

PRIVILEGED AND CONFIDENTIAL

From: Charlotte Mecklenburg Historic Landmarks Commission and Bird Dog Group, Inc.

To: KGB 1934, Ltd.

This Letter of Intent, (“LOI”), will confirm the understanding between Bird Dog Group, Inc., (“BDG”), Charlotte Mecklenburg Historic Landmarks Commission, (“HLC”), and KGB 1934 Ltd. (“KGB”) regarding the possible purchase and sale of a fee simple interest in that certain real property known as the Shaw House and shown on the attached Exhibit A and located at 2400 Mecklenburg Ave., Charlotte, NC. The Property also includes all of KGB’s right, title, and interest in and to all furniture, fixtures, furnishings, inventory, equipment and other personal property located on or used in connection with the Property.

It is understood and agreed that BDG is in the process of negotiating the purchase of all the Property shown on Exhibit A pursuant to a purchase and sale agreement (the “PSA”) and that HLC would like to purchase a portion of the Property depicted as Lot 5 on the attached Exhibit A and being the lot containing the dwelling. In furtherance thereof, it is understood that if BDG enters into the PSA for the Property, then HLC will, on or before the expiration of the due diligence period of the PSA, take assignment of the Buyer’s responsibilities under the PSA, as relates to Lot 5 and contained herein, in exchange for receiving Lot 5 at Closing pursuant to the following terms.

It is further understood that HLC will acquire from KGB permission to enter on the Property and to perform all of its due diligence simultaneously with the due diligence under the BGD/KGB purchase agreement until such time as HLC becomes a party to the PSA and therefore subject to the terms thereof regarding diligence, inspections and access to the Property.

1. Purchase Price. Subject to the adjustments and prorations described in Paragraph 8, the purchase price for the Property shall be \$1,750,000.00 (the “Purchase Price”) apportioned as \$1,000,000 for Lots 1 through 4 shown on Exhibit A and \$750,000.00 for Lot 5, payable in cash at the Closing (hereinafter defined).
2. Due Diligence Period. It is understood and agreed that the Due Diligence Period shall run for a period of ~~thirty-sixty (30 60)~~ days following the full execution of the PSA in exchange for a Due Diligence Fee of \$1,000 and may be extended for an additional ~~forty-five (45)- sixty (60)~~ days by ~~the purchaser~~ either HLC or BDG delivering to KGB a notice of extension an additional Due Diligence Fee of ~~\$1,500.00~~ \$1,000.00. During the Due Diligence Period KGB shall grant to HLC and BDG and their agents, engineers, consultants and representatives the right to: (a) enter upon the Property for the purpose of performing reasonable non-destructive inspections and tests of the Property, (b) make investigations with regard to zoning, building code and other legal requirements, and (d) review the terms and provisions of all surveys, engineering reports, environmental concerns, plans and

specifications, title insurance policies and such other instruments and documents within the possession of KGB or subject to its control as HLC may reasonably request, (“Documents”). Without limiting the generality of the foregoing, KGB shall deliver to BDG and HLC a current title report for the Property and any appraisal of the Property within KGB’s possession or subject to its control. KGB shall deliver copies or make available to BDG and HLC, as appropriate, the records and Documents as soon as reasonably possible after the execution of the PSA. All inspections, examinations and other reviews conducted by BDG and HLC or their agents shall be performed at the sole risk and expense of BDG and HLC and BDG and HLC shall be solely responsible for the acts or omissions of BDG and HLC and any of their Agents brought on, or to, the Property.

If the HLC finds Lot 5 acceptable after its Due Diligence tests and inspections and P prior to the expiration of the Due Diligence Period and any extensions thereof, HLC shall take assignment and assume from BDG, pursuant to an Assignment and Assumption Agreement, the responsibility for purchasing Lot 5 of the Property at the Closing from KGB directly in a joint Closing where BDG will close on the purchase of the remainder of the lots shown on Exhibit A for the balance of the Purchase Price.

4. Earnest Money and Due Diligence Fees. Contemporaneously with the execution of the PSA, BDG will deposit \$3,000 earnest money deposit with an escrow agent (title company or BDG’s closing attorney) and deliver to KGB a non-refundable \$1,000 due diligence fee (“Due Diligence Fee”). The Due Diligence Period may be extended by the purchaser either HLC or BDG delivering to KGB notice of extension and an additional \$1,500- \$1,000 non-refundable Due Diligence Fee. Contemporaneously with the execution of the Assignment and Assumption Agreement, HLC shall deliver to BDG one-half of the Earnest Money and Due Diligence Fees paid by BDG as part of the purchase agreement between BDG and KGB. Such funds shall be non-refundable to HLC except to the extent that the earnest money deposited pursuant to the purchase agreement between BDG and KGB is refundable. At Closing, one half of the Earnest Money and one half of the Due Diligence Fees paid shall be credited towards the purchase price for the BDG 4 lots. At Closing, one half of the Earnest Money and one half of the Due Diligence Fees paid shall be credited towards the purchase price for the HLC for Lot 5.
5. Closing. The closing of the transaction contemplated by this LOI shall take place within thirty (30) days following the expiration of the Due Diligence Period and any extensions and as set forth in the PSA as the same is partially assigned to HLC. At the Closing, KGB shall transfer and convey good title to the Property, free and clear of all liens and encumbrances to BDG (as to Lots 1 through 4) and to HLC (as to Lot 5) and BDG and HLC shall tender their respective responsibility for the Purchase Price to KGB in immediately available funds.
6. Adjustments and Prorations. All normal and customary prorations will be reflected in the Offer to Purchase and Contract.

