-0191
(803) 737-4477 (phone)
(803) 737-1403 (fax)

From: Wessinger, Eric
Sent: Monday, June 01, 2015 2:15 PM
To: Copeland, Kathryn E.
Cc: Celestine, Tabitha W.; 'chris@joshuagroupproperties.com'; Gaddy, Jim
Subject: RE: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Kathryn,

Can you please see Jim's email below. Project 03-004 has not been "deeded/turned over" to the SCDOT yet by York County so SCDOT might not want to relinquish any property yet.

Thanks,
Eric

J. Eric Wessinger
Railroad Projects Office
South Carolina Department of Transportation
955 Park Street – Room 424
Columbia, SC 29201
803-737-4440

From: Gaddy, Jim [<mailto:Jim.Gaddy@yorkcountygov.com>]
Sent: Monday, June 01, 2015 1:59 PM
To: Wessinger, Eric
Cc: Celestine, Tabitha W.; 'chris@joshuagroupproperties.com'

Subject: Fort Mill Southern Bypass SCDOT Parcel Surplus Strips

Eric:

On the Fort Mill Southern Bypass Project 03-004, the County procured the right of way for the new road, with the intent to later deed it to the SCDOT upon construction completion. This new road crossed some SCDOT roads that were realigned for this project. Some remainder parcel strips were left on the SCDOT roads that the SCDOT no longer needs we presume. One of the owners of property with some remainder parcel strips left inside their property boundary's contacted me today and wants to talk to someone about how to acquire these parcel strips. His name is Christopher R. Barton, Joshua Group Properties, 704-309-3379, chris@joshuagroupproperties.com. Please contact him and let him know who at the SCDOT he needs to discuss this with.

Jim Gaddy, P.E.
York County Government
Engineering Project Manager
Pennies - for - Progress
Office Phone: 803-818-5753
Cell Phone: 803-242-6573
FAX 803-684-8596

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From: [Chris Barton](#)
To: [Matthew Cox](#); [Cindy](#)
Subject: Fwd: Message from KMBT_C554
Date: Thursday, July 23, 2015 6:02:07 PM
Attachments: [image001.png](#)
[Untitled attachment 00039.htm](#)
[SKMBT_C55415072314071.pdf](#)
[Untitled attachment 00042.htm](#)

Chris Barton

Begin forwarded message:

From: Chris Skvoretz <cskvoretz@mpvre.com>
Date: July 23, 2015 at 3:04:03 PM EDT
To: Chris Barton <chris@joshuagroupproperties.com>
Cc: Jim Merrifield <JMerrifield@mpvre.com>, Steve Vermillion
<svermillion@mpvre.com>
Subject: FW: Message from KMBT_C554

Chris,

Attached is the revised schedule 5.1a and 5.1b to the DB2 Associates operating agreement. Also attached is the revised survey (which will be attached as Exhibit A) as well as the calculation of the value of portion of land to be contributed later (Tract 5). We will also add a definition of "Land" – as collectively Tracts 5 and 6 as described in Exhibit A. Please call Jim or I and we can walk you through the changes.

Thanks,

Chris Skvoretz |



SCHEDULE 5.1(a)

DB2 ASSOCIATES, LLC
Interest Owner Information
Date: July _____, 2015

Names and Addresses of the Interest Owners	Type of Interest Owner	Base Capital Contributions	Priority Capital Contributions	Capital Commitments	Total Capital Contributions	Units	Voting Interests
Quarter Pointe Ventures, LLC	Member	\$500,000	0	\$104,658	\$604,658	50	50%
MPV Dobys Bridge, LLC	Member	\$500,000	0	\$104,658	\$604,658	50	50%
TOTALS		\$1,000,000		\$209,316	\$1,209,316	100	100%

QPV Disc. Resp 00207

SLK_CHA#517186v6

Schedule 5.1(a)-1

ROA_0460

SCHEDULE 5.1(b)

DB2 ASSOCIATES, LLC
Capital Contributions
Date: July _____, 2015

Name of Interest Owner	Character of Capital Contribution (Base or Priority)	Assets Contributed ¹	Adjusted Tax Basis	Assets Committed ²	Adjusted Tax Basis Capital Commitment	Liabilities Transferred to the Company	Total Book Value	Net Capital Account Credit
MPV Dobys Bridge, LLC	Base	Cash	\$500,000		\$104,658	None	\$604,658	\$604,658
Quarter Pointe Ventures, LLC	Base	Undivided one-half interest in Tract 6	\$500,000	Undivided one-half interest in Tract 5	\$104,658	None	\$604,658	\$604,658
TOTALS			<u>\$1,000,000</u>		<u>\$209,316</u>	<u>None</u>	<u>\$1,209,316</u>	<u>\$1,209,316</u>

¹ As of the date of this Schedule 5.1(b), Quarter Pointe Transferred to the Company unencumbered fee simple title to Tract 6 in exchange for its Interest and a cash payment of \$500,000. The Members acknowledge and agree that for federal income tax purposes, Quarter Pointe is treated as (i) making a Capital Contribution of an undivided one-half interest in Tract 6 to the Company in exchange for Quarter Pointe's Interest and (ii) under Code § 707(a)(2)(B), selling an undivided one-half interest in Tract 6 to the Company in exchange for \$500,000.

² Within thirty (30) days after the abandonment of Tract 5 as public right of way without the reservation of easements or right to third parties for continued use, Quarter Pointe will transfer to the Company unencumbered fee simple title to Tract 5 in exchange for its Interest and a cash payment of \$104,658. The Members acknowledge and agree that for federal income tax purposes, Quarter Pointe is treated as (i) making a Capital Contribution of an undivided one-half interest in Tract 5 to the Company in exchange for Quarter Pointe's Interest and (ii) under Code § 707(a)(2)(B), selling an undivided one-half interest in Tract 5 to the Company in exchange for \$104,658.

SLK_CHA:#517186v6

ROA_0461

DB2 Associates
Tract 5 Valuation

Tract 6		
Parcels		Sq Ft
1		5,230
2		72,517
3		9,566
		87,313
Value	\$	1,000,000
Value/Sq Ft		11.45

Tract 5		
		18276
Total Value	\$	209,316
	\$	104,658

From: Matthew Cox
To: Ruth Cunnup
Cc: Caroline Cushing
Subject: Quarter Pointe Purchase Agreement for approximate 1.6 acre piece Holbrook Road
Date: Monday, July 27, 2015 3:39:53 PM

Ruth:

My client's have a potential purchaser for the 1.6 acre tract and need a payoff for Mr. Lineberger's Note- effective August 3, 2015. The Purchase Price is less than a million dollars. I will provide a draft closing statement for your review prior to closing.

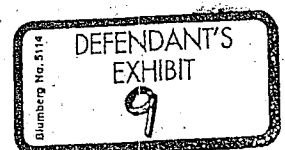
The County has not released the R/W to my client and still contends it is government property, so no additional monies are expected.

With kind regards,

Matthew E. Cox, Esq.

Matthew E. Cox, LLC
1320 Main Street, Suite 300 | 803-724-1320
Columbia, South Carolina 29201 | Admitted in NC, SC & DC
matthew@mecoxlaw.com

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From: Ted Barnes [mailto:ted@argusdevelopmentgroup.com]
Sent: Monday, July 27, 2015 2:46 PM
To: Chris <chris@joshuagroupproperties.com>
Subject: FW: LOI_Dobys _ Dobys Bridge/Fort Mill Bypass 7 7 15

Chris, you around this week to discuss?

From: Mayson Petty [mailto:mpetty@gallantprop.com]
Sent: Monday, July 27, 2015 2:32 PM
To: Chris Barton <chris@joshuagroupproperties.com>
Cc: Mayson Petty <mpetty@gallantprop.com>
Subject: RE: LOI_Dobys _ Dobys Bridge/Fort Mill Bypass 7 7 15

Chris,

Do you expect to have a response to the LOI this week?

Thanks,
Mayson Petty
Gallant Properties, LLC
1812 East Blvd
Charlotte, NC 28203
704-333-0660 ext 223
704-650-5169 cell
704-333-0661 fax
mpetty@gallantprop.com

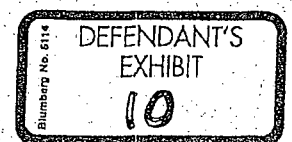
From: Chris Barton [mailto:chris@joshuagroupproperties.com]
Sent: Wednesday, July 15, 2015 4:49 PM
To: Mayson Petty <mpetty@gallantprop.com>
Subject: Re: LOI_Dobys _ Dobys Bridge/Fort Mill Bypass 7 7 15

Yes, thank you Mayson.

