

REQUEST FOR BOARD ACTION

ITEM NO. 15

DATE OF MEETING: October 4, 2010

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Resolution Authorizing Execution of Purchase Agreement with BASF Corporation for Acquisition of Approximately 420 Acres on US 421 Adjacent to Pender Commerce Park; Authorizing Submission of a Brownfields Program Designation Application; and Authorizing a Purchase Order to McKim & Creed for Property Boundary Survey and Wetlands Determination-\$28,000

BACKGROUND: In 2006 the County acquired 344 acres on US 421 from BASF for the purpose of industrial development and water/sewer treatment facility development. Since that time, the County has conducted site evaluations and planning to make the site marketable for industrial development, and is doing so. The park is known as Pender Commerce Park, and is "shovel ready" for industrial development. In addition, the County has awarded a construction contract for the water treatment plant, and is working on plans for a wastewater treatment plant.

More recently, the County has an opportunity to acquire additional industrial land adjacent to the Commerce Park from the company, the purchase of which would include facilities and infrastructure. County staff has been negotiating with company officials, and has prepared a proposed purchase agreement providing for the acquisition of an estimated 420 acres of land, approximately 177 of that being uplands and developable. Approximately 64 acres of the acquisition lies within New Hanover County, for which the New Hanover County Board of Commissioners must consent. In addition, the acquisition would include considerable facilities and infrastructure of value to Pender County related to future industrial and infrastructure development. County staff has consulted with the North Carolina Department of Environmental and Natural Resources regarding the advantages for designation and inclusion of this property into the NC Brownfields Program, and staff recommends an application for Brownfields designation be authorized for submittal as well.

The proposed purchase agreement provides for a 30 day due diligence period, and closing on the acquisition upon completion of a boundary survey and wetlands delineation survey. The purchase price is \$10,465.12 per acre for uplands property, estimated to be 177 acres, for a total estimated purchase price of \$1,852,325. A map designating the proposed acquisition area is attached, along with a copy of the draft agreement. The company will be responsible for reimbursing the County \$18,000 for the boundary survey. The County is responsible for the wetlands survey and determination-\$10,000.

SPECIFIC ACTION REQUESTED: To consider a resolution authorizing execution of a purchase agreement with BASF Corporation providing for the acquisition of approximately 420 acres on US 421 adjacent to Pender Commerce Park; authorizing submission of a Brownfields designation application to

the North Carolina Brownfields Program, and authorizing a Purchase Order to McKim & Creed for the survey work.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

PS
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board hereby authorizes the execution of a purchase agreement with BASF Corporation providing for the acquisition of approximately 420 acres on US 421 adjacent to Pender Commerce Park, in substantially the form provided to the Board attached hereto; authorizes submission of a Brownfields designation application to the NC Brownfields Program, and authorizes a Purchase Order to McKim & Creed for a property boundary survey and wetlands determination in the amount of \$28,000. The Chairman/Manager is authorized to execute any/all documents necessary to implement this resolution.

Account 60-407433-6010

AMENDMENTS:

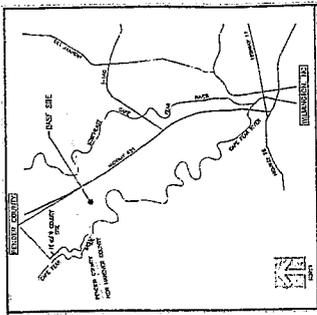
MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Blanchard ___ Brown ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman Date

ATTEST Date



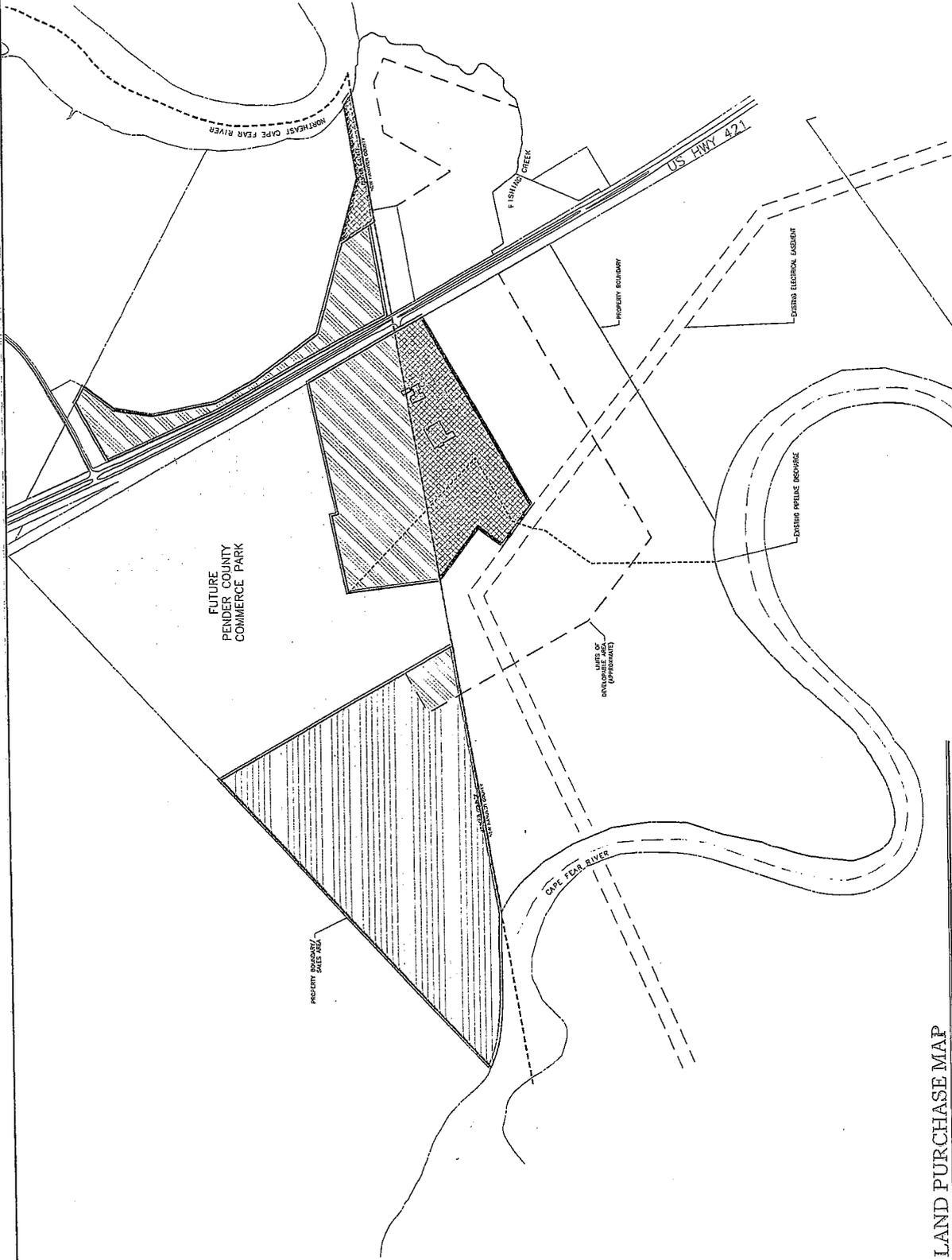
VICINITY MAP
NOT TO SCALE

- LEGEND**
- COUNTY LINE
 - PROPERTY LINE
 - LAND USE BOUNDARY
 - PENDER COUNTY PURCHASE AREA
 - FUTURE PENDER COUNTY COMMERCE PARK

PARCEL AREA BREAKDOWN

Pender County Purchases Area	
Use	Acres
Developable Land	1331.0
Conservancy Land	216.5
Additional Land - West	84.0
Additional Land - East	6.5
Sub-Total	1638.0

New Hanover County Saleable Land	
Use	Acres
Developable Land	254.0
Conservancy Land	441.0
Sub-Total	695.0
Total	2333.0



MILONE & MACBROOM,
Landmark Architecture
 and Environmental Science
 1000 North Market Street
 Wilmington, North Carolina 28401
 Phone: 910.343.1111
 Fax: 910.343.1112

LAND PURCHASE MAP
RIVER WATCH BUSINESS PARK
 (BASF PROPERTY)
 US HIGHWAY 421
 WILMINGTON, NORTH CAROLINA APRIL 24, 2009

10-1-10 V

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale ("Agreement") is made and entered into by and between Buyer and Seller at Burgaw, North Carolina.

RECITALS

- A. Defined terms are indicated by initial capital letters. Defined terms shall have the meaning set forth herein, whether or not such terms are used before or after the definitions are set forth.
- B. Seller presently owns the Property.
- C. Buyer desires to buy, and Seller desires to sell, the Property upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, provisions, covenants and agreements set forth herein, as well as the sums to be paid by Buyer to Seller, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

ARTICLE 1 - Basic Information

1.1 Certain Basic Terms. The following defined terms shall have the meanings set forth below:

1.1.1 Seller: BASF Corporation, a Delaware corporation, with a place of business located at 100 Campus Drive, Florham Park, New Jersey 07932.

1.1.2 Buyer: Pender County, a political subdivision of the State of North Carolina, with a principal place of business located at 805 South Walker Street, Burgaw, North Carolina 28425.

1.1.3 Property: Shall mean approximately 420 acres of land located in Pender County and New Hanover County, North Carolina and identified as "Pender County Purchase Area" on Exhibit A attached hereto and made a part hereof, together with (i) all buildings, structures, utilities, and other facilities and appurtenances affixed or attached to or affixed or attached beneath the surface of the Property (collectively, "Improvements"), (ii) all easements, tenements, and hereditaments thereon or associated therewith, and (iii) any and all rights, title, and interest of Seller in and to all strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining such land.

1.1.4 Tangible Personal Property. Shall mean all of Seller's rights, title and interest in and to (i) the 12-inch, 330,000 gallon-per-day National Pollutant Discharge Elimination System ("NPDES") wastewater discharge piping and associated diffuser into the Cape Fear River (the "NPDES Line") to the extent located on the approximately 695 acres identified on Exhibit A as "New Hanover County Saleable Land" (the "New Hanover Property").

1.1.5 Intangible Personal Property. Shall mean, to the extent applicable, allowed by law, and/or assignable or transferable under Buyer's name, all of Seller's rights, title and interest, without warranty, in and to any license, governmental permit, or other approval issued to Seller in relation to the following (subject to Seller's interests, if any, relating to any action required of Seller thereunder):

- (i) the NPDES Line; and
- (ii) the water supply wells and piping appurtenances on the Property;

(ADD: permits for infrastructure to be acquired; shop drawings/manuals for facilities to be acquired)

1.1.6 Purchase Price: Shall mean One Million Eight Hundred Fifty-Two Thousand Three Hundred Twenty-Five Dollars (\$1,852,325.00), provided, however, that, if the Purchase Price is increased or decreased pursuant to Subsection 5.2 below, the term "Purchase Price" shall thereafter mean such increased or decreased amount.

1.1.7 Title Company:

1.1.8 Escrow Agent:

1.1.9 Effective Date: The date on which this Agreement is executed by the latter of Buyer or Seller, as indicated on the signature page of this Agreement.

1.1.10 Due Diligence Period: The period ended thirty (30) days after the Effective Date, with the exception of the Uplands Determination and Survey (as such terms are defined in Section 5.2 below), which are to be completed within sixty (60) days after the Effective Date.

1.1.11 Closing Date: No later than thirty (30) days following the Uplands Determination and Survey, time being of the essence.

1.1.12 Environmental Laws: Shall mean all applicable constitutions, treaties, statutes, laws (including the common law), rules, regulations, codes, policies, decrees, ordinances, standards, guidelines, authorizations, permits, approvals, decisions, injunctions, judgments, awards, and orders of, and all agreements with, federal, state, local, or other public authorities relating to air, water, groundwater, noise, solid waste, Hazardous Materials, toxic substances, wastes, pollutants, or contaminants, to environmental protection, compliance, contamination, cleanup, or reporting, to disclosure

of any release or threat of release to the environment of any Hazardous Materials, or to the safety of employees, workers, or other persons, including, without limitation, the public. Such Environmental Laws shall include, without limitation, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f-300j *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1321 *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. § 6901 *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.* (“CERCLA”); the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (“RCRA”); and the Superfund Amendments and Reauthorization Act of 1986, Public Law No. 99-499 (signed into law on October 17, 1986) (“SARA”); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.* (the “OSH Act”); and the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 11001 *et seq.*, as any of the same are from time to time amended, and the rules and regulations promulgated thereunder, and any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments, and all other applicable federal, state, local, and/or other constitutions, treaties, statutes, laws (including the common law), rules, regulations, codes, policies, decrees, ordinances, standards, guidelines, authorizations, approvals, permits, decisions, injunctions, judgments, awards, orders, and/or agreements regulating the generation, storage, containment, or disposal of any Hazardous Materials, including but not limited to those relating to lead paint; radon gas; asbestos; storage and disposal of oil, biological, chemical, radioactive, and hazardous wastes, substances, and materials; and underground and above-ground oil storage tanks; and any amendments, modifications, or supplements of any of the foregoing.

