CALDWELL COUNTY, NORTH CAROLINA

and

VISTA VENTURES DEVELOPMENT, INC.

ECONOMIC DEVELOPMENT AGREEMENT

Dated as of April 14, 2025

THIS ECONOMIC DEVELOPMENT AGREEMENT (the "Agreement") is entered into this 14th day of April, 2025 by and between **CALDWELL COUNTY, NORTH CAROLINA**, a political subdivision of the State of North Carolina (the "County"), and **VISTA VENTURES DEVELOPMENT, INC.**, a North Carolina nonprofit corporation (the "Corporation"), with each party being referred to individually as a "Party," and both being cumulatively referred to as the "Parties."

R E C I T A L S:

WHEREAS, the Corporation is a nonprofit corporation that was established to promote and improve economic development for the benefit of the citizens of the County and to reduce the burdens of the local government, by assisting in the promotion of economic development and helping to expand economic development opportunities within the County which will create jobs for its residents and increase the property tax base, which in turn will generate tax proceeds for the County to provide essential services;

WHEREAS, the County has a vital interest in the public purposes of promoting economic growth in the County which will create jobs for its residents and increase the property tax base, which in turn will generate tax proceeds for the County to provide essential services;

WHEREAS, it is understood and generally accepted among economic development professionals that in order to be successful in recruiting companies to locate business and industrial facilities within a county, there must be quality, available product to attract those companies, which includes certified business parks or sites, and either existing used buildings or new economic development ready buildings of varying sizes;

WHEREAS, there is currently an inadequate inventory of certified business parks and existing used buildings or new economic development ready buildings in the County necessary to recruit substantial business and industry investment to the County, and there is therefore a need to construct one or more new shell buildings in the County to improve the economic development prospects of the County;

WHEREAS, pursuant to G.S. §158-7.1(b)(4), the County has the authority to "acquire, construct, convey or lease a building suitable for industrial or commercial use," as a part of its public purpose efforts to promote economic development within the County;

WHERAS, pursuant to G.S. §158-7.1(b)(1), the County has the authority to "acquire and develop land for an industrial park, to be used for…industrial or commercial purposes";

WHEREAS, pursuant to G.S. §153A-449(a), the County "may contract with and appropriate money to any person, association or corporation in order to carry out any public purpose that the County is authorized by law to engage in";

WHEREAS, the Corporation intends to acquire land for and develop one or more business parks, and successfully cause the construction of one or more economic development ready

buildings (the "Projects"), and utilize that inventory to recruit business and industry facilities to the County;

WHEREAS, in furtherance of the County's vision to create a thriving community, including the promotion of economic development in the County, and to support the Corporation's effort to develop the Projects for the benefit of the County and its residents, the County is willing to transfer or appropriate funds to the Projects, subject to the terms and conditions hereof, and subject to requirements as provided by law; and

WHEREAS, the County and the Corporation desire to enter into this Agreement to set forth the terms pursuant to which the County may appropriate funds to the Corporation.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Parties agree as follows.

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION

1.01. Definitions. For all purposes of this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

"Agreement" has the meaning set forth in the preamble.

"Business Day" means any day that is not a Saturday, Sunday, or a day on which banks in the State are required by law to be closed.

"Corporation" has the meaning set forth in the preamble.

"County" has the meaning set forth in the preamble.

"Deed of Trust" has the meaning set forth in Section 2.02.

"Effective Date" means the date on which this Agreement is first executed and delivered by both Parties.

"Note" has the meaning set forth in Section 2.02.

"Parties" has the meaning set forth in the preamble.

"Party" has the meaning set forth in the preamble.

"Projects" has the meaning set forth in the recitals.

"State" means the State of North Carolina.

"Transfers" has the meaning set forth in Section 2.01.

1.02 Rules of Construction. Unless the context otherwise indicates:

(a) Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well;

(b) All references to Articles, Sections, or Exhibits are references to Articles, Sections, and Exhibits of this Agreement;

(c) All references to officers are references to officers of the County and the Corporation; and

(d) The headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction, or effect.