To be upfront with you we are also reviewing another offer.

I'll get back with you with our decision.

Chris Barton



From: [Chris Skvoretz](#)
To: [Chris Barton](#); cindy@joshuagroupproperties.com
Cc: [Jim Merrifield](#); [Steve Vermillion](#)
Subject: Operating Agreement for DB2 Associates
Date: Wednesday, August 5, 2015 3:19:31 PM
Attachments: [image001.png](#)
[SKMBT_C55415080514040.pdf](#)
[DB2_Associates_LLC_Operating_Agreement_Revised_8-5-15.pdf](#)

Attached is the completed operating agreement for DB2 Associates, LLC. I have attached the changes from the prior version. The changes were to incorporate Tract 4 into the description of the Land and the initial contribution. Let me know if you have any questions regarding the changes to the operating agreement.

Thanks,

Chris Skvoretz |  MPV Properties | 521 E. Morehead Street, Suite 400 | Charlotte, NC 28202 | 704.561.5278 (direct) | 704.806.0821 (cell) | www.mpvre.com
Like us on [Facebook](#) | Follow us on [Twitter](#) | Follow us on [LinkedIn](#)

From: mpvscanner@gmail.com [<mailto:mpvscanner@gmail.com>]
Sent: Wednesday, August 05, 2015 10:04 AM
To: Chris Skvoretz
Subject: Message from KMBT_C554



Grantee's Address: 449 Hendon Row Way
Fort Mill, SC 29715

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

TITLE TO REAL ESTATE
(LIMITED WARRANTY DEED)

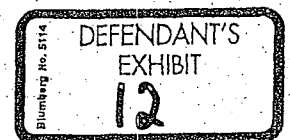
KNOW ALL MEN BY THESE PRESENTS, QUARTER POINTE VENTURES, LLC, a South Carolina limited liability company ("Grantor"), in the State aforesaid, County aforesaid for and in consideration of the sum of Six Hundred Thousand Six Hundred Fifty Eight and no/100 (\$604,658.00) Dollars, in hand paid at and before the sealing of these presents by DB2 ASSOCIATES, LLC, a North Carolina limited liability company ("Grantee"), in the State aforesaid, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release, subject to the permitted exceptions set forth in Exhibit B attached hereto and incorporated herein by reference (the "Permitted Exceptions") and the matters excluded by the disclaimer of warranties set forth on Exhibit C attached hereto and incorporated herein by reference (the "Disclaimed Matters"), unto the said Grantee, its successors and assigns the following described property, to-wit:

**SEE EXHIBIT A ATTACHED HERETO
AND INCORPORATED HEREIN BY REFERENCE**

THIS CONVEYANCE IS MADE SUBJECT TO the Permitted Exceptions and the Disclaimed Matters.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said property belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said property, subject to the Permitted Exceptions and Disclaimed Matters, unto the said Grantee, its successors and assigns forever.



AND Grantor hereby covenants with the Grantee that Grantor will warrant and defend the title to the property, subject to the Permitted Exceptions and Disclaimed Matters, against the lawful claims of all persons claiming by, under or through Grantor and no others.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed, this _____ day of August in the year of our Lord, two thousand fifteen.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

QUARTER POINTE VENTURES, LLC,
a South Carolina limited liability company

By: _____ (SEAL)

Name: Christopher R. Barton

Title: Managing Member

STATE OF [STATE]

COUNTY OF [COUNTY]

GRANTOR'S ACKNOWLEDGMENT

On this _____ day of August, 2015, before me personally appeared _____, to me known to be the individual described herein who executed the foregoing Title To Real Estate and acknowledged that he executed the same.

(Seal)
Notary Public For _____
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

To Be Inserted

TMS: 0201201189

Derivation: BEING a portion of the property conveyed to the Grantor by deed of James Alton Kimbrell and Joyce H. Kimbrell recorded in the Office of the Clerk of Court for York County in Book 08327, Page 146 on August 21, 2006

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

AFFIDAVIT FOR TAXABLE OR EXEMPT TRANSFERS

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is located in the City of Fort Mill, York County, South Carolina as more particularly described on Exhibit A attached hereto, bearing York County Tax Map Number 0201201189 and is being conveyed by QUARTER POINTE VENTURES, a South Carolina limited liability company to DB2 ASSOCIATES, LLC, a North Carolina limited liability company on August _____, 2015

3. Check one of the following: The deed is

- (a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- (c) _____ exempt from the deed recording fee because (See Information section of affidavit):

(If exempt, please skip items 4-7, and go to item 8 of this affidavit.)

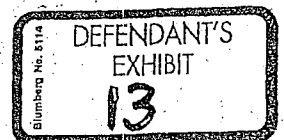
If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes _____ or No _____

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit.):

- (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$604,658.00
- (b) _____ The fee is computed on the fair market value of the realty which is _____
- (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____

5. Check Yes _____ or No ☒ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____

6. The deed recording fee is computed as follows:



- (a) Place the amount listed in item 4 above here: \$604,658.00
(b) Place the amount listed in item 5 above here: \$ 0.00
(If no amount is listed, place zero here.)
(c) Subtract Line 6(b) from Line 6(a) and place result here: \$604,658.00

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$2,238.50

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Manager of the Manager of the limited liability company.

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Signed, Sealed and Delivered
In the Presence Of:

Quarter Pointe Ventures, a South
Carolina limited liability company

Witness #1

By: _____
Name: Christopher R. Barton
Title: Managing Member

Witness #2

SWORN to before me
this ____ day of August, 2015

Notary Public for _____
My Commission Expires: _____

SUBSTITUTE FORM 1099-S
PROCEEDS FROM REAL ESTATE TRANSACTIONS
FOR THE TAX YEAR: 2015
OMB No. 1545-0997

SETTLEMENT AGENT/FILER'S NAME AND ADDRESS
Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202

Filer's Federal Tax ID Number: 56-0559307
FILE NUMBER: 033356.____

SELLER/TRANSFEROR'S NAME AND ADDRESS
Quarter Pointe Ventures, LLC
449 Hendon Row Way
Fort Mill, SC 29715

Transferor's Federal Tax ID Number: 20-5329527

1) Date of Closing: August __, 2015	2) Gross Proceeds: \$604,658.00	4) X here if property or services received:	5) Buyer's part of real estate tax:
3) Address or Legal Description: See attached Exhibit A.			

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

YOU ARE REQUIRED BY LAW TO PROVIDE SETTLEMENT AGENT/FILER WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE SETTLEMENT AGENT/FILER WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN ABOVE ON THIS STATEMENT IS MY CORRECT TAX PAYER IDENTIFICATION NUMBER. I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

QUARTER POINTE VENTURES, LLC,
a limited liability company

By: _____
Name: Christopher R. Barton
Title: Managing Member

Date: August __, 2015



From: Cynthia Barton
To: Sara Chapman
Cc: Steve Vermillion; Emily Reynolds; Chris Skvoretz; Christopher Oates; Chris Barton
Subject: Re: DB2 Closing - Signature Pages
Date: Wednesday, August 12, 2015 8:16:17 AM

Also, if you could show the payoff going to James Lineberger on that line as well.

Thanks!

Cynthia F. Barton | President
Joshua Group Properties
P.O. Box 1556
Fort Mill, SC 29716
803.802.1840 O
803.802.1841 F
704.351.1987 C
cindy@joshuagroupproperties.com
<http://www.joshuagroupproperties.com>

On Aug 12, 2015, at 8:00 AM, Cynthia Barton <cindy@joshuagroupproperties.com> wrote:

Good morning Sara!

Thank you for sending over the settlement statement. Chris (Barton) and I reviewed this and would like a couple of changes to it. If you could, please remove the "Note" at the top regarding the proposed later payment of \$104K. Also, all references to Coldwell Banker Tuttle and/or commission amounts. There will not be a commission paid to them on this closing.

If you could make those changes and re-send to me please. We are having the Satisfaction of Mortgage sent to the lienholder's attorney today for signing. Will keep you updated on status.

Let me know if you have any questions.