1.1.13 Hazardous Materials: Shall mean “Hazardous Substance,” “Pollutant or Contaminant,” “Petroleum,” and “Natural Gas Liquids,” as those terms are defined or used in Section 101 of CERCLA and any hazardous substance; hazardous waste; environmental, biological, chemical, and/or radioactive substance; oil; petroleum product; and any waste or substance, which, because of its quantitative concentration or chemical, biological, radioactive, flammable, explosive, putrescible, infectious, or other characteristics, constitutes a danger or hazard to public health, safety, or welfare or to the environment, including without limitation any waste oils, solvents, and chlorinated oils; toxic metals; explosives; reactive metals and compounds; pesticides; herbicides; radon gas; polychlorinated biphenyls (“PCBs”); lead paint; asbestos (whether or not friable) and any asbestos-containing materials; urea formaldehyde; chemical, biological, and radioactive wastes; and any other similar materials that are regulated by any Environmental Law.

1.1.14 Tests: Shall, subject to the provisions of Section 4.3.7 below, mean all environmental, engineering, geotechnical, geological, hydraulic, and architectural investigations surveys, audits, evaluations, examinations, inspections, studies, analyses, sampling, and tests regarding the Property, including without limitation all borings and perforations necessary for soil and groundwater testing at the Property.

1.1.15 Governmental Entity: Shall mean any entity or individual exercising executive, legislative, judicial, regulatory or administrative functions of government, including without limitation, the United States of America, the State of North Carolina, and their respective political subdivisions, having jurisdiction over the Property and/or over the operations conducted thereat, provided, however, that the term "Governmental Entity" hereunder shall not include Seller.

1.1.16 Seller's Environmental Conditions: Shall mean environmental conditions appropriate for a determination of low environmental risk, in Seller's sole and absolute discretion and subject to prohibitions against residential use, the installation of groundwater wells, and the withdrawal of groundwater from the Property to be set forth in a deed of purchase and sale in form acceptable to both parties for recordation under the laws of the State of North Carolina and substantially in the form of Exhibit B (the "Deed").

1.2 Closing Costs. Closing costs shall be allocated and paid as follows:

Cost	Responsible Party
Premium for Title Policy (as defined below)	Buyer
Premium for any upgrade of Title Policy for extended or additional coverage and any endorsements desired by Buyer, any inspection fee charged by the Title Company, tax certificates, municipal and utility lien certificates	Buyer
Cost of Uplands Determination (as defined below)	Buyer
Cost of Survey (as defined below) and/or any revisions, modifications or recertification thereto	Seller
Recording fees	Buyer
Any deed taxes, documentary stamps, transfer taxes, intangible taxes, mortgage taxes or other similar taxes, fees or assessments	Buyer
Any escrow fee charged by Escrow Agent for conducting the closing	Buyer ½ Seller ½

1.3 Notice Addresses:

Buyer:

County of Pender
 PO Box 5
 Burgaw, North Carolina 28425
 Attention: Rick Benton, County Manager
 Telephone: 910-259-1200
 Facsimile: 910-259-1402

With copy to:

Seller:

BASF Corporation
100 Campus Drive
Florham Park, New Jersey 07932
Attention: Charles R. Waltz
Telephone: 973-245-6595
Facsimile: 973-245-6782

with copy to:

BASF Corporation
100 Campus Drive
Florham Park, New Jersey 07932
Attention: Real Estate Counsel
Telephone: 973-245-6015
Facsimile: 973-245-6711

ARTICLE 2 - Property

2.1 Subject to the terms and conditions of this Agreement, (i) Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property, the Personal Property, and the Intangible Personal Property and (ii) Seller further agrees to transfer and release the perpetual easement for access, ingress, and egress and construction, maintenance, operation, repair, replacement, and use of water utilities, together with the right and privilege to utilize said easement and water utilities for the purpose of extracting water, which easement, right, and privilege were reserved by Seller in the deed for property previously purchased from Seller by Buyer, which deed is recorded at Book 3044 Page 319, Pender County Registry, and which easement, right, and privilege shall be extinguished by virtue of this transfer and release

ARTICLE 3 - Party Notices

3.1 Buyer's Notice of Intent to Proceed. On or before the last day of the Due Diligence Period, Buyer shall provide Seller written notice of either (a) Buyer's intent to proceed under this Agreement or (b) Buyer's intent to terminate this Agreement. If Buyer does not give Seller either a notice of intent to proceed with this Agreement or a notice of intent to terminate this Agreement on or before the last day of the Due Diligence Period, Buyer shall be deemed to have given notice of intent to proceed with this Agreement. All notices shall be given in accordance with the provisions Section 13.9 below.

3.2 Seller's Notice of Intent to Proceed. On or before the last day of the Due Diligence Period, Seller shall provide Buyer written notice of either (a) Seller's intent to sell the Property to Buyer pursuant to the terms of this Agreement or (b) Seller's intent not to sell the Property to Buyer and intent to terminate this Agreement, provided, however, that a determination by Seller not to sell the Property and to terminate this Agreement pursuant to this Section 3.2 shall be based only on failure of the Property, in the sole and absolute discretion of Seller, to satisfy the Seller's Environmental Conditions. If Seller does not give Buyer notice pursuant to this Section 3.2 on or before the last day of the Due Diligence Period, Seller shall be deemed to have provided notice of its intent not to sell the Property and to terminate this Agreement as of the last day of the Due Diligence Period.

ARTICLE 4 - Due Diligence

4.1 Due Diligence Materials. Within two (2) days after the Effective Date, Seller shall deliver or make available to Buyer for Buyer's review (and Buyer at its expense has the right to make copies of same), the items and information listed in Schedule 1 (the "Property Information").

4.2 Physical Inspection. During the Due Diligence Period, Buyer shall have reasonable access to the Property as set forth in Section 4.3 below at all reasonable times during normal business hours for the purpose of conducting reasonably necessary Tests.

4.3 Access Conditions.

4.3.1 Prior Notice. Buyer shall provide five (5) days' prior written notice of its intent to enter onto the Property pursuant to Section 4.2 above, along with Buyer's detailed plans, designs, and specifications for any and all Tests to be performed. Seller shall have the right to review and consent to such plans, designs, and specifications and to request such other information as BASF may reasonably require. If Seller does not give Buyer notice of its consent or terms of consent within five (5) days after receipt of Buyer's notice and plans, designs, and specifications for any and all Tests to be performed, then the Due Diligence Period shall be extended by the number of days that the time between Seller's receipt of Buyer's notice and Seller's notice to Buyer exceeds five (5) days.

4.3.2 Compliance by Buyer. Buyer and/or Buyer's representatives shall perform the Tests in accordance and compliance with (a) the plans, designs, specifications and other information as to which Seller has given its consent, (b) any terms of Seller's consent, (c) all applicable laws and regulations, including without limitation all Environmental Laws and (d) Seller's rules and regulations affecting the use of the Property and work performed thereon or thereat. Buyer and/or Buyer's representatives shall conduct the Tests in such a manner that they shall not in any way damage the Property, create a hazardous or dangerous condition, necessitate a repair or clean-up, and/or deposit or release any Hazardous Materials at, on or under the Property,

or unreasonably interfere with Seller's security requirements. Notwithstanding any of the foregoing, following the completion of any Tests, Buyer and/or Buyer's representatives shall, at Buyer's sole cost and expense, return the Property to substantially the same condition it was in prior to such Tests, which obligation shall survive the expiration or earlier termination of this Agreement.

4.3.3 Buyer's Risk. Access to the Property by Buyer and/or Buyer's representatives and Tests performed by Buyer and/or Buyer's representatives shall be at Buyer's sole risk, cost, and expense. Any consent by Seller to plans, designs, specifications, or other information provided by Buyer pursuant to Section 4.3.1 above shall not be construed as Seller's approval of the sufficiency or accuracy of such plans, designs, specifications and other information; shall not diminish the scope of Buyer's obligations or covenants under this Agreement, including, without limitation, Buyer's obligations pursuant to Section 4.7 below; and shall not be construed as making Seller liable or responsible in any way for any accident, injury, or damage whatsoever that might result from or arise out of or in connection any access or Tests.

4.3.4 Marking of Utilities. Buyer shall be solely responsible for locating any utilities on the Property and marking same.

4.3.5 Split Samples. Seller or its designee(s) may, at Seller's option, be present during the performance of any Tests by Buyer or Buyer's representatives pursuant to this Agreement., and Buyer and Buyer's representatives shall give Seller and its designee(s) the opportunity, at Buyer's cost, to split samples taken from the Property.

4.3.6 No Liens. In connection with any Tests, Buyer will not permit the attachment of any mechanic's lien, materialman's lien, or any other lien, claim or encumbrance ("Encumbrance") against the Property. In the event of such Encumbrance, Buyer shall bear all costs and expenses related to the defense or removal of same and shall indemnify and hold Seller harmless from any such costs or expenses that Seller may incur in connection therewith, including, without limitation, attorneys' fees, pursuant to Section 4.7 below.

4.3.7 Insurance. Buyer shall, at its sole cost and expense, maintain or cause its contractors to maintain during the term of this Agreement (a) comprehensive public liability insurance, including contractual liability insurance and property damage insurance, with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence and Four Million Dollars (\$4,000,000.00) combined aggregate for bodily injury or death and damage to or destruction of property (including the loss of use thereof); (b) workers' compensation at statutory limits; (c) automobile liability insurance for all owned, non-owned, leased, or hired vehicles with not less than Two Million Dollars (\$2,000,000.00) combined single limit; and (d) contractor's pollution liability with limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate. Notwithstanding any of the foregoing, however, in the event that Buyer is unable or unwilling to maintain or cause its contractors to maintain insurance of the types and in the amounts set forth in the preceding sentence, (x) the term "Tests" as

used in this Agreement shall not mean or include any borings or perforations for soil and groundwater testing or any other invasive activities at the Property, which shall hereby be specifically prohibited and (y) Buyer shall, at its sole cost and expense, maintain or cause its contractors to maintain during the term of this Agreement (a) comprehensive public liability insurance with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate; (b) workers' compensation at statutory limits; and (c) automobile liability insurance for all owned, non-owned, leased, or hired vehicles with not less than Two Million Dollars (\$2,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. All insurance maintained pursuant to this Section 4.3.7 shall be maintained under policies issued by insurers licensed to conduct business in the State of North Carolina and shall name Seller and its servants and employees as additional insureds. Buyer shall deliver to Seller certificates of insurance evidencing such coverage prior to entering upon the Property, and such certificates shall contain a provision stating that the coverage evidenced thereby shall not be cancelled or materially altered without at least thirty (30) days' prior written notice to Seller. Such insurance shall be maintained in full force and effect until ninety (90) days following the completion of any Tests and shall not be construed to limit the extent of Buyer's liability under this Agreement.

4.3.8 Legal or Regulatory Notices. Except as may otherwise be required by law, any notice that may be required under CERCLA or any other Environmental Law based on the results of the Tests shall be the exclusive responsibility of Seller, and under no circumstance shall Buyer provide or deliver any such notice, either verbally or in writing, to any Governmental Entity. The provisions of this Section 4.3.8 shall survive the termination of this Agreement.

4.4 Return of Documents and Reports. If this Agreement terminates without closing, Buyer shall promptly return and/or deliver to Seller, at Seller's cost, all Property Information and copies thereof, as well as copies of all third party reports, and any Test results, investigations and studies, other than economic analyses (collectively, the "Reports" and, individually, a "Report") prepared for Buyer in connection with its due diligence review of the Property. The Reports shall be delivered to Seller without any representation or warranty as to the completeness or accuracy of the Reports or any other matter relating thereto. Buyer's obligation to deliver the Property Information and the Reports to Seller shall survive any termination of this Agreement without closing.

