

NORTH CAROLINA

ROWAN COUNTY

REAL ESTATE PURCHASE CONTRACT

WHEREAS, this 11th day of April 2022, the Rowan-Salisbury Board of Education ("Buyer") hereby agrees to purchase, and Richard Monroe ("Seller") hereby agrees to sell and convey that parcel of land described as being Parcel 075, 076 and 402, Tax Map 011, Rowan County, North Carolina, consisting of approximately point eight-three (0.83) acres located at 522 North Main Street, Salisbury, NC 28144 as illustrated in Exhibit A, the exact location to be jointly agreed upon by Buyer and Seller, together with all improvements located thereon, and all appurtenances thereto belonging or appertaining, and all right, title and interest which seller may have in all creeks, streams, rights-of-way, roads, streets and ways bounding said property (the "Property").

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained and the earnest money deposit set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged and confessed, the parties hereto agree to the following terms and conditions:

1. PURCHASE PRICE: The purchase price is \$440,000.00 and shall be based upon the survey referred to in paragraphs 2.b.(1), and shall be paid as follows:
 - a. \$44,000.00 in earnest money paid by check to Sean Walker, Attorney at Law with the delivery of this Contract, to be held in trust until the sale is closed, at which time it will be credited to Buyer, or until this Contract is otherwise terminated and it is disbursed in accordance with the terms of this Contract.
 - b. The balance of the purchase price, in cash at closing.
2. CONDITIONS: The obligation of Buyer to purchase the Property is subject to the satisfaction at or prior to closing of the following conditions:
 - a. The Rowan County Board of Commissioners must, prior to closing, approve purchase of the Property.
 - b. Within sixty (60) days after the date that the Chairman of the Rowan-Salisbury Board of Education signs this Contract, Buyer must be able to obtain, at its expense, the following:

- (1) a survey of the Property by a registered land surveyor and a legal description that conforms to the survey;
 - (2) a determination of the suitability of the Property for providing on sitewater supply and wastewater disposal for the intended use;
 - (3) a determination that there will be no adverse affect to the intended use of the Property due to the existence of rock or other unsuitable soil conditions;
 - (4) a determination that there are no engineering or land planning conditions that would have an adverse effect on the intended use of the Property; and
 - (5) an environmental assessment of the Property to determine the existence of conditions that may be governed by Federal, State or Local Environmental Laws. Failure to determine such conditions by this inspection shall not relieve Seller of its obligation to indemnify Buyer from any claims under Federal, State or Local Environmental Laws as required by other sections of this Contract.
- c. Seller agrees that it has an affirmative duty to cooperate with the Buyer(s)' testing and investigation of the Property for an environmental assessment and disclose any and all information about the Property that may be useful in such an assessment. Seller shall furnish at closing an affidavit and indemnification agreement in a form suitable to Buyer stating that:
- (1) Buyer is relieved of any liabilities, claim, penalties, fines, costs, or charges that may occur as a result of any action against the Property under Federal, State, or Local Environmental Laws;
 - (2) the Property is not the subject of any active, or pending action, by the North Carolina Department of Environmental Quality under Federal, State, or Local Environmental Laws;
 - (3) the Property is not subject to any casualty damage;
 - (4) there is no Hazardous Material (as hereinafter defined) on the Property, whether such Hazardous Material was placed by spill, release, discharge, disposal or storage, nor has any Hazardous Material penetrated any waters including, but not limited to, streams crossing or abutting the Property or the aquifer underlying the Property. Hazardous Material as used in this Contract means any hazardous or toxic substance, material, waste or

similar term which is regulated by local authorities, the State of North Carolina and/or the Federal Government, including, but not limited to, any material substance, waste or similar term which is:

- (a) defined as a Hazardous Material under the laws of the State of North Carolina, as amended from time to time;
 - (b) defined as a hazardous substance under Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), as amended from time to time;
 - (c) defined as a hazardous waste under Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et. seq.), as amended from time to time;
 - (d) defined as a hazardous waste substance under Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), as amended from time to time;
 - (e) defined as hazardous waste or toxic substance, waste, material or similar term in any rules and regulations, as amended from time to time, which are adopted by any administrative agency including, but not limited to, the Environmental Protection Agency, the Occupational Safety and Health Administration, and any such similar State or Local agency having jurisdiction over the Property whether or not such rules and regulations have the force of law; or
 - (f) defined as a hazardous or toxic waste, substance, material or similar term in any statute, regulation, rule or law enacted or adopted at any time after the date of this Contract by local authorities, the State of North Carolina, and/or the Federal government; and
- (5) the Seller has completed and caused the Property to comply with all laws and ordinances, and all rules and regulations of all authorities having jurisdiction over the Seller, the Property, or the use thereof, relative to any Hazardous Material; and
- (6) there is no other property presently owned or used by Seller, the existence of such Hazardous Material upon or discharge of such Hazardous Material from, which might cause any charge or lien upon the Property.

- (7) Buyer's obligation to purchase the subject Property is expressly conditioned upon the foregoing representations of Seller being true and accurate on the date hereof and on the date possession of the Property is transferred by Seller to Buyer; and these representations and warranties shall be deemed extended through the date possession is transferred unless Seller advises Buyer in writing of any changes prior to transfer of possession. These representations and warranties shall survive closing and transfer of possession.
- (8) Seller shall disclose to Buyer, prior to closing, any information regarding the use of the Property, or any portion thereof, in a manner that is regulated by Federal, State, or Local Environmental Laws.
- (9) There must be no restrictions, easements or governmental regulations other than zoning regulations that would prevent the reasonable use of the Property for school purposes. If such conditions exist, it is the responsibility of the Buyer to inform the Seller of said conditions and Seller will exert his best efforts to cure same prior to closing. If Seller is unsuccessful in timely curing said conditions, Buyer may cancel this Contract, whereupon all deposit monies shall be returned to Buyer, or, in the alternative, Buyer may waive the objectionable conditions and close pursuant to the terms of this Contract.
- (10) There must be no zoning regulations that could prevent the reasonable use of the Property for school purposes. If such conditions exist, it is the responsibility of the Seller to file a petition to rezone the Property to such zoning classification, or classifications, as the Buyer may select. The buyer shall assist the Seller in the Seller's rezoning effort to whatever extent the Seller may request, but the Buyer shall have no duty to incur any expense in such rezoning effort.
- (11) The Property must be in substantially the same condition at closing as on the date of this Contract, reasonable wear and tear excepted.
- (12) All deeds of trust, liens and other monetary charges against the Property which can be satisfied by the payment of money must be paid and cancelled by Seller prior to or at closing.

(13) Title must be delivered at closing by general warranty deed and must be fee simple marketable title, free of all encumbrances except ad valorem taxes for the current year (prorated to the date of closing), utility easements and unviolated restrictive covenants, neither of which materially affect the value of the Property and such other encumbrances as may be assumed or specifically approved by Buyer. The Property must have legal access to a public right-of-way.

(14) Seller shall provide to Buyer, if in the Seller's possession, the following information within ten (10) days after the execution of this Contract by Seller and Buyer:

- (1) Boundary survey;
- (2) Existing Title Policy (if any);
- (3) Topographic Survey;
- (4) Environmental Report(s);
- (5) Soil Analysis;
- (6) Leases affecting the property (if any); and
- (7) Any other reports or building plans necessary for project due diligence.

3. FAILURE OF CONDITIONS: If any of the conditions in this document are not met, Buyer has the option to waive the satisfaction of any unsatisfied conditions. If Buyer elects not to waive the satisfaction of any unsatisfied conditions, Buyer shall have the right to rescind the Contract and recover all of its earnest money deposit. If Seller breaches the Contract in any other way, Buyer shall recover its earnest money deposit without prejudice to any other remedies it may have for the breach.

4. SELLER REPRESENTATIONS AND WARRANTIES: Seller makes the following representations and warranties to and for the benefit of Buyer which shall be true on the date of closing as though such representations and warranties were made at such time and shall survive the passing of title:

- a. ASSESSMENTS: Seller warrants that there are no encumbrances or special assessments, either pending or confirmed, for sidewalk, paving, water, sewer or other improvements on or adjoining the Property.
- b. CLAIMS AND SUITS: Seller has not entered into any agreement with reference to the Property, and neither Seller nor the Property are subject to any claim, demand, suit, unfiled lien, proceeding or litigation of any kind, pending or outstanding, or to the knowledge of Seller, threatened or likely to be made or instituted which would in any way be binding upon Buyer or its successors or assigns or affect or limit buyer's full use and enjoyment of the Property or

which would limit or restrict in any way Seller's right or ability to enter into this Contract and consummate the sale and purchase contemplated hereby.