Cynthia F. Barton | President
Joshua Group Properties
P.O. Box 1556
Fort Mill, SC 29716
803.802.1840 O
803.802.1841 F
704.351.1987 C
cindy@joshuagroupproperties.com
<http://www.joshuagroupproperties.com>

On Aug 11, 2015, at 3:56 PM, Sara Chapman <sarachapman@myvalaw.com> wrote:

Cynthia,

Please find attached the draft closing statement for your review. Please let me know if you have any comments.

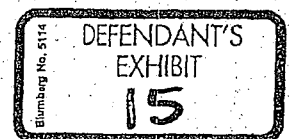
Thank you again for your help!
Sara

Sara L Chapman | Paralegal | sarachapman@myvalaw.com | 704.331.2491 | Fax: 704.331.1159
Moore & Van Allen PLLC | Suite 4700 | 100 North Tryon Street | Charlotte, NC 28202



From: Cynthia Barton [<mailto:cindy@joshuagroupproperties.com>]
Sent: Tuesday, August 11, 2015 3:34 PM
To: Sara Chapman
Cc: 'Steve Vermillion'; Emily Reynolds; 'Chris Skvoretz'; Christopher Oates
Subject: RE: DB2 Closing - Signature Pages

Thanks Sara!



From: Chris Barton [mailto:chris@joshuagroupproperties.com]
Sent: Wednesday, June 10, 2015 4:43 PM
To: Chris Skvoretz
Cc: Jim Merrifield
Subject: Re: DB2 Associates, LLC

Chris I'm a little confused about the attached DB2 Associates operating agreement.

As I explained in an earlier email, I can not include the grey areas shown in the exhibit in the proposed land deal with MPV.

I am more than will to finalize the deal excluding the grey areas.

Chris Barton

On Jun 10, 2015, at 4:25 PM, Chris Skvoretz <cskvoretz@mpvre.com> wrote:

Chris/Jim,

Attached is the DB2 Associates operating agreement reflecting the changes from the initial draw. Let me know if you have any further comments or questions.

Also attached is the initial capital call for the project, which will cover the land transfer costs, legal costs and other carry costs. Let me know if Quarter Pointe will fund their share.

Thanks,

Chris Skvoretz |  MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704.561.5278 (direct) | 704.80630821 (cell) | www.mpvre.com

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<DB2_Associates__LLC_Operating_Agreement.pdf>

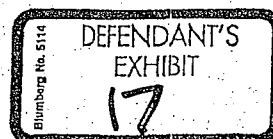
<Dobys 6.10.15 Capital Contribution.pdf>

2 attachments



Joshua Group
PROPERTIES

image002.jpg
13K



ROA_0475

QPV Disc. Resp 00171

image004.jpg
5K

Chris <chris@joshuagroupproperties.com>
To: Cindy Barton <cindy@mecoxlaw.com>

Mon, Mar 21, 2016 at 1:41 PM

Christopher R. Barton | GC/BIC

Joshua Group Properties

P.O. Box 1556

Fort Mill, SC 29716

803.802.1840 O

803.802.1841 F

704.309.3379 C

chris@joshuagroupproperties.com

<http://www.joshuagroupproperties.com>



Joshua Group
PROPERTIES



From: Jim Merrifield [mailto:JMerrifield@mpvre.com]
Sent: Friday, June 12, 2015 9:56 AM
To: Chris Barton <chris@joshuagroupproperties.com>
Subject: RE: DB2 Associates, LLC

Chris—pls call if you get a chance or it can wait until next week. I'll be in the office this morning.—Jim

James Merrifield |  MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704.561.5241 (direct)
| www.mpvre.com

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From: Chris Barton [mailto:chris@joshuagroupproperties.com]
Sent: Thursday, June 11, 2015 2:57 PM
To: Jim Merrifield
Cc: Chris Skvoretz
Subject: Re: DB2 Associates, LLC

Jim I'm in Florida taking care of some family matters. I can call tomorrow, but I'm not opposed to your suggestion.

Chris Barton

On Jun 11, 2015, at 10:53 AM, Jim Merrifield <JMerrifield@mpvre.com> wrote:

Chris—I left you a voicemail but would like to discuss a clarification that the legal for the outparcel would exclude the ROW along Old Holbrook Rd but include the ROW along former Doby's Bridge Rd. Pls take a look and give me a call to discuss.—Jim

James Merrifield |  MPV Properties | 521 E. Morehead Street, #400 | Charlotte, NC 28202 | 704.561.5241
(direct) | www.mpvre.com

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From: Chris Barton [mailto:chris@joshuagroupproperties.com]
Sent: Wednesday, June 10, 2015 4:43 PM
To: Chris Skvoretz
Cc: Jim Merrifield
Subject: Re: DB2 Associates, LLC

Chris I'm a little confused about the attached DB2 Associates operating agreement.

As I explained in an earlier email, I can not include the grey areas shown in the exhibit in the proposed land deal with MPV.

I am more than will to finalize the deal excluding the grey areas.

BARNES DEVELOPMENT COMPANY

5037 Montibello Drive

Charlotte, NC 28226

VIA EMAIL

July 7, 2015

Mayson Petty
Gallant Properties, LLC
1812 East Blvd
Charlotte, NC 28203

RE: Purchase of 1.66 acres at Doby's Bridge Rd/Southern Bypass/Holbrook Rd, Fort Mill, SC

Dear Mayson:

Pursuant to our discussions and my conversation with Chris Barton, Barnes Development Company ("Buyer") is pleased to provide Quarter Pointe Ventures, LLC ("Seller") with the following good faith, non-binding letter of intent to purchase the above referenced 1.66 acres of property in Fort Mill, South Carolina.

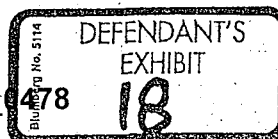
Property: 1.66 acres of land (the "Property") as shown on the attached Exhibit A and to be more specifically defined in a Real Estate Purchase and Sale Agreement (the "Agreement") to be executed by the parties.

Purchase Price: \$1,100,000, with a \$10,000.00 earnest money deposit to be held in escrow by Chicago Title.

Feasibility Period: Buyer shall have a one hundred twenty (120) day Feasibility Period in which to conduct studies, tests and evaluations of the Property, and shall have the right to terminate the Agreement and receive a refund of the earnest money if said evaluations are not satisfactory to Buyer in its sole discretion. Prior to the expiration of the Feasibility Period, Buyer shall have the opportunity to extend the Feasibility Period for one 30-day extension period upon an additional earnest money deposit of \$10,000. While it is agreed that Buyer can terminate the Agreement for any or no reason and at any time, after the initial 120 days of the Feasibility Period all earnest money deposits shall be non-refundable to Buyer except in the event of Seller default. All Earnest Money deposits shall be applicable to the Purchase Price.

Closing Conditions: Buyer shall not have the obligation to purchase the Property unless certain representation, warranties, and conditions are met, which shall be detailed in the Agreement, but which shall include

ROA-478



QPV Disc. Resp 00185

title that is satisfactory to Buyer and delivery of the Property free of all tenants, occupants and hazardous substances.

Closing: Closing shall occur within thirty (30) days following the expiration of the Feasibility Period.

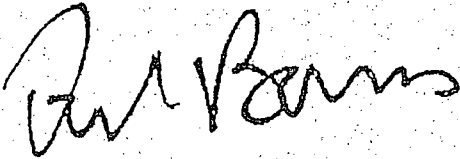
Assignment: Buyer shall have the right, without the prior written consent of Seller, to assign Buyer's interest in the Agreement to a third party.

Brokerage: Gallant Properties, LLC acting as Buyer's Agent represents the Buyer. At closing, Seller agrees to pay Gallant Properties, LLC a commission equal to Four (4%) Percent of Purchase Price per separate agreement.

Following the execution of this Letter of Intent, I will provide a draft Agreement of Purchase and Sale for your review.

