OPTION TO PURCHASE EASEMENT

This Option to Purchase is made between hereinafter referred to as "Sellers", and the City of Durham, hereinafter referred to as "City".

The Sellers, for one dollars paid to them at the time of signing this Option, grant to the City the exclusive option to purchase the following, together with all other improvements located on it, in the County of Durham, North Carolina, described as follows (hereinafter referred to as the "property"):

DESCRIPTION OF PROPERTY BEING PURCHASED

A Fee Simple Right of Way consisting of 189,418 square feet (4.34 acres), storm water easement of 9,911 square feet (.22 acres), sanitary sewer easement of 2,121 square feet (.04 acres), Storm Water Containment Measure (SCM Lot 2) of 92,361 square feet (2.12 acres), and temporary construction easement of 87,301 square feet (2.0 acres) across a portion of 955 Old Oxford Rd. (Parcel #177736) for the proposed Carver Street Extension Project, as described on preliminary plat prepared by MSS Land Consultants License #20170, dated January 8, 2013.

The terms and conditions of this Option are as follows:

1. Terms: This Option shall exist and continue ninety (90) days after approval by the City Manager or City Council.

2. Terms of Option: The terms on both sides of this document are a part of this Option.

3. Purchase Price: The purchase price for the property shall be **One hundred thousand dollars and no cents ($100,000.00), which includes compensation for the proposed right-of-way, SCM Lot 2, storm water easement, sanitary sewer easement referenced under "Description of Property Being Purchased."**

4. The Sellers jointly and severally represent and warrant that, as of the date of this Option and as of the date of conveyance of the property to the City, they are not aware of any reason to suspect that the property contains any "Environmental Contamination", except as may otherwise be stated in this Option. If before closing the City discovers any reason to suspect that the property contains any Environmental Contamination, it may rescind any obligations to purchase the property, provided that the Sellers may retain the earnest money. This Section 4 shall not be construed to reduce any rights that the City may have with respect to Environmental Contamination that would exist in the absence of this Section 4. The parties stipulate that the City is relying on this Section 4 in acquiring the property. This Section 4 shall survive the deed and closing.

5. "Environmental Contamination" means petroleum products (including but not limited to oil, gasoline, and kerosene), hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic wastes, hazardous air pollutants, and toxic pollutants, as those terms are used in any federal, state, or local laws, rules, regulations, codes, and ordinances, as amended from time to time.

IN WITNESS WHEREOF, the Sellers have hereto set their hands and seal. If corporate, the Sellers have caused this Option to be signed in their corporate name by their duly authorized officers and their seal to be hereto affixed by authority of their board of directors.

By: Chris Stanley Title: Manager
Old Oxford Road, LLC

Date 8/19/13, 2013

STANDARD OPTION TERMS

1. Deed: After the Option is exercised and before the expiration of the Term, if the Sellers have marketable record title to the property, the Sellers shall execute and deliver to the City a general warranty deed conveying a good and marketable title, free of all encumbrances except for utility easements and unviolated restrictive covenants if those easements and covenants do not materially affect the value or use of the property in the City's opinion. If the Sellers don't have marketable record title to the property (such matters as mortgages, judgments, "heirs" property, defects in the title, and other are considered to prevent the title from being marketable record title), then the Term shall be extended by a reasonable period of time sufficient to allow the City to be satisfied that the title the City would acquire by the deed from the Sellers would be marketable or otherwise satisfactory to the City. On or before the expiration of the Term, the City shall deliver to one of the Sellers a deed for the Sellers to execute. Unless otherwise agreed in this Option, the title shall be fee simple. If the property is an easement for water, sewer, construction, or greenway purposes, the deed shall be the form deed in current use by the City.

2. ~~**Taxes and Rents: (a) If the property is an entire tax lot, ad valorem real property taxes on the property shall be prorated on a calendar year basis to the date of closing. If the property is not an entire tax lot, the Sellers shall pay ad valorem property taxes for the entire year. (b) In all events, ad valorem taxes on personal property for the entire year shall be paid by Sellers. A modification of this Option to the effect that property taxes will be prorated will affect only real property taxes, unless "personal property taxes" are specifically mentioned. (c) If the property is rented out to a tenant, the rents on the property shall be prorated to the date of closing, and the Sellers shall assign their rights in the lease to the City.**~~

3. Rights of Property: The City, its agents, and its contractors may enter upon the property for purposes related to the acquisition of the property after the signing of this Option, including (if the property is a water or sewer easement) for the installation of pipe and related equipment.

4. Charges: The Sellers shall pay for the revenue stamps required by law, unless the purchase price is less than $100.00, in which case the City shall pay for them. The City shall prepare the deed of conveyance at no expense to the Sellers and record it at no cost to the Sellers.

5. Option: This Option shall be binding upon and shall inure to the benefit of the parties, and their heirs, personal representatives, successors, and assigns. Throughout this Option, unless the context otherwise requires, the use of the plural includes the singular and vice versa. This Option contains the entire agreement between the parties, and no representations as to the Option or purchase of the property that may have been made will be binding unless expressed in this instrument. This Option shall be construed according to North Carolina law.

6. Application of Option Money: If this Option is exercised, the consideration paid for this Option shall be applied on the purchase price at closing. If this Option is not exercised, the Option money will be kept by the Sellers.

7. Exercise: If City Council approval is needed, then this Option shall be considered to be exercised when the Council approves it and no notice needs to be given to the Sellers. If Council approval is not necessary and the City Manager may exercise this Option, then this Option may be exercised either by delivery of a deed to be signed by the Sellers or by the mailing or hand-delivery of a letter stating the intent to exercise, to any of the persons constituting the Sellers. This Option shall be void unless it is exercised within six months of the date shown above the signature line(s) on the front hereof. After exercise, the Term shall be as stated in Section 1 on the front hereof.

8. Description: If the description of the property in this Option is ambiguous or imprecise in the opinion of the City, the City shall designate in the deed the precise boundaries of the property to be acquired.