- c. COMPLIANCE WITH APPLICABLE LAWS: Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and regulations affecting the Property and no portion of the Property has been used for the production, storage or disposal of toxic or hazardous waste materials of any kind.
 - d. FOREIGN PERSON: Seller is not a "foreign person" as defined in the Foreign Investor Reporting and Property Tax Act and shall provide an affidavit to such effect at closing.
5. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following item shall be prorated and adjusted between the parties or paid at closing:
- a. Ad valorem taxes on the Property shall be prorated on a calendar year basis to the date of closing.
 - b. Ad valorem taxes on personal property for the entire year shall be paid by Seller.
 - c. All late listing penalties, if any, shall be paid by Seller.
 - d. Rents, if any, for the Property shall be prorated to the date of closing.
 - e. Accrued but unpaid interest and other charges to Seller, if any, shall be computed to the date of closing and paid by Seller; interest and other charges prepaid by Seller shall be credited to Seller at closing and paid by Buyer.
 - f. Seller shall be responsible for any claim for brokerage commission because of this sale.
6. LABOR AND MATERIAL: Seller shall furnish at closing an affidavit and indemnification agreement in a form satisfactory to Buyer showing that all charges for labor or materials, if any, furnished to the Property within 120 days before the date of closing have been paid and agreeing to indemnify buyer against all loss from any claim arising therefrom.
7. CLOSING EXPENSES:
- a. Seller shall pay for the preparation of a deed, for the revenue stamps required by law and for other recording costs. Seller shall also pay for its own legal counsel and any other costs customarily borne by sellers of real property in Rowan County, North Carolina.

- b. Buyer shall pay for updated survey, costs of its own investigations, title insurance, costs of its own legal counsel, and any other costs customarily borne by purchasers of real property in Durham County, North Carolina. Buyer shall pay for recording the deed.
8. EVIDENCE OF TITLE: Seller shall deliver to Buyer, as soon as possible after the acceptance of this Contract, copies of all title information available to Seller, including but not limited to, title insurance policies, attorneys' opinions on title, surveys, covenants, deeds, notes and deeds of trust and easements relating to the Property.
9. ASSIGNMENT: This Contract may not be assigned without the written agreement of all parties, but if the same is assigned by agreement, then the same shall be binding on the assignee and his heirs.
10. BINDING EFFECT: This Contract shall be binding and shall inure to the benefit of the parties and their heirs, successors and assigns.
11. SURVIVAL: Any provision of this Contract which by its nature and effect is required to be observed, kept or performed after the closing shall survive the closing and remain binding upon and for the benefit of the parties until fully observed, kept or performed.
12. SELLER'S AUTHORITY: Seller warrants and represents that it has full and complete power and authority to enter into this Contract in accordance with all the provisions contained herein and that there is no person or entity that has any interest in the Property other than the parties to this Contract.
13. RIGHTS OF BUYER PRIOR TO CLOSING: Buyer, its agents, employees or other representatives shall have the right during the term of this Contract to go upon the Property for the purpose of making such surveys, engineering, topographical, geological and other tests and measurements including, but not limited to, soil tests, percolation tests and subsoil tests as Buyer deems necessary or advisable. Buyer shall return the property to substantially the condition which existed prior to its investigations, which obligation shall survive any termination of this Contract. Buyer agrees to indemnify and hold Seller harmless of, from, and against any losses, claims, or damages resulting solely from the activities of Buyer, its agents, employees or other representatives during its investigations of, or activities upon, the Property. The indemnification obligation contained in this Section 13 shall survive the closing or earlier termination of this Contract. For avoidance of doubt, the foregoing indemnity obligations shall not extend to, and Seller hereby releases Buyer from liability for, any claims, damages or other liability resulting from or related to any existing environmental contamination with respect to the Property or

other deficiencies in the Property, that may be discovered by Buyer as a result of its investigations.