Sincerely,

Barnes Development Company



Ted Barnes
President

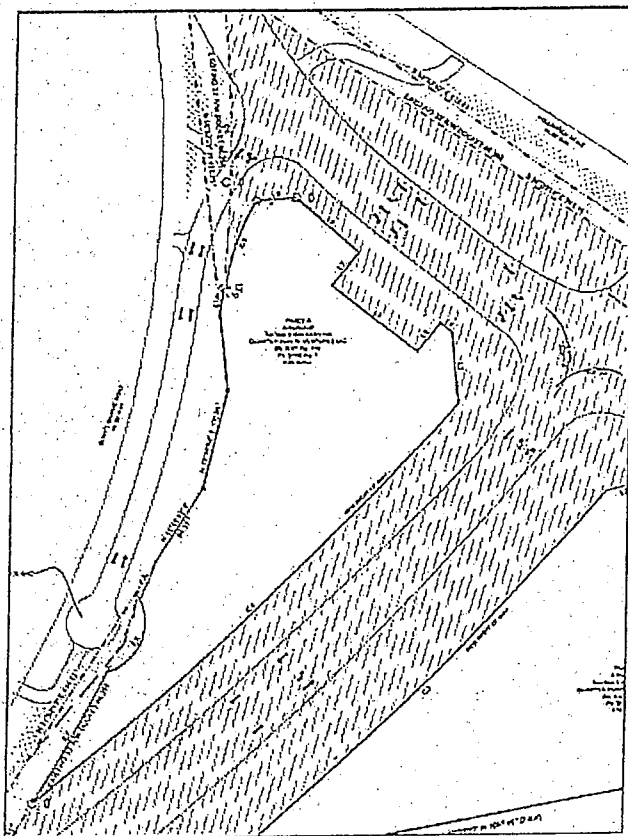
AGREED AND ACCEPTED THIS _____ DAY OF _____, 2015

Quarter Pointe Ventures, LLC _____

By: _____

Title: _____

Date: _____

Exhibit A

Jim L

From: Chris Barton <chris@joshuagroupproperties.com>
Sent: Wednesday, February 18, 2015 5:13 PM
To: Jim L; Roger Pence; Lee Pence
Cc: Cynthia Barton
Subject: Re: Quarter Pointe

Follow Up Flag: Follow up
Flag Status: Flagged

Partners,

I just hung up from a conference call with Jim M and Steve V.

They feel because of the reduction in our acreage (1.6 acres) , that their price reduction of \$142,000 is more than fair and they are ready to continue with the deal minus that reduction.

They however will still close our deal with the \$1,300,000, the back end amount of the deal is where we will see the difference.

Because of this change I will need another email stating your yes or no vote on continuing with the deal.

On a side note, I believe there will be opportunities for us to makeup the \$142 difference on the C-store site/ransom strips.

Call me if you have questions.

ent from my iPhone

On Feb 18, 2015, at 2:52 PM, Jim L <plar@windstream.net> wrote:

Thanks

Jim Lineberger
Land Acquisitions
C.704-363-3475
plar@windstream.net

Cynthia Barton <cindy@joshuagroupproperties.com> wrote:

I have the return and will forward it to Brian

Cynthia F. Barton | President

Joshua Group Properties

P.O. Box 1556

Fort Mill, SC 29716

Jim L

From: Jim Lineberger <plar@windstream.net>
Sent: Tuesday, March 3, 2015 10:45 AM
To: 'Chris Barton'
Subject: RE: Loan amount with accrue interest.

Chris,

We may have misunderstood each other. I'm just asking for a small portion of proceeds to pay off towards the note that I am not receiving payments on for 2 years. If you receive 400k from MPV then you could pay down the note 100k as it would behove you too. ☺

I agree with our discussion when it was only going to be 145k. Now we are talking about 400k and that is a big chunk of cabbage. I also accepted the value of the 1.6 temporarily for 1M which we have it listed for more and I think it is worth more. This is what the loan is based on and not the true value.

Call me if this doesn't make sense.

 Jim Lineberger
Land Acquisitions

 plar@windstream.net
C: 704.363.3475
F: 704.243.2641

CONFIDENTIALITY NOTICE: This email may contain confidential and privileged material for the sole use of the intended recipient(s). Any review, use, distribution or disclosure by others is strictly prohibited. If you have received this communication in error, please notify the sender immediately by email and delete the message and any file attachments from your computer. Thank you.

From: Chris Barton [mailto:chris@joshuagroupproperties.com]
Sent: Tuesday, March 03, 2015 10:28 AM
From: Jim Lineberger
Subject: Re: Loan amount with accrue interest.

When we discussed this earlier, by asking for 25% on distributions you negate the whole reason for the buy out.

It behoves us to get you paid off as soon as possible.

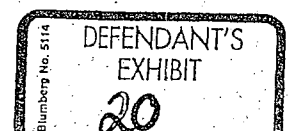
Chris Barton

On Mar 3, 2015, at 10:18 AM, Jim Lineberger <plar@windstream.net> wrote:

To make it a win/win 7 years will be fine, but would like to have some provision that states if you receive any distribution from MPV, a minimum of 25% will go toward the note. Fair?

<image002.jpg> Jim Lineberger

ROA_0482



This writing and/or any message therein are the property of ECF Associates, P.A. The reproduction, distribution, copying or other use of the foregoing without the written consent is prohibited and any infringement will be subject to legal action.

ECF Associates, P.A.

ROA_0483

[illegible][illegible]

ESP

ESP Associates, P.A.
P.O. Box 7070 3478 Lakewood Blvd.
Durham, NC 28224 Parkville, MO 64070
704-583-1948 (NC)
803-603-2440 (MO)
www.esp-nc.com



DAVID A. WOODHOLM, SCIENCE

[illegible]

PRELIMINARY PLAT
NOT FOR RECORDATION,
CONVEYANCES, OR SALES.

		NAS SCHIFF	1-70
		P 18 36	QZ
NO.	DATE	REVISION	BY
ALTA/ACSM LAND TITLE SURVEY DOBY'S BRIDGE COMMERCIAL TRACT TAX PARCELS 0201201199, 0201201190 LOCATED IN THE TOWN OF FORT MILL, YORK COUNTY SOUTH CAROLINA		02/27/01 JH 02/27/01 JH 02/27/01 JH 02/27/01 JH	02/27/01 JH 02/27/01 JH 02/27/01 JH 02/27/01 JH
OWNER: MERRILL PATRICK VERMILION 511 EAST BEAUFORD STREET SALE HQ CHARLOTTE NC 28202 TEL 704-344-1000		02/27/01 JH 02/27/01 JH 02/27/01 JH 02/27/01 JH	02/27/01 JH 02/27/01 JH 02/27/01 JH 02/27/01 JH

DEFENDANT'S
EXHIBIT
21

From: Chris
To: "Jim Merrifield"; "Steve Vermillion"
Cc: "Cynthia Barton"
Subject: Outparcel
Date: Monday, July 6, 2015 11:33:55 AM

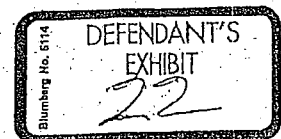
Jim and Steve,

Hope you enjoyed the 4th, just wanted to be upfront with you guys.

I was just contacted regarding an offer being sent to me on the outparcel, it seems HT is moving forward.

Regards,

Christopher R. Barton | GC/BIC
Joshua Group Properties
P.O. Box 1556
Fort Mill, SC 29716
803.802.1840 O
803.802.1841 F
704.309.3379 C
chris@joshuagroupproperties.com
<http://www.joshuagroupproperties.com>



From: Chris Barton
To: Roger Pence
Cc: Lee pence; CINDY MBLE
Subject: Re: 1.6
Date: Saturday, April 18, 2015 11:06:20 AM

Roger yes on all counts. The main concern of Steve and Jim are that someone would buy the outparcel and combine it with the other property and create our competition.

Chris Barton

On Apr 17, 2015, at 10:06 PM, Roger Pence <riversteward@gmail.com> wrote:

Are Steve and Jim M interested in developing the site or do they see potential interest by an anchor who may wish the add gas pumps at the site like Kroger and Walmart are doing?

And less interest paid to Jim so a pro associated with no more notes.

On Apr 17, 2015 3:15 PM, "Chris" <chris@joshuagroupproperties.com> wrote:

Lee and Roger,

Cindy and I just finished a meeting with Steve and Jim M. discussing the outparcel.

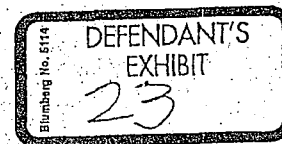
The following key points are on the table:

1. New LLC for outparcel
2. \$500,000 (now) for ½ interest in land
3. When the land sells they get the first \$500,000
4. We get the next \$500,000
5. Split the profits after that

Pros:

1. Cash quick
wait on remaining monies

2. All notes paid off
property value decrease



1. Longer

2. Possible

3. Keep us involved
4. Possible property value increase
5. Control build out
6. Small remaining payback to us after note is paid

As for the other interested party, Debbie (Tuttle) told them they would need to do a face to face with us and disclose their intensions, if there was any chance of a deal working.