ARTICLE II
TRANSFER OF FUNDS

2.01 County Transfer. In support of the Projects, as allowed by law and in the sole discretion of County, County agrees to transfer economic development grant funding received by the County to the Corporation, to the extent such grant funds are available, and may from time to time make appropriations to the Corporation (the "Transfers"). The Transfers shall be of amounts to be determined in the County's sole discretion from current balances of the County for some of the costs of one or more Projects. The Corporation shall maintain records, including any paid invoices, which reflect all of the expenditures attributable to the utilization of the Transfers. The Corporation shall also provide the County a copy of its annual audit, upon the County's request. The County may, in its sole discretion, at any time of its choosing, conduct an audit of the financial records of the Corporation related to the Transfers.

The Corporation shall make no expenditure of any Transfer or portion of any Transfer until and unless the County has approved the same.

2.02 Note. All or some of the Transfers by the County shall be subject to a promissory note (the general form of such "Note" is attached hereto as Exhibit A) from the Corporation and secured by deed of trust (the general form of such "Deed of Trust" attached hereto as Exhibit B), for the benefit of the County. The Note shall bear an appropriate risk-adjusted interest rate based on the terms and collateral provided, to be mutually agreed upon by the Parties. The Deed of Trust shall be subordinated to any loan obtained by the Corporation for the development of a Project. The parties may make mutually agreed upon changes to any such promissory note or deed of trust, before or after the execution of such documents.

2.03 Release. In the event the Corporation successfully recruits a company or leases a building in a Project, the County, in its sole discretion, may elect to take any of the following actions:

(a) The County may require that the Note be paid in full;

(b) The County may choose to waive the payment of some or all of the Note and allow the Corporation to retain the savings as additional equity in a Project, if leased, or funding for additional economic development projects in the County, if sold; or

(c) The County may choose to waive some or all of the payment of the Note as an incentive to the end user recruited to a Project. This would be reflected as a reduction in the purchase price, or lease rate for an end user, to serve as an incentive for the company being recruited.

(d) Any such action taken by County pursuant to this section 2.03 shall conform to all requirements as may be provided by law.

ARTICLE III
DEVELOPMENT OF THE PROJECT

The Parties agree that the development of a Project shall be solely the Corporation's responsibility, which will include, but not be limited to, the following:

(a) Arranging for all funds necessary to complete the development of a Project, administering all grant obligations related to any such funding sources, and being solely responsible for the repayment of any loan proceeds or grant funds, as may be required by the terms of any such loans or grants;

(b) Selecting through whatever bidding or negotiation process is deemed appropriate, all design firms, contractors, service providers, and other professionals to assist in the design, development and marketing of a Project;

(c) Overseeing the development of a Project, including agreeing to any change orders which may be necessary during the development;

(d) Obtaining all necessary permits and regulatory approvals for development of a Project, for which the County retains full independent authority and discretion;

(e) Marketing a Project, including making decisions as to specific businesses to target for recruitment to a Project, in collaboration with the County and the Economic Development Partnership of North Carolina;

(f) Ensuring the development of a Project is carried out in accordance with all applicable State and local laws and regulations;

(g) Ensuring that the development of a Project does not materially encroach upon nor overhang any easement or right-of-way in such a way that interferes with such easement or right of way;

(h) Cause all utility lines, and streets serving a Project, which are located within the metes and bounds of a Project, to be completed in accordance with health department standards and other applicable regulations of any governmental agency having jurisdiction;

(i) Pay all taxes and all charges for utility services furnished to or used on or in connection with a Project;

(j) Maintain the business park and the building after construction and before it is sold or leased;

(k) Observe and comply promptly with all current and future orders of all courts and regulatory bodies having jurisdiction over a Project or any portion thereof (or be diligently and in good faith contesting such orders), and all current and future requirements of all insurance companies writing policies covering a Project or any portion thereof; and

(l) Report semi-annually to the County Board of Commissioners as to the state of and progress of the development of all Projects.