4.5 Proprietary Information; Confidentiality. Buyer acknowledges that the Property Information and any other document; data sheets; reports; memoranda; notes; records; plots; sketches; plans; and Test results, that have been delivered or made available to or generated by Buyer in the course of its Due Diligence investigation (collectively, the "Confidential Information") are proprietary and confidential and have been delivered and/or made available to Buyer solely to assist Buyer in determining the feasibility of purchasing the Property. Buyer shall not use the Confidential Information, for any purpose other than as set forth in the preceding sentence. Except as may be otherwise required by law (including but not limited to a court or other competent Governmental Entity with jurisdiction over the Property and/or over the operations

conducted by Buyer thereat), Buyer shall not disclose the contents to any person other than to those persons who are responsible for determining the feasibility of Buyer's acquisition of the Property and who have agreed to preserve the confidentiality of such information as required hereby (collectively, "Permitted Outside Parties"). At any time and from time to time prior to, or after, the closing, and within two (2) business days after Seller's request, Buyer shall deliver to Seller a list of all parties to whom Buyer has provided any Property Information or any information taken from the Property Information. Buyer shall not divulge the contents of the Property Information and other information except in strict accordance with the confidentiality standards set forth in this Section 4.5. In permitting Buyer to review the Property Information or any other information, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, express or implied, have been offered, intended or created. All Confidential Information, which Buyer has or shall obtain or be given access to shall be and remain the sole property of Seller, and Buyer shall have no right, title, or interest to, in, or under such Confidential Information. In the event of termination of this Agreement without closing, Buyer shall return to Seller all Confidential Information (including all copies thereof) then in its possession or control. Buyer expressly acknowledges and agrees that any disclosure or use by Buyer of Confidential Information in violation of this Agreement would threaten immediate and irreparable harm to the business of Seller, and that, in addition to any other rights and remedies available to it, Seller shall be entitled to specific performance, immediate injunctive relief, and, notwithstanding any provision herein to the contrary, the immediate return of all Confidential Information.

4.6 No Representation or Warranty by Seller. Buyer acknowledges that, except as expressly set forth in this Agreement, Seller has not made and does not make any warranty or representation regarding the truth, accuracy or completeness of the Property Information or the source(s) thereof. Buyer further acknowledges that some if not all of the Property Information was prepared by third parties other than Seller. Seller expressly disclaims any and all liability for representations or warranties, express or implied, statements of fact and other matters contained in the Property Information, or, except as expressly set forth in this Agreement, for omissions from the Property Information or from any other written or oral communications transmitted or made available to Buyer. Buyer shall rely solely upon the Seller's representations and warranties in this Agreement, if any, and upon the Buyer's own investigation, if any, with respect to the Property, including, without limitation, the Property's physical, environmental, or economic condition, compliance or lack of compliance with any ordinance, order, permit or regulation, or any other attribute or matter relating thereto. Except as otherwise set forth herein, Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Property Information and is providing the Property Information solely as an accommodation to Buyer.

4.7 Buyer's Agreement to Indemnify. Buyer indemnifies and holds Seller harmless from and against any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) to the extent arising out of Buyer's actions during the Due Diligence Period, including with respect to any Tests permitted

under this Agreement or any violation of the provisions of Sections 4.3 or 4.5; provided, however, the indemnity shall not extend to protect Seller from any pre-existing liabilities for matters merely discovered by Buyer (e.g., latent environmental contamination) so long as Buyer's actions do not aggravate any pre-existing liability of Seller. Buyer also indemnifies and holds Seller and any third party harmless from and against any and all claims, causes of action, damages, liabilities, and expenses which Seller or any third party may suffer or incur due to Buyer's breach of its obligations under Section 4.5 above to maintain the confidential nature of any Property Information or other information relative to Seller or any third party. Buyer's obligations under this Section 4.7 shall survive the termination of this Agreement and shall survive the closing.

4.8 Copies of Environmental Studies. As additional inducement for the transaction contemplated in this Agreement, Buyer must provide to Seller, at Seller's cost and immediately following the receipt of same by Buyer, copies of any Tests involving environmental matters relating to the Property; provided, however, Buyer shall have no obligation to cause any such Tests to be performed on the Property. Seller acknowledges that Buyer has not made and does not make any warranty or representation regarding the truth or accuracy of any such Tests. Notwithstanding Section 4.7 above, Buyer shall have no liability or culpability of any nature as a result of having made such Tests or having provided such Tests to Seller or as a result of Seller's reliance thereon or arising out of the fact that Buyer merely conducted such Tests, so long as Buyer's actions do not aggravate any pre-existing liability of Seller. Further provided, that Buyer shall not undertake any additional assessment and/or investigation activities at the Property after closing, unless such assessment and/or investigation is required by a lender or competent Governmental Entity other than New Hanover County with jurisdiction over the Property and/or the operations conducted by Buyer thereat.

ARTICLE 5 - Title and Surveys

5.1 Title Commitment. Buyer shall cause to be prepared and delivered to Seller current commitments for title insurance or preliminary title reports ("Title Commitment") for the Property, with such Title Commitment issued by the Title Company in the amount of the Purchase Price on a *ALTA 2006 Standard Form* commitment, with Buyer as the proposed insured.

5.2 Uplands Determination and Survey. Buyer shall obtain (a) an uplands determination as necessary in order to identify and determine the acreage of all upland areas on the Property (the "Uplands Determination") and (b) a survey of the Property as necessary in order for the Title Company to delete the survey exception from the Title Policy (the "Survey"). The parties hereby acknowledge that the Purchase Price set forth in Section 1.1.6 above is based on an assumption of one hundred seventy-seven (177) acres of uplands on the Property. If, as a result of the Uplands Determination, the acreage of all upland areas on the Property is found to be (x) greater than one hundred eighty-six (186) acres, the Purchase Price shall be increased by the difference between the number of acres of uplands on the Property and one hundred seventy-seven (177)

acres, multiplied by Ten Thousand Four Hundred Sixty-Five and 12/100 Dollars (\$10,465.12) per acre or (y) less than one hundred sixty-eight (168) acres, the Purchase Price shall be decreased by the difference between one hundred seventy-seven (177) acres and the number of acres of uplands on the Property, multiplied by Ten Thousand Four Hundred Sixty-Five and 12/100 Dollars (\$10,465.12) per acre.

5.3 Title Review. Seller shall have no obligation to cure title objections except property taxes and/or financing liens of an ascertainable amount created by, under or through Seller, which liens Seller shall cause to be released at or prior to closing (with Seller having the right to apply the Purchase Price or a portion thereof for such purpose), and Seller shall deliver the Property free and clear of any such financing liens. Seller further agrees to remove any exceptions or encumbrances to title which are voluntarily created by, under or through Seller after the Effective Date without Buyer's consent (if requested, such consent shall not be unreasonably withheld or delayed). The term "Permitted Exceptions" shall mean: the specific exceptions (excluding exceptions that are part of the promulgated title insurance form) in the Title Commitment that the Title Company has not agreed to remove from the Title Commitment as of closing and that Seller is not required to remove as provided above; matters created by, through or under Buyer; items shown on the Survey which have not been removed as of closing; and real estate taxes not yet due and payable.

5.4 Delivery of Title Policy at Closing. In the event that the Title Company does not issue at closing, or unconditionally commit at such closing to issue, to Buyer, an owner's title policy in accordance with the Title Commitment, insuring Buyer's fee simple title in the amount of the Purchase Price, subject only to the standard exceptions and exclusions from coverage contained in such policy and the Permitted Exceptions (the "Title Policy"), Buyer shall have the right to terminate this Agreement, in which case the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement.

ARTICLE 6 - Operations and Risk of Loss

6.1 New Contracts. Seller will not enter into any contract that will be an obligation affecting the Property subsequent to closing, except contracts related to the performance of Seller's post-closing obligations pursuant to Article 12 below and contracts entered into in the ordinary course of business that are terminable without cause and without the payment of any termination penalty on not more than thirty (30) days' prior notice.

6.2 Condemnation. If proceedings in eminent domain are instituted prior to closing with respect to the Property or any portion thereof by any party other than Buyer, Buyer may, at its option, by written notice to Seller given within ten (10) days after the earlier of Buyer becoming aware of such proceedings or Seller's notice to Buyer of such proceedings (and if necessary the Closing Date shall be automatically extended to give Buyer the full ten-day period to make such election), either: (i) terminate this Agreement, in which case the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement or

(ii) proceed under this Agreement, in which event Seller shall, at closing, assign to Buyer all of Seller's rights, title and interest in and to any condemnation award, and Buyer shall have the sole right after closing to negotiate and otherwise deal with the condemning authority in respect of such matter. If Buyer does not give Seller written notice of its election within the time required above, then Buyer shall be deemed to have elected option (ii) above. If Buyer institutes proceedings in eminent domain prior to closing with respect to the Property or any portion thereof, Seller shall have the right to terminate this Agreement pursuant to Section 10.1 below.

ARTICLE 7 – Closing

7.1 Closing. The consummation of the transaction contemplated herein shall occur on the Closing Date. Closing shall take place at the offices of Buyer or Buyer's counsel (or such other location as may be mutually agreed upon by Seller and Buyer). Upon satisfaction or completion of all closing conditions and deliveries, the parties shall immediately deliver the closing documents to the appropriate parties and make disbursements according to the closing statement executed by Seller and Buyer.

7.2 Conditions to Parties' Obligation to Close. In addition to all other conditions set forth herein, the obligation of Seller, on the one hand, and Buyer, on the other hand, to consummate the transaction contemplated hereunder is conditioned upon the following:

7.2.1 Representations and Warranties. The other party's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date;

7.2.2 Deliveries. As of the Closing Date, the other party shall have tendered all deliveries to be made at closing; and

7.2.3 Actions, Suits, etc. There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, against Seller that would materially and adversely affect the Property or Seller's ability to perform its obligations under this Agreement.

So long as a party is not in default hereunder, if any condition to such party's obligation to proceed with closing hereunder has not been satisfied as of the Closing Date (or such earlier date as is provided herein), such party may, in its sole discretion, terminate this Agreement by delivering written notice to the other party on or before the Closing Date (or such earlier date as may be provided herein), or elect to close (or to permit any such earlier termination deadline to pass) notwithstanding the non-satisfaction of such condition, in which event such party shall be deemed to have waived any such condition, and there shall be no liability on the part of any other party hereto for breaches of representations and warranties of which the party electing to close had knowledge at closing.

7.3 Seller's Deliveries. On the Closing Date, Seller shall deliver the following:

7.3.1 Deed. The Deed, executed and acknowledged by Seller;

7.3.2 Easement Agreement. An easement agreement executed and acknowledged by Seller and substantially in the form attached hereto as Exhibit C, establishing Buyer's right to a fifty (50) foot wide easement along that portion of the NPDES Line located on the New Hanover Property for the purpose of operating, inspecting, maintaining, repairing, replacing, and removing the NPDES Line (the "Easement Agreement"); (ADD installing parallel line)

7.3.3 Conveyance or Transfer Tax Forms or Returns. Such conveyance or transfer tax forms or returns, if any, as are required to be delivered or signed by Seller by applicable state and local law in connection with the conveyance of the Property;

7.3.4 FIRPTA. A Foreign Investment in Real Property Tax Act certificate, substantially in the form of Exhibit D hereto, executed by Seller;

7.3.5 Authority. Evidence of the existence, organization and authority of Seller and of the authority of the persons executing documents on behalf of Seller reasonably satisfactory to Buyer and the underwriter for the Title Policy;

7.3.6 Transfer and Release of Easement. A transfer and release substantially in the form of Exhibit K hereto, extinguishing the perpetual easement for access, ingress, and egress and construction, maintenance, operation, repair, replacement, and use of water utilities, together with the right and privilege to utilize said easement and water utilities for the purpose of extracting water, which easement, right, and privilege were reserved by Seller in the deed for property previously purchased from Seller by Buyer, which deed is recorded at Book 3044 Page 319, Pender County Registry.

7.3.7 Additional Documents. Any additional documents that Buyer or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement (provided, however, no such additional document shall expand any obligation, covenant, representation or warranty of Seller or result in any new or additional obligation, covenant, representation or warranty of Seller beyond those expressly set forth in this Agreement.