7. Purpose and Intent. Except as provided in Paragraph 8, this letter is not intended to be a binding contract or an offer to enter into a contract, and will not create any right or obligation based on any legal or equitable theory including the right to continue any negotiations. The proposed terms of the transaction set forth herein are also non-binding and subject to change. Only a subsequent formal Offer to Purchase and Contract executed and delivered by all contemplate parties will bind all parties as to any matter discussed in this letter.
8. Conditions to Closing. The obligation of HLC and BDG to close on the transaction will be conditioned on customary conditions contained in commercial transactions in North Carolina and contingent upon the following:
- a) Both BDG and HLC simultaneously closing on their respective obligations pursuant to the PSA as the same is to be partially assigned consistent with this LOI.
 - b) City of Charlotte releasing the historic designation on Lots 1-4. HLC will assist in requesting the City of Charlotte to release the said Lots 1-4 from the historic designation.
 - c) KGB successfully, completely and finally subdividing the Property as provided in Exhibit A, including Seller having the subject property platted/mapped and approved by all appropriate governmental authorities and to have such approved plat/map as attached hereto as Exhibit A recorded in the Office of the Register of Deeds for Mecklenburg County prior to the Closing date.
 - (d) Lot 5 having a minimum rear setback line of forty-five (45) feet and the right to have a driveway entrance from Mecklenburg Ave.
 - (e) That HLC not be required to make any improvements to Matheson Ave. but shall be provided a driveway curb cut on Lot 5 to Matheson Ave.

Failure of a Condition to Close shall provide the purchaser(s) the right to: i) to terminate the agreement and receive a return of their earnest money and thereafter be released from the agreement; or ii) waive the condition and proceed to close the transaction contemplated by the PSA.

9. Confidentiality of Transaction. KGB, BDG and HLC agree that all negotiations shall remain strictly confidential and that no press and other publicity release or communication to the general public in connection with the purchase and sale of the Property will be issued without the other party's prior written approval, except in accordance with the terms of the Offer to Purchase and Contract. All information, studies and reports relating to the Property obtained by the purchasers shall remain strictly confidential, and shall not be disclosed to anyone other than HLC, BDG and their agents directly involved in the purchase of the Property and shall be used by BDG and HLC solely to evaluate the purchase of the Property.

10. Other Provisions:

- a. Notices. Any notice, demand or other communication, (“Notice”) required or permitted to be given hereunder, shall be in writing and shall be personally served, sent by registered or certified mail of the United States Postal Service, postage prepaid, return receipt requested, by a nationally recognized

overnight courier service which provides receipts of service, by facsimile transmission or by electronic mail, (“Email”), addressed to the party to be so notified as follows:

To BDG: address: _____

Email: _____

Fax: _____

To HLC: address: 2100 Randolph Road, Charlotte, NC 28207

Email: Dan Morrill c/o Elizabeth.Stuart@mecklenburgcountync.gov

Fax: _____

<u>Copy To:</u>	<u>Prosser D. Carnegie</u>
	<u>PO Box 363</u>
	<u>Davidson, NC 28036</u>
	<u>sandy.dblaw@gmail.com</u>
	<u>Fax: 980-206-4010</u>

- b. Titles and Headings. Titles and headings to articles, paragraphs and subparagraphs herein are for the purpose of convenience and reference only, and will in no way limit, define or otherwise affect the provision thereof.
- c. Governing Law. This LOI shall be governed by and construed in accordance with the internal laws of the State of North Carolina without regard to principles of conflict of law.
- d. Assignment. This LOI may not be assigned.
- e. Understanding. KGB, BDG and HLC acknowledge that this LOI is not intended to constitute a binding contract for the sale and purchase of the Property and that no agreement or contract will exist for the sale and purchase of the Property unless and until the parties have both negotiated, agreed to and executed a formal Offer to Purchase and Contract covering the terms of this LOI and all other essential terms of this transaction. The parties acknowledge that they have not attempted to set forth herein all essential terms of the subject matter of this transaction and that such essential terms have not yet been agreed upon by the parties and are subject to further negotiation.

If the proposal set forth herein is acceptable to you, please indicate your agreement by signing the enclosed copy of this LOI and returning a copy to us.

Sincerely,
Charlotte Mecklenburg Historic Landmarks Commission

By: _____

Bird Dog Group, Inc.

By: _____

KGB1934, Ltd. consents to and accepts all the terms and conditions as set forth in this Letter of Intent and does grant to HLC full and unrestricted access to the Property for any and all inspections HLC may perform as set forth in Paragraph 2.

KGB1934, Ltd.

By: _____

Daniel L. Wentz - Manager