14. REMEDIES.

- a. If the purchase and sale of the Property is not consummated in accordance with the terms and conditions of this Contract due to circumstances or conditions which constitute a default by Buyer under this Contract, the Earnest Money shall be delivered to Seller as full liquidated damages for such default. Seller and Buyer acknowledge that Seller's actual damages in the event of a default by Buyer under this Contract will be difficult to ascertain, that such liquidated damages represent the Seller's and Buyer's best estimate of such damages, and that Seller and Buyer believe such liquidated damages are a reasonable estimate of such damages. Seller and Buyer expressly acknowledge that the foregoing liquidated damages are intended not as a penalty, but as full liquidated damages in the event of Buyer's default and as compensation for Seller's taking the Property off the market during the term of this Contract. Such delivery of the Earnest Money shall be the sole and exclusive remedy of Seller by reason of a default by Buyer under this Contract, and Seller hereby waives and releases any right to sue Buyer, and hereby covenants not to sue Buyer, for specific performance of this Contract or to prove that Seller's actual damages exceed the Earnest Money which is herein provided Seller as full liquidated damages.
- b. If (i) any representation or warranty of Seller set forth in this Contract shall prove to be untrue or incorrect in any respect, or (ii) Seller shall fail to keep, observe, perform, satisfy or comply with, fully and completely, any of the terms, covenants, conditions, agreements, requirements, restrictions or provisions required by this Contract to be kept, observed, performed, satisfied or complied with by Seller, or (iii) the purchase and sale of the Property is otherwise not consummated in accordance with the terms and provisions of this Contract due to circumstances or conditions which constitute a default by Seller under this Contract (the matters described in the foregoing **clauses (i), (ii) and (iii)** are herein sometimes collectively called "**Seller Defaults**"), the Earnest Money shall be refunded to Buyer immediately upon request, and Buyer may exercise such rights and remedies as may be provided for in this Contract or as may be provided for or allowed by law or in equity. Seller hereby acknowledges that Buyer's remedies in the event of the occurrence of any of the Seller Defaults shall specifically include, without limitation, the right to seek, prove and recover (to the extent proven) monetary damages from Seller in an amount equal to all actual out-of-pocket costs and expenses paid or incurred by Buyer in connection with its execution of and entry into this Contract and its proposed acquisition of the Property, including, without limitation, (i) attorney's fees and disbursements in connection with the negotiation and execution of this Contract, the examination of title to the

Property, and any other legal matter undertaken by Buyer pertaining to the Property and (ii) any examinations, investigations, tests and inspections, undertaken by Buyer with respect to the Property.

15. RISK OF LOSS: The risk of loss prior to closing shall be upon the Seller.
16. POSSESSION: Exclusive possession of the Property free and clear of occupancy by all persons, firms or corporations, whether or not under claim of right or color of title, shall be delivered to Buyer at closing.
17. TIME IS OF THE ESSENCE: Time is of the essence with regard to the terms and conditions contained in this Contract.
18. CLOSING: The parties agree to execute any and all documents and papers necessary in connection with the closing and transfer of title within thirty (30) days after all conditions have been met or waived, at a place designated by Buyer. The deed is to be made to Rowan-Salisbury Board of Education, 500 North Main Street, Salisbury, North Carolina, 28144. Possession of the Property shall be delivered at closing.
19. COUNTERPARTS: This Contract shall become a binding contract when signed by both Buyer and Seller. It is executed in two (2) counterparts with an executed counterpart being retained by each party.
20. MEMORANDUM OF CONTRACT: Each party hereto reserves the right to obtain upon request the execution by the parties of a Memorandum of Contract suitable for recordation in the Office of the Register of Deeds of Rowan County. The requesting party shall pay all expenses for preparation and recordation of said Memorandum(s). This Contract itself may not be recorded without the prior written permission of Buyer and Seller.
21. GOVERNING LAW: This Contract shall be construed under the laws of the State of North Carolina.
22. ENTIRE UNDERSTANDING: This Contract constitutes the entire understanding between the parties. It may not be modified orally or in any other manner except by agreement in writing by the parties hereto.
23. RESTRICTED COMPANIES LISTS: Seller represents that as of the date of this Contract, Seller is not included on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.58. Seller also represents that as of the date of this Contract, Seller is not included on the list of restricted companies determined to be engaged in a boycott of Israel created by the

North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.81.