In the event of breach of this Agreement by the Corporation or its successors or assigns, County shall be entitled to damages as allowed by law, including but not limited to its reasonable attorney's fees. The County shall also be entitled to recapture of sums appropriated or expended by County pursuant to this Agreement, for any reason set forth in N.C.G.S. § 158-7.1(h), or for any other reason that constitutes a breach of this Agreement by Corporation.

ARTICLE IV
COUNTY REPRESENTATIONS

The County shall support all Projects through the following actions:

(a) Cause the Transfers to be remitted to the Corporation, in County's sole discretion, pursuant to the provisions set forth in Section 2 herein;

(b) Cooperate and provide support to the Corporation, in County's sole discretion, if the Corporation chooses to finance a portion or all of the cost of developing the Projects by way of a REDLG loan or grants from various sources; and

(c) Provide the services of the following County staff, in County's sole discretion, to assist with the management of the Corporation's activities, at no cost to the Corporation, except as otherwise may be required by law:

i. Ashley Bolick, Economic Development Director, to provide overall management of the Projects.

The above County staff shall provide these services under the supervision and solely at the discretion of the Board of Directors of the Corporation.

ARTICLE V

INDEMNIFICATION

The Corporation hereby agrees to indemnify, protect, and save the County and its officers, directors, and employees harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs, and expenses, including reasonable attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the development of the Projects or the transactions contemplated by or relating to this Agreement, including without limitation, the possession, condition, construction or use thereof, insofar as such matters relate to events subject to the control of the Corporation and not the County. The indemnification arising under this Article shall survive the Agreement's termination.

ARTICLE VI
TERMINATION OF AGREEMENT

Upon the failure of the Corporation to adequately perform any of its obligations in Article III, in the sole discretion of the County, or upon any default by the Corporation under the Note or the Deed of Trust, the County may terminate this Agreement. Upon termination, and thereafter, the Corporation and the County shall have no further obligation to perform under this Agreement, except for the provisions of the Agreement regarding County's recapture of sums appropriated or expended pursuant to this Agreement for any reason set forth in N.C.G.S. § 158-7.1(h) or this Agreement.

ARTICLE VII
ASSIGNMENT

Neither Party shall sell or assign any interest in or obligation under this Agreement without the prior express written consent of both Parties.

ARTICLE VIII
MISCELLANEOUS

8.01 Governing Law. The Parties intend that this Agreement shall be governed by the law of the State of North Carolina.

8.02 Notices.

(a) Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement

(b) Any communication shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, and addressed as follows or by email to the addresses shown below

(1) If to the Corporation, to:

Vista Ventures Development, Inc.
Attn: Ashley Bolick
1909 Hickory Blvd SE
Lenoir, NC 28645

(2) If to the County, to:

Caldwell County
Attn: County Manager
905 West Avenue NW
Lenoir, NC 28645

(c) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

8.03 Non-Business Days. If the date for performance of any act or the exercising of any right shall not be a Business Day, such act shall be made or performed or right exercised on or before the next preceding Business Day.

8.04 Severability. If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

8.05 Entire Agreement; Amendments. This Agreement, including Exhibit A and Exhibit B attached, which are incorporated herein and made a part hereof, constitutes the entire contract between the Parties, and this Agreement shall not be changed except in writing signed by all the Parties.

8.06 Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns.

8.07 Time. Time is of the essence in this Agreement, each, and all of its provisions.

8.08 Liability of Officers and Agents. No officer, agent, or employee of the Corporation or the County shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

8.09 Limited Obligation of the County. **NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE**

FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS DELEGATING GOVERNMENTAL POWERS NOT AS A DONATION OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE STATE CONSTITUTION. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED TO THE CORPORATION IN THE COUNTY'S SOLE DISCRETION FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT SHALL BE IN EFFECT. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE COUNTY'S MONEYS, NOR SHALL ANY PROVISION OF THE AGREEMENT RESTRICT TO ANY EXTENT PROHIBITED BY LAW, ANY ACTION OR RIGHT OF ACTION ON THE PART OF ANY FUTURE COUNTY GOVERNING BODY. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS ARTICLE AND ANY OTHER PROVISION OF THIS AGREEMENT, THIS ARTICLE SHALL TAKE PRIORITY.