7.4 Buyer's Deliveries. On the Closing Date, Buyer shall deliver the following:

7.4.1 Easement Agreement. The Easement Agreement described in Section 7.3.2 above, executed and acknowledged by Buyer.

7.4.2 First Purchase Price Installment Payment. Three Hundred Seventy Thousand Four Hundred Sixty-Five Dollars (\$370,465.00),.

7.4.3 Note and Deed of Trust. A note and deed of trust substantially in the forms attached hereto as Exhibits E and F, respectively, and made a part hereof, securing Buyer's obligation to pay the balance of the Purchase Price remaining unpaid at closing in equal annual installments of Two Hundred Ninety-Six Thousand Three Hundred Seventy-Two Dollars (\$296,372.00), without interest, on the first five (5) anniversary dates of closing.

7.4.4 ERISA Letter. A letter to Seller in the form of Exhibit G attached hereto duly executed by Buyer, confirming that Buyer is not acquiring the Property with the assets of an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") and, in the event Buyer is unable or unwilling to make such a representation, Buyer shall be deemed to be in default hereunder, and Seller shall have the right to terminate this Agreement;

7.4.5 Conveyance or Transfer Tax Forms or Returns. Such conveyance or transfer tax forms or returns, if any, as are required to be delivered or signed by Buyer by applicable state and local law in connection with the conveyance of the Property; and

7.4.6 Additional Documents. Any additional documents that Seller or Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement (provided, however, no such additional document shall expand any obligation, covenant, representation or warranty of Buyer or result in any new or additional obligation, covenant, representation or warranty of Buyer under this Agreement beyond those expressly set forth in this Agreement).

7.5 Closing Statements. As of or prior to the Closing Date, Seller and Buyer shall execute a closing statement consistent with this Agreement in form mutually acceptable to the Seller and the Buyer.

7.6 Purchase Price. On the Closing Date, Buyer shall deliver to Seller the first Purchase Price installment payment as set forth in Section 7.4.2 above, plus or minus applicable prorations, in immediate, same day U.S. federal funds wired for credit into Seller or its designee account and credited on the Closing Date. In the event that Seller or its designee is unable to receive funds on the Closing Date, then the closing statements and related prorations will be revised as necessary.

7.7 Possession. Seller shall deliver possession of the Property to Buyer on the Closing Date subject only to the Permitted Exceptions.

ARTICLE 8 - Prorations, Deposits, Commissions

8.1 Prorations. At closing, the following items shall be prorated (based upon acreage and date) as of the Closing Date with all items of income and expense being borne by Seller up to the Closing Date and by Buyer from and after (but excluding) the Closing Date: real and personal ad valorem taxes ("Taxes"). Specifically, the following shall apply to such prorations:

8.1.1 Taxes. If Taxes for the year of closing are not known or cannot be reasonably estimated, Taxes shall be prorated based on Taxes for the tax year prior to closing, and Seller shall remain liable for any Taxes assessed after closing but corresponding to tax years prior to closing. Any additional Taxes relating to the year of closing arising out of a change in the use of the Property by Buyer on or after closing shall be assumed by Buyer effective as of closing and paid by Buyer when due and payable, and Buyer shall indemnify Seller from and against any and all such Taxes, which indemnification obligation shall survive closing.

8.1.2 Utilities. Prior to closing, Buyer shall take all steps necessary to effectuate the transfer of all utilities to its name as of the Closing Date and where necessary, post deposits with the utility companies; and (ii) Seller shall ensure that all utility meters are read and that all outstanding fees and assessments relative to the Property are paid as of the Closing Date. Seller shall remain liable for any and all utilities fees and/or assessments levied against the Property after closing but corresponding to time periods prior to closing. Seller shall be entitled to recover any and all deposits held by any utility company in Seller's name as of the Closing Date.

8.2 Closing Costs. Closing costs shall be allocated between Seller and Buyer in accordance with Section 1.2.

8.3 Final Adjustment After Closing. If final bills are not available or cannot be issued prior to closing for any item being prorated under Section 8.1, then Buyer and Seller agree to allocate such items on a fair and equitable basis as soon as such bills are available, final adjustment to be made as soon as reasonably possible after closing. Payments in connection with the final adjustment shall be due within thirty (30) days of written notice. All such rights and obligations shall survive closing.

8.4 Commissions. Seller and Buyer each represent and warrant to the other that no real estate brokerage commission is payable to any person or entity in connection with the transaction contemplated hereby, and each agrees to and does hereby indemnify and hold the other harmless against the payment of any commission to any other person or entity claiming by, through or under Seller or Buyer, as applicable. This indemnification shall extend to any and all claims, liabilities, costs, and expenses (including reasonable attorneys' fees and litigation costs) arising as a result of such claims and shall survive closing.

ARTICLE 9 - Representations and Warranties

9.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer that:

9.1.1 Organization and Authority. Seller has been duly organized, validly exists, and is in good standing in the state in which it was formed and is qualified to do business in the State of North Carolina. Seller has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or

cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Seller at closing will be, authorized and executed and constitute, or will constitute, as appropriate, the valid and binding obligation of Seller, enforceable in accordance with their terms.

9.1.2 Conflicts; Pending Actions. There is no agreement to which Seller is a party or, to Seller's knowledge, that is binding on Seller which is in conflict with this Agreement. To Seller's best knowledge, there is no action or proceeding pending or threatened against Seller or relating to the Property, which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.

9.1.3 Notices from Governmental Entities. To Seller's knowledge, Seller has not received from any Governmental Entity or Buyer, written notice pertaining to any environmental liability or any material violation of any laws applicable to the Property, or any part thereof, that has not been corrected, except as may be reflected by the Property Information.

9.1.4 Anti-Terrorism Laws. To Seller's best knowledge, Seller is in compliance with the requirements of Executive Order No. 133224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Executive Order"), the Department of Homeland Security Appropriations Act of 2006, and as applicable, the regulations adopted thereunder by the Department of Homeland Security. Without limiting the foregoing, to the best knowledge of Seller, Seller is not:

(i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") pursuant to the Executive Order and/or on any other list of terrorists or terrorist organizations maintained by OFAC pursuant to any requirement of law or Executive Order of the President of the United States in respect of terrorism or terrorist activities (such lists are collectively referred to as the "Lists"); or

(ii) a person or entity that is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or who has been determined by the United States Secretary of State, in consultation with the United States Secretary of the Treasury and the United States Attorney General, to have committed or to pose a significant threat of committing acts of terrorism or otherwise to assist, sponsor or support acts of terrorism.

9.1.5 Condition of Property. The sale of the Property is made "AS IS, WHERE IS WITH ALL FAULTS," as more fully described in Article 11 below.

9.1.6 Title. Seller is the sole owner in clear, indefeasible and marketable fee simple of and holds recordable title to the Property.

9.1.7 Property Information. To the best of Seller's Knowledge, the Property Information includes all documents within Seller's possession that are relevant and

material to existing environmental conditions at the Property. As used in this Agreement, "Seller's Knowledge" or words of similar import shall mean the actual knowledge of Charles R. Waltz, who is the employee of Seller most knowledgeable about the Property.

9.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller that:

9.2.1 Organization and Authority. Buyer has been duly organized, validly exists, and is in good standing in the State of North Carolina. Buyer has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Buyer at closing will be, authorized and properly executed and constitute, or will constitute, as appropriate, the valid and binding obligation of Buyer, enforceable in accordance with their terms.

9.2.2 Conflicts and Pending Action. There is no agreement to which Buyer is a party or to Buyer's knowledge binding on Buyer which is in conflict with this Agreement. There is no action or proceeding pending or, to Buyer's knowledge, threatened against Buyer which challenges or impairs Buyer's ability to execute or perform its obligations under this Agreement.

9.2.3 Anti-Terrorism Laws. To Buyer's best knowledge, Buyer is in compliance with the requirements of the Executive Order. Without limiting the foregoing, to the best knowledge of Buyer, Buyer is not:

(i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the OFAC pursuant to the Executive Order and/or on any Lists; or

(ii) a person or entity that is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or who has been determined by the United States Secretary of State, in consultation with the United States Secretary of the Treasury and the United States Attorney General, to have committed or to pose a significant threat of committing acts of terrorism or otherwise to assist, sponsor or support acts of terrorism.

ARTICLE 10 - Default and Remedies

10.1 Seller's Remedies. Provided that this Agreement shall not have been terminated, if (a) Buyer fails to perform its obligations pursuant to this Agreement at, prior to, or upon closing for any reason except failure by Seller to perform hereunder or (b) prior to such closing any one or more of Buyer's representations or warranties are breached in any material respect, Seller shall be entitled to terminate this Agreement, in whole or in part and pursue all remedies available at law or in equity. If closing is consummated, Seller shall have all remedies available at law or in equity in the event Buyer fails to perform any obligation of Buyer under this Agreement. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED FOR HEREIN, IN NO EVENT SHALL BUYER'S

DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, MEMBERS, OWNERS, SUBSIDIARIES, OR AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY SUBSIDIARY, AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

10.2 Buyer's Remedies. If (a) Seller fails to perform its obligations pursuant to this Agreement for any reason except failure by Buyer to perform hereunder or (b) prior to, or upon, closing any one or more of Seller's representations or warranties are breached in any material respect, Buyer shall elect, as its sole remedy, either to (i) terminate this Agreement by giving Seller written notice of such election prior to or at closing or (ii) waive said failure or breach and proceed to closing. Buyer's remedies shall be limited to those described in this Section 10.2 and Section 10.3 hereof. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED FOR HEREIN, IN NO EVENT SHALL SELLER'S DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, MEMBERS, OWNERS, SUBSIDIARIES, OR AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY SUBSIDIARY, AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

10.3 Attorneys' Fees. In the event either party hereto employs an attorney in connection with claims by one party against the other arising from the operation of this Agreement, the non-prevailing party shall pay the prevailing party all reasonable fees and expenses, including attorneys' fees, incurred in connection with such transaction. The foregoing includes, but is not limited to, reasonable attorneys' fees, expenses and costs of investigation incurred in (1) appellate proceedings, (2) in any post-judgment proceedings to collect or enforce the judgment, (3) any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11, or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.) or any successor statutes.

ARTICLE 11 - Disclaimers, Release and Indemnity

11.1 Disclaimers By Seller. Except as expressly set forth in this Agreement, it is understood and agreed that Seller has not at any time made and is not now making, and specifically disclaims, any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to (i) matters of title, (ii) environmental matters relating to the Property or any portion thereof, including without limitation the presence of Hazardous Materials in, on, under, or in the vicinity of the Property, (iii) geological conditions, including without limitation subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water, and geologic faults and the resulting damage of past and/or future faulting, (iv) whether, and to the extent to which

the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone area, flood plain, floodway, or special flood hazard, (v) drainage, (vi) soil conditions, including the existence of instability; past soil repairs; soil additions or conditions of soil fill; susceptibility to landslides; or the sufficiency of any undershoring, (vii) the presence of endangered species or any environmentally sensitive or protected areas, (viii) zoning or building entitlements to which the Property or any portion thereof may be subject, (ix) the availability of any utilities to the Property or any portion thereof including without limitation city or ground water, wastewater discharge, sewage, gas, and electric, (x) usages of adjoining property, (xi) access to the Property or any portion thereof, (xii) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof or any income, expenses, charges, liens, encumbrances, rights, or claims on, affecting, or pertaining to the Property or any part thereof, (xiii) the condition or use of the Property or compliance of the Property with any or all past, present, or future federal, state, or local ordinances, rules, regulations, or laws; building, fire, or zoning ordinances, codes, or other similar laws, (xiv) the existence or non-existence of underground storage tanks, surface impoundments, or landfills, (xv) the merchantability of the Property or fitness of the Property for any particular purpose, (xvi) the truth, accuracy, or completeness of the Property Information, (xvii) tax consequences, or (xviii) any other matter or thing with respect to the Property.