24. ANTI-NEPOTISM. Seller warrants that, to the best of its knowledge and in the exercise of due diligence, none of its corporate officers, directors, or trustees and none of its employees are immediate family members of any member of the Board or of any principal or central office staff administrators employed by the Board. For purposes of this provision, "immediate family" means spouse, parent, child, brother, sister, grandparent, or grandchild, and includes step, half, and in-law relationships. Should Seller become aware of any family relationship covered by this provision or should such a family relationship arise at any time during the term of this Contract, Seller shall immediately disclose the family relationship in writing to the Superintendent of Rowan-Salisbury Schools. Unless formally waived by the Board, the existence of a family relationship covered by provision is grounds for immediate termination of this Contract by the Board.

EXHIBIT A

"Tax Map/Description"

Parcel 011 075

BEGINNING at (the late) Chrissa Beard's Southwest corner on Main Street; thence Southwest with Main Street 100 feet to a stake; thence Northwest on a line parallel with Miss Chrissa Beard's lot 200 feet to a stake, A.H. Boyden's corner; thence 100 feet with Boyden's line and parallel with Main Street to a stake; thence Southwest with Miss Chrissa Beard's line 200 feet to the BEGINNING.

512700

Parcel 011 076

BEGINNING at a $\frac{3}{4}$ " iron pipe the southern corner of Richard Monroe (DB 587, PG 957) in the northwestern margin of the right of way of North Main Street and runs thence with said right of way South 42 degrees 30 minutes 20 seconds West 29.00 feet to an existing nail; thence a new line North 42 degrees 09 minutes 48 seconds West 200.37 feet to a $\frac{3}{4}$ " iron pipe in the margin of an alley, said line passing a #5 rebar at 179.42 feet; thence with Richard Monroe North 47 degrees 20 minutes 41 seconds East 29.21 feet to a $\frac{1}{2}$ " iron pipe in the line of Monroe; thence a line with Richard Monroe South 42 degrees 04 minutes 01 seconds East 200.45 feet to a $\frac{3}{4}$ " iron pipe to the point of BEGINNING, containing 0.134 acre, more or less.

Parcel 011 402

BEGINNING at an existing iron at the Northeastern corner of Richard D. Monroe as recorded in Deed Book 587, page 957 in the Rowan County Public Registry and in the Southwestern line of William A. Streiff as recorded in Deed Book 598, page 953 in the Rowan County Public Registry; thence with the Southwestern line of Streiff North 42 deg. 46 min. 09 sec. West 49.39 feet to an existing iron in the common Northwestern corner of Streiff and a Southeastern corner of Holmes Investment Company; thence two (2) lines with Holmes Investment Company as follows: (1) North 42 deg. 22 min. 53 sec. West 25.07 feet to an existing iron, and (2) South 46 deg. 58 min. 33 sec. West 42.93 feet to an existing iron at a common corner of Holmes Investment Company and Billy R. Snipes; thence a new line with Snipes South 46 deg. 58 min. 33 sec. West 86.68 feet to a new iron in the Northeastern margin of the right of way of an alley and a new Southwestern corner of Snipes; thence with the Northeastern margin of the right of way of said alley South 42 deg. 41 min. 00 sec. East 77.09 feet to an existing iron, a Northwestern corner of R.L. Shulenburg; thence with a Northwestern line of Shulenburg North 47 deg. 25 min. 29 sec. East 29.49 feet to an existing iron, a common Northeastern corner of Shulenburg and Northwestern corner of Richard D. Monroe; thence with the Northwestern line of Monroe North 45 deg. 20 min. 18 sec. East 100.12 feet to the point of BEGINNING, and containing 0.227 acre, and being the same real property as shown upon the map and survey entitled "Property Survey for Richard D. Monroe" by Shulenburg Surveying Company, and dated September 25, 1986.