Let me know your thoughts,

Christopher R. Barton | GC/BIC

Joshua Group Properties

P.O. Box 1556

Fort Mill, SC 29716

803.802.1840 O

803.802.1841 F

704.309.3379 C

chris@joshuagroupproperties.com

http://www.joshuagroupproperties.com

<image002.jpg>

<image004.jpg>

STATE OF SOUTH CAROLINA
COUNTY OF YORK

IN THE COURT OF COMMON PLEAS
SIXTEENTH JUDICIAL CIRCUIT
C/A NO. 2015-CP-46-02608

QUARTER POINTE VENTURES, LLC,

Plaintiff,

vs.

JAMES LINEBERGER,

Defendant.

DEFENDANT'S POST-TRIAL
MEMORANDUM

STATEMENT OF CASE

The action filed by the Plaintiff, Quarter Pointe Ventures, LLC ("Plaintiff" or "Company") against the Defendant, James Lineberger ("Defendant"). In its Complaint, Plaintiff seeks to enforce the provisions of a Membership Buyout Agreement ("Buyout Agreement") executed by the parties, and requests the Court interpret the Buyout Agreement to require that the Defendant satisfy its lien on the property based upon a proposed transaction made by the Plaintiff. Under the terms of the proposed transaction, the Plaintiff agreed to sell a one-half interest in the property to a new entity, DB2 Associates, LLC ("DB2"), in which the Plaintiff would remain as a one-half interest owner in the buyer, DB2. The Buyout Agreement specifically provides upon a sale of the property which produces a net profit over \$1,000,000.00 that the Plaintiff will pay to the Defendant 25% of the net profits over \$1,000,000.00.

The Buyout Agreement deals with a 1.66 acre tract of land located on the corner of Doby's Bridge Road and the Fort Mill Bypass, which tract of land is referred to in this Memorandum as "Property", and in the Buyout Agreement as "Collateral."

The Plaintiff's Complaint demands that the court declare that the proposed transaction was a sale in that the property was not sold for more than \$1,000,000.00, the Defendant was only entitled to the amount of the Note, plus interest. The Plaintiff also demands that the interest on the Note be suspended as of August 15, 2015.

FACTS FROM TESTIMONY, WITNESSES AND DOCUMENTATION

Obviously, in order to properly evaluate this case, the court must determine the facts. The Defendant contends that the following are undisputed facts, which can be determined from the testimony and Exhibits introduced.

1. The Mortgage provides, "The Mortgagor is indebted to Mortgagee in the principal sum of \$395,000.00 (the "Loan"), pursuant to that certain Promissory Note of even date herewith (the "Note"). It has been agreed that all of the obligations of the Mortgagor under the Note are to be secured by this Mortgage. The Note, this Mortgage, and the Buyout Agreement evidencing and securing the Loan, shall be hereinafter referred to as the "Loan Documents." The Mortgage is security for the Loan Documents. (See *Exhibit D to the Complaint*.)
2. Paragraph 3 of the Buyout Agreement provides that, "if the sale of the Collateral produces a net profit over \$1,000,000.00, the Company further agrees to compensate Defendant for 25% of such net profits over \$1,000,000.00. (*Emphasis supplied.*) (See *Exhibit A to the Complaint*.)
3. The Buyout Agreement refers to the property in gray on Exhibit C is referred to as "ROW." The Buyout Agreement specifically provides in paragraph 5 that if the Company receives additional compensation for the ROW, it agrees to compensate the Defendant for 25% of the additional compensation received.
4. Paragraph 5 of the Buyout Agreement specifically provides that the Company shall not "deed any portion of the ROW for its own gain without compensation to Lineberger." (*Emphasis supplied.*)
5. Paragraph 7 of the Buyout Agreement obligates the Plaintiff to notify Defendant prior to the sale of the "Collateral" and "ROW's."
6. The Plaintiff received an offer on March 24 from Durban Acquisitions, LLC ("Durban") to purchase the Property, without any portion of the ROW for \$1,100,000.00. (See *Defendant's Exhibit No. 1.*) The Company did not make any counteroffer or negotiate with Durban regarding the purchase price.
7. The Company received an Offer on July 7, 2015 from Barnes Development Company to purchase the Property for \$1,100,000.00. (See *Defendant's Exhibit No. 18.*) The Defendant did not respond to the Barnes Offer or make any counteroffer. Testimony was given by Chris Barton, a member of the Plaintiff, that part of the reason the Company did not respond to the Barnes' Offer was that it knew that Barnes regularly dealt with property used in the development of grocery stores, and that if the Company sold the Property in response to the Barnes' Offer, it would put Barnes in a position to compete with property owned by a joint venture which owned by a joint venture that had the same members as DB2, and which owned a tract of land directly across the street from the Property.
8. Prior to entering into any agreement with MPV Properties, LLC ("MPV") for

a joint venture, the Plaintiff continued to make concessions and eventually included substantial portions of the ROW into the proposed transaction. Evidence of this is shown as follows:

- A. Email dated April 9, 2015 from Chris Barton ("Barton"), one of the members of the Plaintiff to MPV representatives states, "I checked the numbers on the out parcel last night, considering the Note (Jim L.), commissions and taxes, we would need to realize \$500k on a JV. (See Defendant's Exhibit No. 2.)
- B. Email between Barton, Roger Pence and other members of the Plaintiff stated, "partnering with mpv may be the safest decision, but not best to put as much money in our pockets in nine months. We would have some money to disburse by closing with mpv. (Defendant's Exhibit No. 3.)
- C. Email dated April 20, 2015 between members of the Plaintiff and MPV where it is stated, "\$500,000 for one-half interest in the 1.66 out parcel. Upon the sale/development, you guys get the first 500, we get the next 500. After that we split everything 50/50. This will keep the property in our control, but over time net us the same as if we outright sold it." (Emphasis supplied.) (See Defendant's Exhibit No. 4.)
- D. Email from Barton dated May 20, 2015, wherein he states, "There will need to be "less and except" language added since the ROW areas that are in question (the gray areas on the plat) are not to be included. (Defendant's Exhibit No. 6.)
- E. Email dated June 10, 2015 from Chris Barton states, "As I explained in an earlier email, I cannot include the grey areas shown in the Exhibit to the proposed land deal with MPV." (Defendant's Exhibit No. 17.)
- F. Email dated July 23, 2015, attaches a revision of the QB2 Operating Buyout Agreement to include tracts 5 and 6, and attached documents showing that the parties have apparently valued the property, including 5 and 6 at \$1,209,316.00. (Defendant's Exhibit No. 8.)
- G. Schedule 5.1(b) to the DB 2 Operating Agreement states that the Plaintiff is selling a one-half undivided interest in Tract 5, a portion of the gray area, for \$104,658.00. (Defendant's Exhibit No. 8, page 3.)
- H. By email dated August 5, 2015, the Plaintiff and its joint venture partners are agreeing to add in Tract 4. (See Defendant's Exhibit No. 11.)

9. The Plaintiff did not accurately disclose to the Defendant the terms of the proposed sale of the Property through the joint venture in which it would have a 50%

participation interest. Representatives of the Plaintiff provided documents or contentions stating that the Defendant was only entitled to the payment of the Note and interest, and not any additional amount, and failed to disclose to the Defendant that not only was the Company proposing to sell the 1.66 acre tract of land, but it also intended to transfer to DB2, the joint venture, Tracts 4 and 5, which were parts of the "gray" area and the ROW. The following documents are evidence of these facts.