8.10 Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

(*Signature Page Follows*)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

CALDWELL COUNTY, NORTH CAROLINA, a political subdivision of the State of North Carolina

By: _____
Name: Randy T. Church
Title: Chairman, Caldwell County Board of Commissioners

VISTA VENTURES DEVELOPMENT, INC., a North Carolina nonprofit corporation

By: _____
Name: Christopher C. Keller
Title: President, Vista Ventures Development, Inc.

This document has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

_____
Chief Financial Officer, Caldwell County

Exhibits

A – Promissory Note
B – Deed of Trust

EXHIBIT A

PROMISSORY NOTE

$_____.00 Date: _____ ___, 20____

FOR VALUE RECEIVED the undersigned ("Maker") promises to pay to Caldwell County, North Carolina, a political subdivision of the State of North Carolina ("Holder"), the principal sum of _____ and No/100 Dollars ($_____.00), with interest from the date hereof, at the rate of _____ percent (____%) per annum on the unpaid balance until paid or until default, both principal and interest payable in lawful money of the United States of America, at the office of Holder or at such place as the Holder hereof may designate in writing. Capitalized terms not otherwise defined herein shall have the same meaning as in the Economic Development Agreement between Vista Ventures Development, Inc. and Caldwell County, North Carolina dated on or about April 14, 2025 (the "Contract"). The principal and interest shall be due and payable as follows:

Maker plans to develop a business park and an economic development ready building in the park to attract a new business or industry facility. When Maker conveys or leases a building to an end user recruited to locate a facility in the business park, it shall pay to Holder the outstanding balance of this Note, plus all accrued and unpaid interest due pursuant to this Note.

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 of any installment of principal or interest hereof as the same becomes due and such default is not cured within ten (10) days from the due date; (b) default by Maker under the terms of the Contract; or (c) 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 the Holder may, without further notice, declare the remainder of the principal sum, together with all interest accrued thereon at once due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time. The unpaid principal of this Note and any part thereof, accrued interest and all other sums due under this Note and the Deed of Trust shall bear interest at the rate of _____ percent (____%) 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, interest 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 the payment of principal and interest; 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 may employ an attorney to enforce the Holder's rights and remedies and the Maker, principal, surety, guarantor and endorsers of this Note hereby agree to pay to the Holder reasonable attorneys' fees not exceeding a sum equal to _____ percent (__%) of the outstanding balance owing on said Note, plus all other reasonable expenses incurred by Holder in exercising any of Holder's rights and remedies upon default. The rights and remedies of 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 Holder for payment or security, in the sole discretion of 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.

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

This Note is given as of _____ __, 20____, and is secured by the Deed of Trust which is a second lien upon the property therein described.

IN TESTIMONY WHEREOF, Maker has caused this instrument to be executed in its company name by its manager as of the day and year first above written.

VISTA VENTURES DEVELOPMENT, INC.
a North Carolina non-profit corporation

By: _____

Print Name:_____

Title: _____

Date: _____

EXHIBIT B

DEED OF TRUST

NORTH CAROLINA DEED OF TRUST

SATISFACTION: The debt secured by the within Deed of Trust
together with the indebtedness secured thereby has been satisfied in full.
This the _____ day of _____, 20___
Signed:_____

Parcel Identifier No._____ Verified by _____ County on the __ day of _____, 20__
By: _____

This instrument was prepared by and return to:
_____

Brief description for the Index: _____
THIS DEED of TRUST made this _____ day of _____, 20_____, by and between:

GRANTOR	TRUSTEE	BENEFICIARY
VISTA VENTURES DEVELOPMENT, INC., a North Carolina non-profit corporation	_____	**CALDWELL COUNTY, NORTH CAROLINA, a political subdivision of the State of North Carolina**
1909 Hickory Blvd SE Lenoir, NC 28645	_____ _____	905 West Avenue Lenoir, NC 28645

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 the Beneficiary in the principal sum of _____ and No/100 Dollars ($_____.00), as evidenced by a Promissory Note of even date herewith (the "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 fifteen (15) days following the sale or lease of the building financed in part by the loan secured by this deed of trust to an end user recruited to locate a facility on the site (the "Contract").