11.2 Sale "As Is, Where Is." Buyer acknowledges and agrees that upon closing, Seller shall sell and convey to Buyer and Buyer shall accept the Property "AS IS, WHERE IS, WITH ALL FAULTS" and specifically and expressly without any warranties, representation, or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of the Seller except for the representations and warranties expressly contained in this Agreement, including, without limitation, in Section 9.1.7 above, or any other document delivered at closing. Except as expressly set forth in this Agreement, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations, or information pertaining to the Property or relating thereto (including specifically but without limitation Property information packages distributed with respect to the Property or summaries of existing environmental conditions) made or furnished by Seller or any real estate broker, agent, or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing. Buyer represents that it is a knowledgeable, experienced, and sophisticated purchaser of real estate and that, except as expressly set forth in this Agreement, it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Except as to those covenants, representations and warranties expressly contained herein or any document delivered at closing, Seller is not liable or responsible for, or bound in any manner by, any express or implied representations, warranties, covenants, agreements, obligations, guarantees, statements, information, or inducements pertaining to the Property or any part thereof; title to the Property; the physical conditions thereof; the environmental condition thereof; the fitness

and quality thereof; the income, expenses or operation thereof; the value and profitability thereof; the rent regulation of the same; the use which can be made thereof; current and future zoning and rent regulation; the suitability of the Property or any portion thereof for renovation or construction; or any other matter or thing whatsoever with respect thereto. Buyer has conducted or shall conduct Tests of the Property to the extent that Buyer deems necessary, including, but not limited to, the physical and environmental conditions thereof; the existence of any environmental hazard thereon; any violation of applicable laws, rules and regulations regarding public health, safety, or the environment; and any release or threat of release of any Hazardous Materials on, under, or from the Property and shall rely upon same. Buyer acknowledges that Seller is affording Buyer a full opportunity to conduct such Tests of the Property as Buyer deems necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property and will rely solely upon the results of any such Tests and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto, other than such representations, warranties, and covenants of Seller as are expressly set forth in this Agreement, if any. Except as otherwise set forth herein, upon closing, Buyer shall assume the risk that adverse matters, including but not limited to adverse physical, or construction defects or adverse environmental, health, or safety conditions may not have been revealed by Buyer's Tests.

11.3 Release. Buyer hereby FOREVER RELEASES AND DISCHARGES Seller from all responsibility and liability, including without limitation, liabilities under any Environmental Law regarding the condition of the environment (including, without limitation, the presence in the soil, air, structures, and surface and subsurface waters of Hazardous Materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable, or subject to regulation and that may need to be specially treated, handled, and/or removed from the Property under current or future federal, state, and local laws, regulations, or guidelines); valuation, salability, or utility of the Property; or its suitability for any purpose whatsoever; including but not limited to any and all liability, loss, damage, cost and expense resulting from any notice, complaint, claim (including third-party claims), demand, suit, controversy, order, writ, judgment, statute, regulation or other legal requirement, including without limiting the generality of the foregoing, court costs, reasonable attorneys and consultants fees, environmental cleanup costs, natural resources damages, fines, penalties and damages to persons, personal property, real property and business enterprises, including any and all past, present and future claims and liability that result from, arise out of or are related to the environmental condition of the Property, the existence of any environmental hazard thereon; any violation of applicable laws, rules, and regulations regarding public health, safety, or the environment; and any release or threat of release of any Hazardous Materials on, under, or from the Property.

11.4 Waiver. Buyer further hereby WAIVES (and by closing this transaction will be deemed to have waived) any and all objections to or complaints regarding (including, but not limited to, federal, state, and common law based actions), or any private right of action under, local, state, and federal law, to which the Property is or may

be subject, including but not limited to CERCLA, RCRA, the substantive equivalent of the foregoing in any local or state jurisdiction having legal authority over the Property or its physical characteristics and existing conditions, including without limitation structural and geologic conditions; inability to obtain or maintain building or use permits; actual or potential operational income; real estate taxes or assessments now or hereafter payable on the Property; surface and subsurface soil and water conditions; and solid and hazardous waste and Hazardous Materials on, under, adjacent to, or otherwise affecting the Property.

11.5 General Indemnities. The parties agree to indemnify and hold each other harmless from any and all liabilities, claims, demands, and expenses of any kind or nature to the extent arising out of the indemnifying party's breach of warranty or representation hereunder, provided that notice of the breach (with reasonable specificity) is given to the indemnifying party within one (1) year after the applicable closing and any action for indemnification is commenced within two (2) years after the applicable closing hereunder.

11.6 Survival. The terms and conditions of this Article 11 shall expressly survive closing, not merge with the provisions of any closing documents, and shall be incorporated into the Deed.

Buyer acknowledges and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement and that Seller would not have agreed to sell the Property to Buyer for the Purchase Price without the disclaimers and other agreements set forth above. Likewise, Seller acknowledges and agrees that Buyer would not have agreed to purchase the Property for the Purchase Price without the agreements set forth herein.

11.8 Change of Name: Promptly after closing, Buyer shall take the necessary steps to substitute Buyer's name for Seller's name in all applicable books and records, registries, tax records, licenses, approvals, permits, or any other documents, private or public, in which Seller's name may appear.

ARTICLE 12 – Post-Closing Obligations

12.1 Building Dismantling. Seller shall, within eighteen (18) months after closing on the transaction contemplated hereunder, dismantle, and remove all debris associated with the dismantling of, all Improvements identified on Exhibit H hereto that are indicated by an "x" in the column headed "Demo," which dismantling and removal shall be down to four (4) feet below grade, and Seller shall restore to grade with approved backfill material that complies with Class II or III material as defined by ASTM D2487 and D2321. The parties hereby acknowledge and agree that Seller shall have no obligation dismantle or remove any Improvements identified on Exhibit H hereto that are indicated by an "x" in the column headed "Remains" or any Improvements to the extent located more than four (4) feet below ground surface, provided, however, that Seller shall remove all equipment other than compressors from the Chiller Building.

12.2 Seller's Post-Closing Obligations. After closing, Seller shall (a) retain responsibility for securing a Registered Environmental Consultant (REC) certification of completion of all remedial action activities at the Property, which certification will act to transfer the Property to the "No Further Action" category within the North Carolina Department of Environment and Natural Resources Hazardous Sites inventory; (b) cooperate with Buyer as reasonably necessary to enable Buyer to comply with the requirements of the North Carolina Department of Environment and Natural Resources Brownfields Program; (c) retain responsibility for abandoning, in accordance with applicable laws, all wells installed at the Property by or behalf of Seller for purposes of remedial action activities; and (d) upon (i) closing of the sale of the New Hanover County Property to New Hanover County and (ii) Seller's receipt of written consent from the Lower Cape Fear Water and Sewer Authority (the "LCFWSA") pursuant to Section 5.4 of the Standard Provisions for Water Supply Agreements incorporated by reference into that certain Water Supply Agreement dated as of January 1, 1992 by and between the LCFWSA and Takeda Chemical Products U.S.A., Inc. (collectively, the "Water Supply Agreement"), assign the Water Supply Agreement to Buyer.

12.4 Sale to a Governmental Entity or Private Party. In the event that Buyer sells any portion of the Property to a Governmental Entity or private party for conservation, preservation, or similar purposes within two (2) years after closing, Buyer shall, within thirty (30) days of the closing of any such sale, remit a certified or cashier's check to Seller in the amount of fifty percent (50%) of the sales price.

12.3 Survival. The terms and conditions of this Article 12 shall expressly survive closing, not merge with the provisions of any closing documents, and shall be incorporated into the Deed.

ARTICLE 13 - Miscellaneous

13.1 Parties Bound; Assignment. This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of each of the parties hereto. Buyer shall have no right to assign this Agreement.

13.2 Headings. The article, section, subsection, paragraph and/or other headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

13.3 Invalidity and Waiver. If any portion of this Agreement is held invalid or inoperative, by a court or other Governmental Entity, then so far as is reasonable and possible the remainder of this Agreement shall be deemed valid and operative, and, to the greatest extent legally possible, effect shall be given to the intent manifested by the parties in the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall not be deemed to be a

waiver of such party's right to enforce against the other party the same or any other such term or provision in the future.

13.4 Governing Law. This Agreement shall, in all respects, be governed, construed, applied, and enforced in accordance with the laws of the State of North Carolina and the parties hereto hereby submit to the jurisdiction of the United States District Court for the Eastern District of North Carolina or the State of North Carolina local courts, as applicable.

13.5 Survival. The provisions of this Agreement that contemplate performance after the closing and the obligations of the parties not fully performed at closing shall survive the closing and shall not be deemed to be merged into or waived by the instruments of closing.

13.6 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, verbal and written, relating to the Property. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

13.7 Time. Time is of the essence in the performance of this Agreement.

13.8 Confidentiality. Except as otherwise required by law, the parties shall make no public announcement or disclosure of any information related to this Agreement to third parties, before or after closing, without the prior, written, specific consent of the other party; provided, however, that Buyer may, subject to the provisions of Section 4.5, make disclosure of this Agreement to its Permitted Outside Parties as necessary to perform its obligations hereunder and as may be required under laws or regulations applicable to Buyer.

13.9 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the addresses set forth in Section 1.3. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, (iii) by personal delivery, or (iv) by facsimile, evidenced by confirmed receipt. Notice deposited in the mail in the manner hereinabove described shall be effective on the third (3rd) business day after such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to the Buyer shall be deemed given by Buyer and notices given by counsel to the Seller shall be deemed given by Seller.

13.10 Counsel. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement prior to its execution by the parties.

13.11 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday in the State of North Carolina, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. local time in the State of North Carolina.

13.12 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Agreement. To facilitate execution of this Agreement, the parties may execute and exchange by telephone facsimile counterparts of the signature pages, provided that executed originals thereof are forwarded to the other party on the same day by any of the delivery methods set forth in Section 13.9 other than facsimile.

13.13 No Recordation. Except for the Deed, the Easement Agreement, the Deed of Trust, and any other filings required under applicable law and except as otherwise set forth in this Agreement, there shall be no recordation of either this Agreement or any memorandum hereof, or any affidavit pertaining hereto, without the prior written consent of Seller, and any such recordation of this Agreement or memorandum or affidavit by Buyer without the prior written consent of Seller shall constitute a default hereunder by Buyer, whereupon Seller shall have the remedies set forth in Section 10.1 hereof. Notwithstanding the foregoing, a Memorandum of Agreement in the form attached hereto as Exhibit I may be recorded by Buyer, provided that Buyer has delivered to Seller a properly executed Release of the Memorandum in the form attached hereto as Exhibit J.

13.14 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at or after closing, each party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after closing any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to Buyer.

13.15 Discharge of Obligations. Except for those obligations which are herein specifically stated to survive closing, the acceptance of the Deed by Buyer shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement.

13.16 No Third Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at closing are and will be for the benefit of Seller and Buyer, and their direct and indirect partners, shareholders, members, owners, subsidiaries or affiliates, officers and directors, employees, representatives or agents of the foregoing or any subsidiary, affiliate or controlling persons thereof, only, and are not for the benefit of any third party, and accordingly, except as otherwise required by law, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at closing.

13.17 Waiver of Right to Jury Trial. Each party to this Agreement hereby expressly, voluntarily, knowingly and irrevocably waives any constitutional or other right each may have to a trial by jury in the event of a court litigation concerning any claim, demand, action or cause of action (a) arising under this Agreement, the parties' performance thereunder or any other instrument, document or agreement executed or delivered in connection therewith, or (b) in any way connected with or related or incidental to the dealings of the parties thereto or any of them with respect to any instruments, document or agreement related in any way whatsoever to the subject matter of this Agreement, and in each case, whether now existing or hereafter arising and whether sounding in tort or contract or otherwise. Any party to this Agreement may file an original counterpart or copy of this section with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury. Each party represents that it has been represented by and consulted with counsel specifically with reference to this clause.

13.18 Outside Closing Dates. Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated and the remaining transaction(s) contemplated by this Agreement may be abandoned by either party giving written notice of termination to the other if closing has not occurred by the close of business on the thirtieth (30th) day following the Closing Date for any reason other than by breach of the party giving notice of termination.