- A. Email dated July 27, 2015 from Matthew Cox to Ruth Cunnup, attorney for the Defendant "The Purchase Price is less than a \$1,000,000.00"... "the County has not released the R/W to my client and still contends that it is government property, so no additional monies are expected." (*Defendant's Exhibit No. 9.*)
- B. The proposed Limited Warranty Deed from the Plaintiff to DB2 Associates, LLC shows that the consideration is \$604,658.00. The Deed does not show that the Plaintiff is transferring one-half interest. (*Defendant's Exhibit No. 12.*) The Deed does not have a legal description attached, so the Defendant had no way of knowing what property was being conveyed. (*Defendant's Exhibit No. 12.*)
- C. The Affidavit of Consideration to be signed by the Plaintiff does not have a legal description attached, does not mention that the Plaintiff is transferring only a one-half interest of the Property, and states that the consideration is \$604,658.00. (*Defendant's Exhibit No. 13.*)
- D. The Substitute Form 1099-C to be signed by the Plaintiff, incorrectly states that the gross proceeds to be received are \$604,658.00.
- E. Emails dated August 11 and August 12, 2015 between representatives of the Plaintiff and DB2, the joint venture partners, regarding the proposed Settlement Statement, wherein it is disclosed that Cynthia Barton stated, "If you could, please remove the "Note" at the top regarding the proposed later payment of \$104k"... "We are having the Satisfaction of Mortgage sent to the lien holder's attorney today for signing." (*Defendant's Exhibit No. 15.*)

10. The Plaintiff in its internal communication clearly demonstrated that it was not paying a fair value for the 1.66 acre tract of land. This is demonstrated by the following:

- A. Upon cross-examination at trial, Barton, member of the plaintiff, was asked what was his opinion as to the reasonable fair market value of the 1.66 acre tract of land, excluding any of the gray areas, if sold to a third party which did not have an interest in any of the adjoining property. His response was, "\$1,100,000.00." Upon cross-examination, Chris Barton admitted that the Plaintiff was reluctant to sell the 1.66 acre tract of land to any other third party or entity,

because such sale may conflict with the ability of the joint venture to develop its other property located across the road from the 1.66 acre tract of land.

- B. The Plaintiff's own documents show that Tract 5, which is a part of the gray area and ROW, has a value of \$209,316.00. This value was computed by determining the square foot value of the 1.66 acre tract and using such square-foot value to determine the value of Tract 5. (*Defendant's Exhibit No. 8, page 5.*) QPV dis. Respo, 00210.
- C. Despite the fact that the email dated July 27, 2015 to the Defendant's attorney states that the County contends that the ROW is government property and no additional monies are expected (*Defendant's Exhibit No. 9.*), the email from Kathryn Copeland with SCDOT states in an email dated June 1, 2015, "I cannot tell how much of that ROW may be outside of the ROW limits and considered possible surplus. We will be able to tell more after the construction of the project. (*Defendant's Exhibit No. 7.*) She also has requested that the Plaintiff's representative complete a form and provide drawings regarding possible surplus property. (*Defendant's Exhibit No. 7, page 3.*)
- D. By email dated Jun 1, 2015, Jim Gaddy, York County Engineering Project Manager, stated "Some remainder parcel strips were left on the SCDOT roads, that SCDOT no longer needs we presume. Gaddy states that Chris Barton had contacted him about how to acquire these parcel strips. (*Defendant's Exhibit No. 7, page 5.*)

11. The Plaintiff had a conflict of interest in its proposal to sell the 1.66 acre tract of land and later, portions of the "gray" areas and "ROW" to DB2, the joint venture, where it was a 50% member. This is demonstrated by, among other things, the following:

- A. Barton testified that the Plaintiff did not seriously consider the Offer to purchase the 1.66 acre tract of land made by Durban Acquisitions, LLC, and did not counteroffer, because Durban was known to be a buyer which regularly was involved in the development of grocery stores. If Durban acquired the Property, it may compete with the Plaintiff's hope for use of its other property located across the road. (*Defendant's Exhibit No. 1.*)
- B. Chris Barton testified that the Plaintiff did not seriously consider the Offer to purchase the 1.66 acre tract of land for \$1,100,000.00 made by Barnes Development Company, because Barnes was known to be a buyer which regularly was involved in the development of grocery stores. (*Defendant's Exhibit No. 18.*)

- C. In an email between the members of the Plaintiff dated April 18, 2015, the parties discussed that, "MPV Properties is interested in purchasing the Property, but they were concerned that someone would buy the Property and combine it with other property, and create our competition." (*Emphasis supplied.*) In addition, it is stated that MPV Properties is interested in the 1.66 acre tract as a possible site for gas pumps, in a manner like Kroger and Walmart are doing. (*Defendant's Exhibit No. 23.*)

ARGUMENT

The Plaintiff's Complaint seeks a Declaratory Judgment which, among other things, requests the Court to determine that the Plaintiff has no obligation to the Defendant, other than to pay the Note which was executed in connection with the Buyout Agreement, and the grounds that a sale has taken place. There was no evidence presented to show that there was ever, in fact, a sale or even an Buyout Agreement to sell any property by Quarter Pointe Ventures, LLC, through its proposed joint venture partner, DB 2 Associates, LLC.

While the Plaintiff did introduce a proposed Operating Buyout Agreement, there is no Deed signed by the Grantor, the proposed Deed does not have a legal description attached, there is no Settlement Statement signed by a proposed purchaser, nor is there an Escrow Buyout Agreement or other document showing that any money was tendered to the Defendant as payment of the Note, or otherwise in fulfillment of the obligations of the Plaintiff under the Buyout Agreement. The Plaintiff's documents and other evidence appears to be nothing more than a proposed deal under the terms of which the Plaintiff was to transfer some parcel of land (and since there is no legal description on the Deed, it is impossible to determine what land was to be conveyed) to the joint venture, DB2. There are no documents which show that there is a transfer of only a one-half interest in the Property and, in fact, all of the documents show that the purchase price was \$604,658.00. How can the Court enter a Declaratory Judgment, as requested by the Plaintiff, when it is not even clear what property is to be sold and what the purchase price would be? The Defendant argues that the Plaintiff's request for a Declaratory Judgment should be denied on the grounds that there is no evidence of what the transaction was to be, which the Court could approve.

Assuming *arguendo* that the Plaintiff is requesting the Court to determine that the proposed transaction is in compliance with the Membership Buyout Agreement between the Plaintiff and Defendant, it requires the Court to review testimony of witnesses and documents presented to the Court. This first requires a review of the Agreement. There is no dispute that the Buyout Agreement was negotiated between sophisticated parties, both represented by Counsel, so a close reading of the Buyout Agreement is imperative. Secondly, the Buyout Agreement refers to the "Collateral" as a 1.66 acre tract shown on Defendant's Exhibit C. It is undisputed that the 1.66 acre tract of land did not include any portion of the "gray" areas, or the ROW. Paragraph 3 of the Buyout Agreement states that,

"if there is a 'sale' of the Collateral, or even a proposed sale. The Defendant contends that there never was a "sale of the Collateral." Essentially, what the Plaintiff was attempting to do was swap the Collateral for cash and transfer the Collateral to a joint venture in which the Plaintiff owned a one-half interest. The net effect of the "proposed sale" was that the Plaintiff only transferred one-half of the Collateral. In that the Plaintiff still owns one-half of the Collateral and the Buyout Agreement provides that the Defendant is entitled to the profits from the Collateral, the Defendant is entitled to a 25% interest in the profits of the Plaintiff related to the Collateral. This means that effectively the Defendant owns a one-fourth interest in the Plaintiff's membership interest in DB2.

In addition, paragraph 3 used the term, "net profit" and "net profits." Obviously, if the Plaintiff has only effectively sold one-half of the Collateral, the net profit cannot be determined until the Collateral has been sold, at which time the Defendant would be entitled to 25% of such profits. A reading of the Buyout Buyout Agreement makes it clear in that the Plaintiff has not sold the Collateral, the Defendant's rights in the Collateral remain.

It is a basic principle of contract law that all parties have an obligation to act in good faith and deal fairly with each other. It is clear that Plaintiff was engaged in a subterfuge in a number of respects. First, the Plaintiff made no attempt to show the Defendant any of the documents which were executed which showed that the "purchase price was less than \$1,000,000.00." Plaintiff's counsel merely sent an email to the Defendant's attorney making such a statement. In that there appears to be no Purchase Buyout Agreement ever signed between the Plaintiff and the joint venture, no purchase price ever given. The Plaintiff did not advise that it was not actually transferring the 1.66 acre tract of land, but only transferring a partial interest in the Property and retaining a one-half interest for itself.

It is undisputed that the Plaintiff owned, with MVP Properties, or one of its affiliates, a one-half interest in an approximate 14 acre tract of land, immediately across the road from the Property which is the subject of this litigation. Despite the fact that paragraph 5 of the Buyout Agreement prohibits the Plaintiff from transferring any portion of the ROW for "its own gain", without compensation to Defendant, the Plaintiff apparently had agreed to transfer most, if not all, of the ROW to the joint venture in which it had a 50% interest. No notice was given to the Defendant that the Plaintiff was transferring more than the 1.66 acre tract of land. It is clear that the intent of the Plaintiff at all times was to transfer all of the remaining property owned by it to an entity in which it had a 50% interest, to avoid having to pay the Defendant any of the compensation that it was entitled to under the Buyout Agreement.