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, all of that certain lot, parcel of land situated in Caldwell County, North Carolina, (the "Premises") and more particularly described in the attached Exhibit A.

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

If the Grantor shall pay the indebtedness secured hereby in accordance with the terms of the Note, together with interest thereon, and any renewals or extensions thereof in whole or in part, 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 canceled of record at the request and the expense of the 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 from the due date; (b) in any of the other 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 or any other instrument securing the Note and such default is not cured within fifteen (15) days after written notice; or (c) by Grantor under the terms of the Contract, then and in any of such events, without further notice, it shall be lawful for and the duty of the Trustee, upon request of the Beneficiary, to sell the land 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 the Trustee is empowered. The Trustee shall be authorized to retain an attorney to represent him in such proceedings.

The proceeds of the sale shall after the Trustee retains his commission, together with reasonable attorneys' fees incurred by the Trustee in such proceedings, 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 pursuant to the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be three percent (3%) of the gross proceeds of the sale or the minimum sum of $5,000 whichever is greater, for a completed foreclosure. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee, including reasonable attorneys' fees, and a partial commission computed on three percent (3%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule, to-wit: one-fourth (¼) thereof before the Trustee issues a notice of hearing on the right to foreclosure; one-half (½) thereof after issuance of said notice, three-fourths (¾) thereof after such hearing; and the greater of the full commission or minimum sum after the initial sale.

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

1. INSURANCE. Grantor shall keep all improvements on said land, now or hereafter erected, constantly insured for the benefit of the 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 the 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 indebtedness 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 his option, may purchase such insurance. Such amounts paid by Beneficiary shall be added to the indebtedness 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 Premises 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 indebtedness 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 land and any improvements thereon, and authorizes Beneficiary to enter upon and take possession

of such land 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. RELEASE. Grantor shall be entitled to the release of the above-described property as provided below. Grantor anticipates developing a commercial building upon the Premises. When Grantor sells the Premises, it shall pay to Beneficiary the outstanding balance of the Note, plus all accrued and unpaid interest due pursuant to the Note, not to exceed the outstanding balance of principal and interest due under the Note.

5. WASTE. The Grantor covenants that it will keep the Premises 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 Premises or their use, and that it will not commit or permit any waste.

6. CONDEMNATION. In the event that any or all of the Premises shall be condemned and taken under the power of eminent domain, Grantor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is 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, or to any alteration, repair or restoration of the Premises by Grantor.

7. WARRANTIES. Grantor covenants with Trustee and Beneficiary that he 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 he 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: easements, rights of way, and other encumbrances of record and to the lien of deed(s) of trust given in connection with any development or construction loan obtained by Grantor related to the Premises.

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 Beneficiary desires to replace said Trustee, then the holder may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the same, the trustee thus appointed shall succeed to all rights, powers and duties of the Trustee.

10. ADVANCEMENTS. If Grantor shall fail to perform any of the covenants or obligations contained herein or in any other instrument given as additional security for the indebtedness secured hereby, the 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 for sums due after default and shall be due from Grantor on demand of the 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 the Trustee or Beneficiary or if any suit or proceeding be brought which may affect the value or title of the Premises, 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 for sums due after default and shall be due and payable on demand.

12. WAIVERS. Grantor waives all rights to require marshaling of assets by the Trustee or Beneficiary. No delay or omission of the 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 the Trustee is named as a party to any civil action as Trustee in this Deed of Trust, the 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 attorney's fee of the Trustee in such action shall be paid by the Beneficiary and added to the principal of the indebtedness secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

14. PRIOR LIENS. Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

VISTA VENTURES DEVELOPMENT, INC.,
a North Carolina nonprofit corporation

By: _____
Print Name: _____
Title: _____
Date: _____

State of North Carolina
County of _____

I, the undersigned Notary Public of _____ County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is the _____ of VISTA VENTURES DEVELOPMENT, INC., a North Carolina nonprofit corporation, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20____.

My Commission Expires: _____ _____

Notary Public