[SIGNATURE PAGES AND EXHIBITS FOLLOW]

**SIGNATURE PAGE TO AGREEMENT OF
PURCHASE AND SALE
BY AND BETWEEN
BASF CORPORATION
AND
PENDER COUNTY**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

SELLER:

BASF Corporation
a Delaware corporation

By: _____
Name:
Title: _____, hereunto duly authorized
Date executed by Seller: _____, 200

BUYER:

Pender County
a political subdivision of the State of North Carolina

By: _____
Name:
Title: _____, hereunto duly authorized
Date executed by Buyer: _____, 200

LIST OF EXHIBITS

- A - Drawing of the Property
- B - Form of Real Estate Deed
- C - Form of Easement Agreement
- D - FIRPTA Certificate
- E - Form of Note
- F - Form of Deed of Trust
- G - ERISA Letter
- H - Table and Drawing Showing Improvements To Be Dismantled and
Improvements To Remain As Set Forth in Section 12.1
- I - Form of Memorandum of Agreement
- J - Release of Memorandum

LIST OF SCHEDULES

1 – Property Information

EXHIBIT A

DRAWING OF PROPERTY

[ATTACHED]

EXHIBIT B

FORM OF REAL ESTATE DEED

**NORTH CAROLINA
SPECIAL WARRANTY DEED**

Excise Tax: \$

Recording Time, Book and
Page

Tax Map No:

Parcel Identifier No.

Prepared by and mail after recording to:

THIS DEED made this _____ day of _____, _____ by and between

(i) BASF Corporation, a Delaware corporation ("GRANTOR")

(ii) Pender County, a political subdivision of the State of North
Carolina ("GRANTEE")

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Pender County, North Carolina and more particularly described as follows (the "Property"):

All or a portion of the Property hereinabove described was acquired by Grantor by instrument recorded in Book _____, Page _____, County Registry.

A map showing the above described Property is recorded in Plat Book _____, Page _____, and referenced within this instrument.

Express Conditions

This conveyance is expressly made subject to and on the following conditions, as limited herein:

(1) The Property shall not be used for any Residential Use (as defined below), in whole or in part;

(2) No ground water wells (as defined below) shall be drilled, constructed or installed on the Property and no use shall be made of ground water on, under or about the Property.

As used herein, "Residential Use" shall mean and include any improvement, structure or dwelling used for living accommodations (single or multi-family occupancy, including, without limitation, detached housing, condominiums, apartment buildings, dormitories, and senior citizen housing); any day care facility (whether for infants, children, the infirm, or the elderly); any long-term care hospital, hospice, and nursing home facility; any school for individuals in any of grades pre-K through 12; any prison; any playground; and any other similar or like use.

As used herein "ground water wells" shall mean any well or wells in the shallowest water-bearing zone under the Property and shall specifically exclude (a) any well or wells in water-bearing zones other than the shallowest water-bearing zone under the Property and (b) any well or wells which shall be required by any governmental agency having property jurisdiction for purposes of monitoring, treatment or remediation of environmental conditions on or about the Property. Any well or wells excluded from the definition of "ground water wells" by the preceding sentence shall not be deemed or construed to be a violation of the specified condition set forth in (2) above.

Cure and Correction of Violation of Express Conditions

In the event of the violation of any of the foregoing conditions, Grantor may give Grantee, its successors or assigns, written notice (the "Notice") of such violation. Any such Notice shall also be given to each "Mortgagee of Record" (as hereinafter defined) in respect of the Property. Grantee, its successors and assigns, or any Mortgagee of Record shall cure or correct such violation no later than ninety (90) days following the receipt of the Notice, such ninety day period as to each party to be given notice herein shall run from the date of receipt by such party.

In the event Grantee, its successors or assigns and/or any Mortgagee of Record hereunder, shall fail to cure such violation within ninety (90) days of its receipt of the Notice, then for so long as the violation remains uncured, Grantor, its successors or assigns, shall have the right to (but not the obligation) and may re-enter the Property (or, in the event of a subdivision of the Property, such subdivided parcel on which the uncured violation may be located) and take title and the right of possession thereof by first giving further written notice (the "Second Notice") to Grantee and any Mortgagee of Record of Grantor's intention to do so, and, if Grantee or a Mortgagee of Record has not cured such violation within thirty (30) days after the Second Notice, title and the right of possession thereof shall immediately vest in Grantor, its successors and assigns, free and clear of all liens, charges or encumbrances of a monetary nature (collectively, the foregoing are referred to as "encumbrances"), including, by way of example and not by limitation, mortgages, deeds of trust or securitized financing or loan instruments and, free and clear of any encumbrances which were not given or obtained for value and in good faith and excepting those existing on the date of this deed and the lien of a Mortgagee of Record, without any further act or deed, and upon such re-entry of Grantor, Grantee, its successors and assigns, shall immediately forfeit all right, interest and title to the Property or such subdivided parcel thereof and Grantor shall only be responsible to compensate Grantee, its successor or assigns, by return of the deed consideration (or proportionate share thereof) paid by Grantee herein. In the event Grantee or any Mortgagee of Record advises Grantor in writing within thirty (30) days after the Second Notice that it cannot effectuate a cure without pursuing legal action (including, in the case of a Mortgagee of Record, foreclosing its lien) and thereafter, with reasonable diligence, pursues such legal action, the period of time to cure such violation shall extend until a reasonable time after the completion of such legal action, *provided, however*, that Grantor shall have the right to pursue immediate injunctive relief during the pendency of any such legal action in order to prevent or mitigate harm to public health or safety or the environment. As an alternative to re-entering the Property (or any subdivided parcel thereof) and taking title and the right of possession thereof, by giving notice to Grantee and any Mortgagee of Record of Grantor's intent to cure, Grantor, its successors and assigns, may elect to enter the Property or the relevant subdivided parcel thereof (but without the obligation to do so) to cure or correct the violation, and all costs and expenses of Grantor in effecting such cure or correction, including reasonable attorney fees and costs of suit, if any, shall be paid by Grantee, its successors and assigns, upon demand made by Grantor and until so paid, shall constitute a lien running with the land. If Grantee shall fail to make payment upon demand by Grantor, then and in that event, Grantee, its successors and assigns, shall pay such additional sums as incurred by Grantor to enforce its rights and collect such amounts owed by Grantee, its successors or assigns. In the event of reversion of title and/or re-entry hereunder, Grantor shall not be required to pay to Grantee, its successors or assigns any compensation for any buildings or other improvements on the Property or such subdivided parcel thereof and shall not incur any liability for damages or losses of any kind in connection with or resulting from such re-entry.

"Mortgagee of Record" shall mean any institutional lender or institutional mortgagee holding a lien, mortgage or deed of trust to secure financing for the acquisition of the Property and the construction of improvements, structures or buildings on the

Property and any refinancings thereof if the aforesaid lien, mortgage or deed of trust has been filed for record in the applicable real estate records of Pender County, North Carolina. Notices shall be sent to such Mortgagee of Record at such address as is set forth in such Mortgagee of Record's recorded mortgage, as such address may be modified by any document executed by such Mortgagee of Record (including without limitation any amendment to such mortgage) cross referencing such mortgage and recorded in the real estate records

Recitation of Conditions and Covenants

All conditions and covenants of this Deed shall be binding upon Grantee, its successors and assigns, including any subsequent owner who derives its title through foreclosure or trustee's sale or otherwise, as if each and every said successor and assign, had been the Grantee under this Deed and all conditions and covenants of this Deed shall be recited and set forth in each deed of conveyance hereinafter made, granted and delivered.

Reserved Access

Grantor hereby expressly reserves unto itself and its successors and assigns, a perpetual, non-exclusive, right of entry and the right of ingress and egress (herein collectively, the "Access Rights") reasonably convenient, upon, above, over, under and across the Property for the purposes of satisfying Grantor's continuing and/or future obligations, if any, whatever the character or nature, under any applicable law, rule or regulation regulating environmental conditions on the Property.

Grantor and Grantee acknowledge and represent that the foregoing Access Rights are blanket rights affecting the entire Property and that any such entry, ingress and egress by Grantor pursuant to this reservation, shall not unreasonably interfere with the permitted use of the Property by Grantee, its successors or assigns.

Grantor and Grantee shall cooperate reasonably in their efforts to minimize the disturbance of the permitted use of the Property by Grantee resulting from Grantor's exercise of the Access Rights.

Grantor Indemnity

Should Grantor exercise its Access Rights pursuant to the immediately preceding paragraph, Grantor shall promptly reimburse Grantee for its actual, out of pocket costs and expenses incurred in connection with Grantor's exercise of the Access Rights, including, if necessary or applicable, the repair of buildings, fixtures, and other improvements on the Property at the time Grantor exercises its Access Rights. Grantor agrees that it shall indemnify, defend, and hold Grantee, its successors and assigns, harmless against claims, damages, losses, or expenses to the extent not remediated by the preceding reimbursement, including reasonable attorney fees and costs of suit, if any, arising as a result of Grantor's exercise of such rights, excluding however, any claims, damages, losses, or expenses for special, consequential (including business interruption and/or lost profits) or punitive damages or those claims, damages, losses, or expenses

caused by the negligent or wrongful acts or omissions of Grantee or Grantee's successors and assigns. Any exercise of the Access Rights by Grantor shall be done promptly in consideration of the relevant circumstances, and in a manner to cause minimal disruption and disturbance to the then existing operation of the Property.

This conveyance is made subject to current zoning and other governmental restrictions, all covenants, conditions, restrictions, easements and rights of way, and other matters of record and such state of facts as would be shown on an accurate survey

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

All zoning and land use requirements, the conditions set forth in this instrument and easements, encumbrances and restrictions of record, such state of facts as shown on the Plats, and ad valorem taxes for 20__.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its duly authorized officer(s), the day and year first above written.

BASF Corporation

Attest:

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

NEW JERSEY, MORRIS COUNTY

I, _____, a notary public of the above county and state, certify that _____ (name of secretary, assistant secretary, trust officer, assistant trust officer, cashier or assistant cashier) personally came before me this day and acknowledged that he (or she) is _____ (secretary, assistant secretary, trust officer, assistant trust officer, cashier or assistant cashier) of BASF Corporation, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ (chairman, president, chief executive officer, vice-president, assistant vice-president, treasurer, or chief financial officer) and attested by himself (or herself) as its _____ (secretary, assistant secretary, trust officer, assistant trust officer, cashier or assistant cashier).

Witness my hand and official seal, this the _____ day of _____, _____.

(Signature of officer taking acknowledgment)

(Official seal)

My commission expires _____

EXHIBIT A TO DEED

LEGAL DESCRIPTION

EXHIBIT C

FORM OF EASEMENT AGREEMENT

EXHIBIT D

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. [For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity.] To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by BASF Corporation, a Delaware corporation ("Seller"), the undersigned hereby certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Seller is not a disregarded entity as defined in Income Tax Regulations Section 1.1445-2(b)(2)(iii);
3. Seller's U.S. employer identification number is .
4. Seller's office address is: 100 Campus Drive
Florham Park, New Jersey 07932
Telephone: 973-245-6595

Seller understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

BASF Corporation
a Delaware corporation

By: _____

Name: .

Title:

Date executed by Seller: _____, 20

EXHIBIT E

FORM OF NOTE

SATISFACTION: The debt evidenced

by this Balance Purchase Money

Promissory Note has been satisfied in

full this _____ day of _____,

20__.

Signed: _____

BALANCE PURCHASE MONEY PROMISSORY NOTE

Pender County, N.C.

\$1,481,860.00

_____, 20__

FOR VALUE RECEIVED the undersigned PENDER COUNTY ("Maker") promises to pay to BASF CORPORATION, a Delaware corporation, or order, the principal sum of One Million Four Hundred Eighty-One Thousand Eight Hundred Sixty Dollars (\$1,481,860.00) without interest in lawful money of the United States of America, at

or such other place as the legal holder hereof may subsequently designate in writing. It is understood and agreed that additional amounts may be advanced by the holder hereof as provided in the instruments, if any, securing this Note and such advances will be added to the principal of this Note and will accrue interest at the rate of interest specified herein from the date of advance until paid. The principal and any interest shall be due and payable as follows:

Commencing on the ____ day of _____, 20__, and on each _____, ____ thereafter (each a "Payment Date") to and including _____, ____ ("Maturity Date"), Maker agrees to make (5) consecutive equal annual payments of Two Hundred Ninety Six Thousand Three Hundred Seventy Two Dollars (\$296,372.00).

This Note may be prepaid in full or in part at any time without penalty or premium. Partial prepayments shall be applied to installments due in reverse order of their maturity.

In the event of (a) default in payment hereof as the same becomes due and such default is not cured within ten (10) days after written notice to Maker, or (b) default under the terms of any instrument securing this Note, and such default is not cured within fifteen

(15) days after written notice to Maker, then in either such event the remainder of the principal sum, together with all interest accrued thereon, shall at once be due and payable. The unpaid principal of this Note and any part thereof and all other sums due under this Note and the Deed of Trust (as defined below), if any, shall bear interest at the rate of Fifteen Percent (15%) per annum after default until paid.