One of the aspects of good faith and fair dealing requires a party to a contract to avoid conflicts of interest which could affect its obligations under the terms of an Buyout Agreement to which it is a party. The Defendant grossly disregarded these obligations. Barton admitted in testimony that the 1.66 acre tract, exclusive of any portion of the gray areas, would have resulted in a purchase price of \$1,100,000.00. He also admitted that the company was not interested in transferring title to the 1.66 acre tract to two entities who made offers, because the potential purchasers were regularly involved in the sale and development of grocery stores, and that a sale to such proposed purchasers could

adversely affect the values of the Plaintiff's other property. In fact as shown in items numbered 11(A), (B) and (C) above, the Plaintiff was protecting its interest in its other property and not interested in getting the highest and best price for the property described in the Buyout Agreement as the Collateral.

It is clear that the Plaintiff has engaged in a massive attempt to avoid its obligations to the Defendant under the Buyout Agreement. It has manipulated the purchase price to seek its own ends and protect its own interest. It has attempted to transfer substantially more property than it was entitled to in order to avoid its obligations to the Defendant and the Defendant's right to additional compensation, and has engaged in a shell game regarding the Property that it was transferring to the joint venture.

CONCLUSION

The Defendant requests the Court to deny all claims for relief in the Plaintiff's Complaint and award attorney's fees to the Defendant for the result of the fraud, deceit and subterfuge engage in by the Plaintiff.

This 11th day of May, 2016.

By: _____

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STATE OF SOUTH CAROLINA
COUNTY OF YORK

IN THE COURT OF COMMON PLEAS
SIXTEENTH JUDICIAL CIRCUIT

Quarter Pointe Ventures, LLC,

Plaintiff,

v.

James Lineberger,

Defendant.

2015-CP-46-2608

PLAINTIFF'S POST-TRIAL
MEMORANDUM REGARDING
DECLARATORY JUDGMENT

THIS MATTER CAME BEFORE THE COURT pursuant to an Order of Reference filed January 6, 2016, to hear Plaintiff Quarter Pointe Ventures, LLC ("QPV"), petition pursuant to S.C. Code Ann. §§ 15-53-10, et seq. for a declaratory judgment. A hearing was held before the Honorable S. Jackson Kimball on Thursday, April 14, 2016, at 9:30 am. Appearing on behalf of QPV was Matthew E. Cox, with Matthew E. Cox, LLC located in Columbia, South Carolina, and appearing on behalf of Defendant James Lineberger was Hugo A. "Hap" Pearce, III with Burris, MacMillan, Pearce & Burris, PLLC located in Charlotte, North Carolina. Testifying on behalf of the Plaintiff was Christopher Barton. Testifying on behalf of the Defendant was James Lineberger.

Plaintiff seeks a declaratory judgment that Defendant breached the Agreement by failing to provide a recordable Notice of Dissociation after the Membership Buyout Agreement; the Court declare that the transaction is a sale pursuant to Title 26 of the IRC, Section 707(a)(2)(B) requiring that Plaintiff's obligations to Defendant Lineberger with respect to the Collateral would be satisfied upon payment of the Note, and require Defendant to Satisfy the Mortgage; the Court suspend interest on the Note from August 15, 2015, or such date that the Court finds that Plaintiff was ready, willing and able to fulfill its obligations to tender the amount of the Note;

that the Court require Defendant Lineberger to provide Plaintiff a recordable Notice of Dissociation; the Company be ordered to pay Defendant Lineberger 25% of any amount recovered from York County for the ROW, if and when any money is recovered.

At the close of testimony the Court requested a Summary of Facts that relate to the sale of the property in question and for the attorney's to provide Law on the question of how to calculate the sale price, receipts of 1/2 interest in DB2 added to the sale price, and if value is added to the sale by the ROW areas, begin to figure what are the net profits.

FACTS

1. Plaintiff Quarter Pointe Ventures, LLC (the "Company") is a South Carolina limited liability company owning real property in York County.
2. James Lineberger ("Lineberger") is a resident of Union County, North Carolina and former member of the Company. He held a 25% membership interest in the Company.
3. On or about August 8, 2006, the Company was formed to own and acquire real estate located in York County off Doby's Bridge Road (the "Property").
4. Members of the Company were Christopher R. Barton (25% membership interest), Meverell L. Pence, Jr. (25% membership interest), Roger L. Pence (25% membership interest) and James Lineberger (25% membership interest).
5. On or about December 3, 2012, a portion of the Property was taken by York County for a road way and right of way, for which the Company was compensated.
6. In or about February 2015, the Company had a note secured by a mortgage on the Property, which was in arrears with Park Sterling Bank.
7. Prior to any foreclosure action, the Company negotiated a partial sale of a portion of the Property (1/2 interest in the approximately 14 acres), and Defendant Lineberger opted to

take money and a Note to have his membership interest bought out of the Company rather than to continue as a member.

8. During a survey for the closing with MPV, it was determined that York County took more of the Property than the Company believes it was compensated for (the "ROW" property).
9. Prior to closing, the Company agreed to a Membership Buyout of all membership interest of James Lineberger pursuant to the terms and conditions of a Membership Buyout Agreement (the "Agreement") executed on or about March 16 and March 17, 2015. A true and accurate copy of the Agreement, executed by all members is attached as **Exhibit A to the Complaint and Plaintiff's Exhibit 57**.
10. Defendant Lineberger provided Plaintiff's with executed copy, as provided is missing the final page with paragraphs 14, 15 and 16, which are not material terms. **Exhibit B to the Complaint and Plaintiff's Exhibit 55**.
11. Pursuant to the terms and conditions of the Agreement, $\frac{1}{2}$ interest in the large tract (14 acres) of the Property was sold for \$1,300,000.00 to MPV.
12. At the closing, the Company paid off the note to Park Sterling Bank and transferred a $\frac{1}{2}$ interest to MPV.
13. For the large tract, MPV and QPV formed a new entity which each retained a $\frac{1}{2}$ interest in the real property, called Doby's Bridge Associates. The tax basis for each entity being \$1,300,000.00.
14. The Company retained the smaller tract (1.6 acres) as Collateral for a Note to Lineberger, and the right for the Company to seek monies for that portion of the Property associated

with the smaller tract designated as Right of Ways ("ROW"), in hopes that the ROW would be abandoned and leave the Company free to sale the ROW unencumbered.

15. Testimony called these ROW areas "ransom strips." The same were referenced and identified in the Agreement.
16. Testimony was that the likelihood of the County or SCDOT abandoning the ROW to the Company was slight at best and the likelihood of any recovery small.
17. From the Closing of the large tract, Defendant Lineberger received \$320,000.00 cash of the \$500,000.00 in proceeds, pursuant to the Statement of Distributions (**Exhibit C to the Complaint**), and received a Note in the amount of \$395,000.00 (an executed copy the Note is attached as exhibit A of Exhibit A).
18. Testimony was that the amount of the Note to Lineberger from the Company was derived estimating that the net sale from the 1.6 acres would gross a million dollars. If it did not, the Company would have the risk, as it was obligated for a net \$250,000.00 to Lineberger.
19. Thus \$145,000 of the Note represented the balance owed to Lineberger for his interest from the sale of the 14 acres and \$250,000.00, (anticipated proceeds of the sale of 1.6 acres), secured by a Mortgage. A true and correct copy of the Mortgage is attached as **Exhibit D to the Complaint**.
20. Lineberger received a Note and a Mortgage recorded in York County, South Carolina.
21. The Mortgage being Instrument Number 201500296253, recorded in Book 14842, Page 19, in the York County Clerk of Court's Office.
22. In addition to the payment and the Note, the Membership Buyout Agreement provided that if the remaining Property sold and produced a net profit of over One Million Dollars

- (\$1,000,000.00), the Company would further compensate Lineberger for 25% of such net profits.
23. Moreover, the Company agreed that if it received any additional compensation or return of property from York County for the ROW, another government entity or another company, that the Company would pay to Lineberger 25% of the additional compensation.
 24. The Company agreed to not restrict or encumber the Property until the Note was paid in full and to give Lineberger notice of any sale.
 25. The Company fully paid Lineberger the \$320,000.00 at the closing of the first sale to MPV and executed the Agreement, the Note, recorded the Mortgage.
 26. On or about July 27, 2015, the Company noticed Lineberger that it was going to sell the remaining tract and requested a payoff of the note.
 27. On July 31, 2015, Lineberger, through counsel provided a payoff of the note and a per diem.
 28. On August 6, 2015, the purchaser requested additional time to perform due diligence.
 29. On August 12, 2015, the purchaser agreed to go forward with the transaction, resulting in a similar arrangement as prior, in that the Company would sell $\frac{1}{2}$ interest in the property and transfer its other $\frac{1}{2}$ into a new entity.
 30. The Company testified that it was ready, willing and able to close on August 15, 2015 and to tender the amount of the Note.
 31. The Company requested the Lineberger execute a Satisfaction of Mortgage that was to be held by the closing attorney in trust.

32. Exactly the same as the first transaction between QPV and MPV, a new entity was to be created. The parties designated the same as DB2 Associates.
33. QPV only reported the sale of the main tract for \$1,000,000.00 showing \$500,000.00 in proceeds to the Company. QPV did not report the agreement for the ROW as such agreement was contingent upon abandonment by government and no monies were to trade hands.
34. Pursuant to the Operating Agreement between QPV and MPV, each entity would hold a $\frac{1}{2}$ interest in the LLC, with an adjusted tax basis of \$1,000,000 in the real property. Additionally, the ROW areas would be valued at \$209,316, with such funds not being paid, but a future payment if the ROW were abandoned by the government. Otherwise the ROW would revert of 100% back to the Company if not abandoned by July 31, 2018.
35. Lineberger did not see the Operating Agreement before the lawsuit. In August 2015, Lineberger refused to provide a Satisfaction of Mortgage and stated through counsel that the transaction was not a sale for fair market value, that the Mortgage would not be Satisfied until the property was sold and 25% of net profits over a million were paid to him, and any proceeds from the ROW at a future date and time, but that he would accept the payment of the Note without releasing or satisfying the Mortgage.
36. Presently, the small tract has not been sold or transferred and remains in the name of QPV, but QPV has asked that interest be abated as they were ready to move forward and attempted to tender payment of the same by way of closing.
37. During trial, Lineberger argued that the property was not being sold for fair market value and provided evidence that another offer had been made on the property for \$100,000 more, albeit with an 8 month due diligence period and provisions to extend the same.

38. The Membership Buyout Agreement does not leave any discretion to the Defendant Lineberger to determine who the Company should sell the small tract to, or for what value is should be sold.
39. Business decisions are left to the Company, of which Lineberger is no longer a member.
40. Testimony by Barton was that while the other offer was \$100,000 more, the duration of the payout was 8 months away and the purchase was not guaranteed to occur in the 8 month period, while interest would continue to accrue on the Note and additional taxes would be paid on the smaller tract.
41. The Membership Buyout Agreement provides that "In addition to the full repayment of the Note including interest upon the sale of the Collateral, if the sale of the Collateral produces a net profit over One Million Dollars (\$1,000,000.00), the Company further agrees to compensate Lineberger for 25% of such net profits over \$1,000,000.00). Such additional compensation is due to Lineberger at the time of closing of the sale of the Collateral and shall be shown as payment to Lineberger on the closing statement. This is additional compensation to Lineberger over and above the Cash Payment and full repayment of the Note."
42. The Membership Buyout Agreement also provides that if the Company receives any additional compensation for the ROW or additional property for the Collateral, the Company Agrees to compensate Lineberger for 25% of the additional compensation received from York County, or other government entity or other purchaser.
43. Lineberger testified that even if the Note was paid off, he would not release the Mortgage, as he wanted security for the ROW.
44. The Mortgage references the Agreement, but the Note does not.

45. Neither party offered evidence as to the Net Profit to be realized from the sale, and that issue is not before the Court.

LAW

SALE OF PROPERTY

26 U.S.C.A. § 707 Transactions between partner and partnership governs such transaction in the Internal Revenue Code and provides in part as follows:

(a) Partner not acting in capacity as partner.--

(1) In general.--If a partner engages in a transaction with a partnership other than in his capacity as a member of such partnership, the transaction shall, except as otherwise provided in this section, be considered as occurring between the partnership and one who is not a partner.

(b) Certain sales or exchanges of property with respect to controlled partnerships.—

(2) Gains treated as ordinary income.--In the case of a sale or exchange, directly or indirectly, of property, which in the hands of the transferee, is property other than a capital asset as defined in section 1221--

(A) between a partnership and a person owning, directly or indirectly, more than 50 percent of the capital interest, or profits interest, in such partnership, or

(B) between two partnerships in which the same persons own, directly or indirectly, more than 50 percent of the capital interests or profits interests, any gain recognized shall be considered as ordinary income.

These transactions are denoted as a "disguised sale." Section 707(a)(2)(B) provides that if there is a direct or indirect transfer of money or other property by a partner to a partnership, a related direct or indirect transfer of money or other property by the partnership to such a partner, and the transfers, when taken together, are properly characterized as a sale or exchange of property, then such transfers shall be treated as a transaction between the partnership and one who is not a partner. In other words, it will be treated as a sale rather than a contribution and distribution. 1992 WL 1466104 (IRS FSA). While QPV will only be taxed on its ½ interest, under Exhibit

39A, the total sale would be the combination of the total value of the real property, One Million Dollars (\$1,000,000) for the smaller tract. Without knowing any costs, taxes, etc. there would be no Net Profit to the Company greater than One Million Dollars (\$1,000,000), as that is the starting place and no additional monies beyond the payoff are owed to Lineberger.

ROW

Next is the ROW, tracts 5a, 5b and 6. If the transaction were to go forward as contemplated, MPV would be conditionally acquiring a ½ interest in the ROW Tract 5(b) for a value of \$104,658. The total amount of the sale would be \$209,316.00. Twenty-five percent of the sale value is \$52,329.00, if the Company every received the same. According to the closing sale, monies would not be exchanged unless the County abandons the ROW. No value was attributed to ROW tracts 5a and 6. Discussion of the ROW is expressed in the Title Opinion (Plaintiff's Exhibit 28A).

RELEASE OF MORTGAGE

S.C. Code § 29-3-310 provides that a holder of a mortgage who has received full payment or satisfaction of the debt discharge or satisfy the Mortgage. A Note and a Mortgage are separate and distinct. While a Mortgage follows a Note, a Note does not follow a Mortgage. *S.C. Nat'l Bank v. Halter*, 293 S.C. 121, 128, 359 S.E.2d 74, 77 (Ct.App.1987) ("The assignment of a mortgage as distinct from the debt it secures is nugatory and confers no right upon the transferee absent some indication that the parties also intended to transfer the debt."). While the Mortgage describes additional obligations of the Membership Buyout Agreement, the Note does not and is the only evidence of actual debt, other than contingent or future obligations regarding the ROW contained in the Agreement. The Agreement is not a Note or evidence of debt, but as to a conditional and contingent future contractual event. Such agreement would constitute a restraint on alienation, in that there would be no definitive time or manner in which it release the Mortgage otherwise. The State of South Carolina disfavors restraint on alienation. *McCravey v. Otts*, 90 S.C. 447, 74 S.E. 142 (1912). ("Under South Carolina common law, any unreasonable limitation upon the power of alienation is against public policy and must be construed as having no force and effect.'). Lineberger cannot hold up the Plaintiff from selling or otherwise disposing of its real property in perpetuity while waiting for the SCDOT to determine if it will abandon Right-of-Ways, simply by refusing to provide a pay-off and lien cancellation as to the Note at closing.

INTEREST

Plaintiff requested a payoff, had a closing date, was ready willing and able to perform and Lineberger refused to provide a cancellation of lien, thus thwarting the closing. The Company has requested that the interest stop as of August 15, 2015, the date of the closing. "It is a long recognized principle in our courts that a valid tender stops the running of interest." *Ruscon*

Const. Co. of Fla. v. Beaufort-Jasper Water Authority, 259 S.C 314, 319, 191 S.E.2d 715, 717, (1972) citing *Smith v. Stinson*, 1 Brev. 1 (1793); *Ryan v. Baldrick*, 3 McCord 498 (1826).

Should the Court have any other matters that Plaintiff has failed to address, please advise.

Respectfully submitted,

By: s/ Matthew E. Cox
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