All parties to this Note, including Maker and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal and all other sums due under this Note and the Deed of Trust notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for payment; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default, the holder of this Note may employ an attorney to enforce the holder's rights and remedies, and Maker hereby agrees to pay to the holder its reasonable attorneys fees incurred by holder, plus all other reasonable expenses incurred by the holder in exercising any of the holder's rights and remedies upon default. The rights and remedies of the holder as provided in this Note and any instrument securing this Note shall be cumulative and may be pursued singly, successively, or together against the property described in the Deed of Trust or any other funds, property or security held by the holder for payment or security, in the sole discretion of the holder. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

The Note is to be governed and construed in accordance with the laws of the State of North Carolina.

This Note is given for balance purchase money for the sale of land, and is secured by a Balance Purchase Money Deed of Trust which is a lien upon the property therein described (the "Deed of Trust").

Notwithstanding anything to the contrary herein or in this Note, the liability and obligation of the Maker to perform its obligations herein, including the repayment of the principal balance due under this Note in accordance with the provisions of this Note, shall not be enforced by any action or proceeding pursuant to which damages or any money judgment or any deficiency judgment or any judgment establishing any personal obligation or liability shall be sought, collected or otherwise obtained against the Maker or against any past, present or future officer of the Maker. Nothing contained in this paragraph shall be construed (i) as preventing the holder from naming Maker in any action or proceeding brought by the holder to enforce and to realize upon the Property (as defined in the Deed of Trust), or any part thereof or interest therein, so long as no judgment, order, decree or other relief in the nature of a personal or deficiency judgment or otherwise establishing any personal obligation shall be asked for, taken, entered or enforced against the Maker, in any such action or proceeding, or (ii) as modifying,

qualifying or affecting in any manner whatsoever the lien and security interests created by the Deed of Trust or the enforcement thereof by its Beneficiary.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, the undersigned Maker has caused this instrument to be executed in its name by _____, its _____, with both the Maker and _____ adopting as their respective seal the word "SEAL" appearing beside their names, the day and year first above written.

Maker: PENDER COUNTY,
a political subdivision of the State of North Carolina (SEAL)

By: _____ (SEAL)

Name:

Its:

THE STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that _____, (the "Signatory"), personally came before me this day and acknowledged that he/she is _____ of Pender County, a political subdivision of the State of North Carolina, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of Pender County.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

___ a driver's license *or*

___ in the form of _____); **or**

___ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 20 .

Notary Public

Print Name: _____

[**Note:** Notary Public must sign exactly as on notary seal]

My Commission Expires: _____, 20 _____

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

EXHIBIT F

FORM OF DEED OF TRUST

SATISFACTION: The debt secured by the within Deed of Trust together with the note(s) secured thereby has been satisfied in full. This the _____ day of _____, 20__ Signed: _____ _____ _____	Recording Time, Book and Page
--	-------------------------------

Tax Lot No.: _____ Parcel Identifier No. _____
 Verified by _____ Pender County on the ___ day of _____, 20__ by _____

Mail after recording to:

Prepared By:

Brief Description For The Index:

BALANCE PURCHASE MONEY DEED OF TRUST

THIS BALANCE PURCHASE MONEY DEED OF TRUST made this _____ day of _____, 20__, by and between:

GRANTOR	TRUSTEE	BENEFICIARY
PENDER COUNTY a political subdivision of the State of North Carolina Address: 805 South Walker Street, Burgaw, North Carolina 28425		BASF CORPORATION, a Delaware corporation Address: 100 Campus Drive Florham Park, NJ 07932 Attn: Real Estate Department

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor, Trustee and Beneficiary as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, That whereas Grantor is indebted to Beneficiary in the principal sum of One Million Four Hundred Eighty-One Thousand Eight Hundred Sixty Dollars (\$1,481,860.00) (the "Principal Balance"), as evidenced by a Balance Purchase Money Promissory Note of even date herewith ("Promissory Note" or "Note"), the terms of which are incorporated herein by reference. The final due date for payment of said Promissory Note, if not sooner paid, is _____.

NOW, THEREFORE, as security for said indebtedness, advancements and other sums expended by Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to said Trustee, his heirs, or successors, and assigns, the parcel(s) of land situated in the County of Pender (the "Property"), and more particularly described as follows:

See EXHIBIT A, attached hereto and incorporated herein by this reference.

TO HAVE AND TO HOLD said Property with all privileges and appurtenances thereunto belonging, to said Trustee, heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth.

If Grantor shall pay the Note secured hereby in accordance with its terms and any renewals or extensions thereof in whole or in part, together with all other sums secured hereby and shall comply with all of the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request and the expense of Grantor. If, however, there shall be any default (a) in the payment of any sums due under the Note, this Deed of Trust or any other instrument securing the Note and such default is not cured within ten (10) days after written notice to Grantor or (b) if there shall be any other default by Grantor under any of the covenants, terms or conditions of the Note secured hereby or any failure or neglect to comply with the covenants, terms or conditions contained in this Deed of Trust, and such default is not cured within fifteen (15) days after written notice to Grantor, then and in any of such events, without further notice, it shall be lawful for and the duty of Trustee, upon request of Beneficiary, to sell the Property herein conveyed at public auction for cash, after having first giving such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as may then be required by law and giving such notice and advertising the time and place of such sale in such manner as may then be provided by law, and upon such and any resales and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as Trustee is empowered. Trustee shall be authorized to retain an attorney to represent him in such proceedings. As used herein, and in the Note, the term "Event of Default" shall mean the occurrence of a default by Grantor that is not timely cured in accordance with subparagraph (a) or (b) above (as applicable).

The proceeds of the sale shall after Trustee retains his commissions, together with reasonable attorneys' fees incurred by Trustee in such proceeding, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. Trustee's commission shall be five percent (5%) of the gross proceeds of the sale or a minimum of \$1,000.00, whichever is greater, for a completed foreclosure. In the event foreclosure is commenced, but not completed, Grantor shall pay all reasonable expenses incurred by Trustee, including reasonable attorneys' fees

actually incurred as determined by hourly rates (without reference to statutory presumptions) and a partial commission of five percent (5%) of the outstanding indebtedness or \$1,000.00, whichever is greater, in accordance with the following schedule, to wit: one-fourth ($\frac{1}{4}$) thereof before Trustee issues a notice of hearing on the right to foreclosure; one-half ($\frac{1}{2}$) thereof after issuance of said notice; three-fourths ($\frac{3}{4}$) thereof after such hearing; and the full commission after the initial sale.

And Grantor does hereby covenant and agree with Trustee as follows:

1. **INSURANCE.** Grantor shall keep all improvements on said land, now or hereafter erected, constantly insured for the benefit of Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in such manner and in such companies and for such amounts, not less than that amount necessary to pay the sum secured by this Deed of Trust, and as may be satisfactory to Beneficiary. Grantor shall purchase such insurance, pay all premiums therefor, and shall deliver to Beneficiary such policies along with evidence of premium payments as long as the Note secured hereby remains unpaid. If Grantor fails to purchase such insurance, pay premiums therefor or deliver said policies along with evidence of payment of premiums thereon, then Beneficiary, at its option, may purchase such insurance. Such amounts paid by Beneficiary shall be added to the principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary. All proceeds from any insurance so maintained shall at the option of Beneficiary be applied to the debt secured hereby and if payable in installments, applied in the inverse order of maturity of such installments or to the repair or reconstruction of any improvements located upon the Property.
2. **TAXES, ASSESSMENTS, CHARGES.** Grantor shall pay all taxes, assessments and charges as may be lawfully levied against said Property within thirty (30) days after the same shall become due. In the event that Grantor fails to so pay all taxes, assessments and charges as herein required, then Beneficiary, at his option, may pay the same and the amounts so paid shall be added to the principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary.
3. **ASSIGNMENTS OF RENTS AND PROFITS.** Grantor assigns to Beneficiary, in the event of default, all rents and profits from the Property and any improvements thereon, and authorizes Beneficiary to enter upon and take possession of such Property and improvements, to rent same, at any reasonable rate of rent determined by Beneficiary, and after deducting from any such rents the cost of reletting and collection, to apply the remainder to the debt secured hereby.
4. **PARTIAL RELEASES.** Grantor shall be entitled to partial release(s), from time to time, of portions of the Property according to the terms and conditions set forth in this Section provided that Grantor is not in default and strictly complies with this Section:
 - a. As consideration for the payment made by Grantor to Beneficiary at the closing of the sale of the Property from Beneficiary to Grantor, at any time during the term of this Deed of Trust prior to the Maturity Date of the Note, Grantor may obtain a release from the lien and operation of this Deed of Trust for public utilities to applicable governmental authorities in connection with the development of the Property without any payment to

Beneficiary for such right of way release, provided that all of the Conditions are satisfied.

b. Beneficiary shall also release upon request and upon payment of Ten Thousand Four Hundred Sixty-Five and 12/100 Dollars (\$10,465.12) per acre any portion of the lands described in the Deed of Trust which Grantor has bargained to sell, provided that all of the Conditions are satisfied.

c.. The conditions (the "Conditions") for any release of any portion of the Property shall include all of the following:

(i) The unreleased portions of the Property ("Unreleased Property") must have reasonable access to (i.e. by easement) or frontage on a dedicated public street.

(ii) Grantor shall deliver and Beneficiary shall receive, from a licensed and registered North Carolina land surveyor, a boundary survey including a metes and bounds legal description of the parcel to be released, a computation of the amount of the actual acreage of the released parcel(s) and the actual acreage remaining under the Deed of Trust, all of which shall be subject to Beneficiary's approval, which approval shall not be unreasonably withheld;

(iii) A title endorsement to Beneficiary's lender's title policy, through the date of such request, showing no additional liens, claims or encumbrances;

(iv) Evidence that the Unreleased Property remaining as security under the Deed of Trust shall continue to have physical and legal access to an existing public right of way, including a reservation of an easement over any plotted roads in favor of Trustee and Beneficiary under the Deed of Trust. To satisfy the requirements of this subparagraph for access to an existing public right of way, Grantor may cause a bond, meeting all regulatory and statutory requirements of all governmental agencies having jurisdiction over the Property to be posted with such government agency to enable recording of a plat in the Pender County Public Registry (subject to Beneficiary's approval, not to be unreasonable withheld), providing for access by dedicated public road, meeting all required specifications which furnishes access to the remaining Unreleased Property.

(v) The Unreleased Property shall contain a reservation of an easement over the plotted roads of the Property as described above; and

(vi) In no event shall Beneficiary be required to execute any release if less than 3 acres remain as security under the Deed of Trust.

(vii) All the foregoing shall be performed at no additional cost to Beneficiary, including the cost of preparing each release and recording thereof. Grantor shall reimburse Beneficiary all of Beneficiary's reasonable out-of-pocket fees associated with each such release.

(viii) Beneficiary agrees to promptly execute (and cause Trustee to promptly execute) and return to Grantor an appropriate partial release agreement approved by Beneficiary, provided that all of the Conditions have been satisfied.

5. WASTE. Grantor covenants that it will keep the Property herein conveyed in as good order, repair and condition as they are now, reasonable wear and tear excepted, and will comply with all governmental requirements respecting the Property or their use, and that it will not commit or permit any waste.

6. CONDEMNATION. In the event that any or all of the Property shall be condemned and taken under the power of eminent domain, Grantor shall give immediate written notice to Beneficiary. Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages is hereby assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, to the indebtedness due hereunder and if payable in installments, applied in the inverse order of maturity of such installments.

7. WARRANTIES. Grantor covenants with Trustee and Beneficiary that it is seized of the Property in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, except for the exceptions hereinafter stated, and that it will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the Property hereinabove described is subject to the following exceptions:

a. All ad valorem taxes and assessments for the subsequent years not yet due and payable.

b. All current or future zoning ordinances and other governmental regulations or restrictions, and all other easements, rights-of-way, covenants, conditions, restrictions, encumbrances, easements and other matters of record.

c. All matters disclosed by a current and accurate survey of the above-described Property or a current and accurate visual inspection of the above-described Property.

d. All exceptions set forth in Schedule B-2 of [Title Commitment].

e. All easements, covenants, conditions or restrictions entered into by Grantor pursuant to Paragraph 4 above in connection with the development of the Property.

8. SUBSTITUTION OF TRUSTEE. Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce his trust, or for any reason the holder of the Note desires to replace said Trustee, then the holder may appoint, in writing, a trustee to take the place of Trustee, and upon the probate and registration of the same, trustee thus appointed shall succeed to all rights, powers and duties of Trustee.

THE FOLLOWING PARAGRAPH 9. SALE OF PROPERTY, SHALL NOT APPLY UNLESS THE BLOCK TO THE LEFT MARGIN OF THIS SENTENCE IS MARKED AND/OR INITIALED.

9. SALE OF PROPERTY. Grantor agrees that if the Property or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Grantor, whether voluntarily or involuntarily or by operation of law, other than the creation of a lien or other encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the Property, without prior written consent of Beneficiary, the Note secured hereby and all other obligations hereunder shall be forthwith due and payable. Any change in the legal or equitable title or in the beneficial ownership, of the Property including the sale, conveyance or disposition of a majority interest in Grantor if a corporation or partnership, whether or not of record and whether or not for consideration, shall be deemed to be the transfer of an interest in the Property.

10. ADVANCEMENTS. If Grantor shall fail to perform any of the covenants or obligations contained herein, Beneficiary may, but without obligation, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Grantor on demand of Beneficiary. No advancement or anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

11. INDEMNITY. If any suit or proceeding be brought against Trustee or Beneficiary or if any suit or proceeding be brought which may affect the value or title of the property, Grantor shall defend, indemnify and hold harmless and on demand reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

12. WAIVERS. Grantor waives all rights to require marshalling of assets by Trustee or Beneficiary. No delay or omission of Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a waiver of any default or acquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

13. CIVIL ACTION. In the event that Trustee is named as a party to any civil action as Trustee in this Deed of Trust, Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorneys' fees of Trustee based upon hourly rates in such action shall be paid by Beneficiary and added to the principal of the Note secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

14. LIENS. Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder if such default is not cured under the terms of such instrument. Grantor shall immediately satisfy any lien filed against the Property or bond over any such lien within a period of thirty (30) days after the filing of same.

15. NONRECOURSE. Notwithstanding anything to the contrary herein or in the Note, the liability and obligation of Grantor to perform its obligations herein, including the repayment of

the principal balance due under the Note in accordance with the provisions of the Note, shall not be enforced by any action or proceeding pursuant to which damages or any money judgment or any deficiency judgment or any judgment establishing any personal obligation or liability shall be sought, collected or otherwise obtained against Grantor or against any past, present or future officer of Grantor. Nothing contained in this paragraph shall be construed (i) as preventing Beneficiary from naming Grantor in any action or proceeding brought by Beneficiary to enforce and to realize upon the Property, or any part thereof or interest therein, so long as no judgment, order, decree or other relief in the nature of a personal or deficiency judgment or otherwise establishing any personal obligation shall be asked for, taken, entered or enforced against Grantor, in any such action or proceeding, or (ii) as modifying, qualifying or affecting in any manner whatsoever the lien and security interests created by this Deed of Trust or the enforcement thereof by Beneficiary.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, Grantor has caused this instrument to be duly executed under seal, the day and year first above written.

GRANTOR:

PENDER COUNTY,
a political subdivision of the State of North Carolina

By: _____

Name:

Title:

THE STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that _____, (the "Signatory"), personally came before me this day and acknowledged that he/she is _____ of Pender County, a political subdivision of the State of North Carolina, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of the corporation.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

_____ a driver's license *or*

_____ in the form of _____); **or**

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____, 20__

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

EXHIBIT A TO DEED OF TRUST

LEGAL DESCRIPTION

EXHIBIT G

ERISA LETTER

_____, 20

BASF Corporation
100 Campus Drive
Florham Park, New Jersey 07932

Re: Acquisition of Property in Pender County

Ladies and Gentlemen:

The undersigned represents to you that Pender County or any firm, person or entity providing financing for the purchase of the entire interest of BASF Corporation in the above-described property (the "Property") are not using the assets of an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and covered under Title I, Part 4 of the ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended, in the performance or discharge of its obligations under that certain Agreement of Purchase and Sale dated _____, 20 with respect to the Property by and between BASF Corporation, as Seller, and the undersigned, as Buyer, including the acquisition of the Property.

Very truly yours,

Pender County

a political subdivision of the State of North Carolina

By: _____

Name:

Title: _____, hereunto duly authorized

EXHIBIT H

**TABLE AND DRAWING SHOWING IMPROVEMENTS TO BE DISMANTLED AND
IMPROVEMENTS TO REMAIN AS SET FORTH IN SECTION 12.1**

EXHIBIT I

FORM OF MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY

**WITH A COPY TO: BASF CORPORATION
100 CAMPUS DRIVE
FLORHAM PARK, NEW JERSEY 07932
ATTN: CATHERINE A. TRINKLE, ESQ.**

**MEMORANDUM
OF
AGREEMENT OF PURCHASE AND SALE**

THIS MEMORANDUM OF AGREEMENT OF PURCHASE AND SALE (this "Memorandum"), made and dated as of the ___ day of August, 2010, by and between BASF Corporation, a Delaware corporation, having offices at 100 Campus Drive, Florham Park, New Jersey 07932 ("BASF") and Pender County, a political subdivision of the State of North Carolina, having a principal place of business located at 805 South Walker Street, Burgaw, North Carolina 28425 ("County")

WITNESSETH:

WHEREAS, BASF and County are parties to a certain Agreement of Purchase and Sale made and dated as of the ___ day of August, 2010 (the "Agreement");

WHEREAS, pursuant to and subject to certain conditions and contingencies in the Agreement, BASF has agreed to sell to County certain property identified as "Pender County Purchase Area" on Exhibit A attached hereto and made a part hereof (the "Property");

WHEREAS, County desires to record this Memorandum for the purpose of giving notice of its interest in and to the Property under the Agreement;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by County to BASF, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties agree that:

1. Subject to certain conditions and contingencies set forth in the Agreement, County has certain rights to purchase the Property.

2. Subject to the condition in the Agreement as an inducement to permit the county to record this Memorandum, County has delivered to BASF a fully executed Release of Memorandum of Purchase and Sale Agreement of even date herewith (the "Release") and has agreed and authorized that BASF shall have the right, without further consent, authorization, or action by County, to record the Release at such time as the Agreement expires or has been

terminated or cancelled, and that such action by BASF shall be conclusive and binding on County when, as, and if recorded by BASF to effect the release of this Memorandum.

3. This Memorandum shall be recorded in the Office of the Register of Deeds of Pender County against the Property. This Memorandum is being recorded to give notice of certain contract rights or interest of County under the Agreement.. This Memorandum is not intended to modify or alter in any way the terms and conditions of the Agreement.

4. This Memorandum shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

5. This Memorandum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same instrument.

IN WITNESS WHEREOF, the parties have executed this Memorandum as follows:

ATTEST:

BASF CORPORATION
a Delaware corporation

By: _____
Title: _____

By: _____
Title: _____

ATTEST:

PENDER COUNTY

By: _____
Title: _____

By: _____
Title: _____

THE STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that _____, (the "Signatory"), personally came before me this day and acknowledged that he/she is _____ of Pender County, a political subdivision of the State of North Carolina, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of the corporation.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

_____ a driver's license *or*

_____ in the form of _____); **or**

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public
Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]
My Commission Expires: _____, 20__

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

THE STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that _____, (the "Signatory"), personally came before me this day and acknowledged that he/she is _____ of Pender County, a political subdivision of the State of North Carolina, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of the corporation.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

_____ a driver's license *or*

_____ in the form of _____); **or**

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____, 20__

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

EXHIBIT A TO MEMORANDUM OF AGREEMENT OF PURCHASE AND SALE

DRAWING OF PROPERTY

[ATTACHED]

EXHIBIT J

FORM OF RELEASE OF MEMORANDUM

RECORDING REQUESTED BY

**WITH A COPY TO: BASF CORPORATION
100 CAMPUS DRIVE
FLORHAM PARK, NEW JERSEY 07932
ATTN: CATHERINE A. TRINKLE, ESQ.**

**RELEASE
OF
MEMORANDUM
OF
AGREEMENT OF PURCHASE AND SALE**

THIS RELEASE OF MEMORANDUM OF AGREEMENT OF PURCHASE AND SALE (this "Release"), made and dated as of the ___ day of August, 2010, by and between BASF Corporation, a Delaware corporation, having offices at 100 Campus Drive, Florham Park, New Jersey 07932 ("BASF") and Pender County, a political subdivision of the State of North Carolina, having a principal place of business located at 805 South Walker Street, Burgaw, North Carolina 28425 ("County")

WITNESSETH:

WHEREAS, BASF and County are parties to a certain Agreement of Purchase and Sale made and dated as of the ___ day of August, 2010 (the "Agreement");

WHEREAS, as a condition of the Agreement and subject to certain requirements, BASF agreed to permit County to record a Memorandum of Agreement (the "Memorandum") to allow County to give notice of its contract right in and to the property that is the subject of the Agreement and is identified as "Pender County Purchase Area" on Exhibit A attached hereto and made a part hereof (the "Property");

WHEREAS, as an inducement to BASF but for which BASF would not have agreed to allow County to record the Memorandum, County agreed to deliver to BASF this Release, properly executed, and authorize BASF to record this Release without any further consent, authorization, or action of County, at such time as the Agreement has expired or been terminated or cancelled;

WHEREAS, County further agreed as an inducement to allow County to file the Memorandum to be irrevocably and conclusively bound by this Release upon BASF's recording of same;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by BASF to County, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereby agrees that:

1. Upon BASF's recording of this Release at the expiration, termination, or cancellation of the Agreement, without any further consent, authorization, or action of County, the Memorandum and any lien, charge, notice, encumbrance, or other interest created by the Memorandum affecting the Property shall be irrevocably and conclusively released, remised, discharged, cancelled, and extinguished of record, and County agrees that this Release shall be valid, binding, and effective for the purposes set forth herein, without any requirement of resort or reference to the terms or conditions of the agreement between the parties that have not been recorded.

2. The recitals hereto are incorporated herein as if set forth at length and are a material part of this Release.

IN WITNESS WHEREOF, the parties have executed this Release as follows:

ATTEST:

PENDER COUNTY

By: _____
Title: _____

By: _____
Title: _____

ATTEST:

BASF CORPORATION
a Delaware corporation

By: _____
Title: _____

By: _____
Title: _____

THE STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that _____, (the "Signatory"), personally came before me this day and acknowledged that he/she is _____ of Pender County, a political subdivision of the State of North Carolina, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of the corporation.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); or

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

_____ a driver's license or

_____ in the form of _____); or

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____, 20__

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

THE STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that _____, (the "Signatory"), personally came before me this day and acknowledged that he/she is _____ of Pender County, a political subdivision of the State of North Carolina, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of the corporation.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); or

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

_____ a driver's license or

_____ in the form of _____); or

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____, 20__

☞ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

EXHIBIT A TO MEMORANDUM OF AGREEMENT OF PURCHASE AND SALE

DRAWING OF PROPERTY

[ATTACHED]

EXHIBIT K

[TO BE PROVIDED PRIOR TO EXECUTION]

SCHEDULE 1

Aquatic Ecology of Wiltak, Inc. Site, North Carolina prepared for Davy McKee Corporation/Wiltak, Inc. by Environmental Science and Engineering, Inc. dated November 1982

Assessment of Red-Cockaded Woodpeckers on the Wiltak Site, North Carolina submitted to Davy McKee Corporation by Environmental Science and Engineering, Inc. dated February 1983

An Archaeological Reconnaissance of the Takeda Property, New Hanover and Pender Counties, North Carolina submitted by Archaeological Research Consultants, Inc. to Environmental Science and Engineering, Inc. (undated)

Environmental Assessment Report, Proposed Facility on Cape Fear River, Wiltak, Inc., April 1984

Letter Report from MACTEC Engineering and Consulting Services, Inc. to BASF Corporation dated May 12, 2009 regarding Groundwater Sampling – East Side Hwy 421

Annual Report of Groundwater Remediation for 2008 prepared for BASF Corporation by MACTEC Engineering and Consulting Services, Inc. dated February 2, 2009

Existing policy of title insurance (if any)

Existing boundary or topographical surveys (if any)

Existing structural drawings for Improvements and Personal Property (if any)

[FINAL PAGE OF DOCUMENT.]