

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of the Effective Date (as that term is immediately hereinafter defined), by and among the COUNTY OF BLADEN, a North Carolina political subdivision, doing business as BLADEN COUNTY HOSPITAL (the "Seller"), and CUMBERLAND COUNTY HOSPITAL SYSTEM, INC., a North Carolina nonprofit corporation, doing business as CAPE FEAR VALLEY HEALTH SYSTEM ("Purchaser"). The "Effective Date" shall mean the date that the last of Seller, Purchaser and Bladen Healthcare LLC (with respect to Sections 4 and 10(b) only) has executed this Agreement.

WITNESSETH:

WHEREAS, Seller (as Landlord) and Purchaser (as Tenant) are parties to that certain Lease and Operating Agreement, having an effective date of June 1, 2008, (the "Hospital Lease") whereby Purchaser leases from Seller the Leased Property (as that term is defined in Paragraph 3(b) of the Hospital Lease); and

WHEREAS, Seller (as Landlord) and Purchaser (as Tenant) are also parties to that certain Encumbered Lease Agreement, having an effective date of June 1, 2008, as amended (the "Encumbered Lease") whereby Purchaser leases from Seller the Encumbered Property (as that term is defined in Paragraph 3(a) of the Encumbered Lease); and

WHEREAS, pursuant to Paragraph 30 of the Hospital Lease, and Paragraph 30 of the Encumbered Lease, respectively, Purchaser has the right to purchase the Leased Property under the Hospital Lease and the Encumbered Property under the Encumbered Lease on certain terms and conditions set forth therein (collectively, the "Option"); and

WHEREAS, as contemplated by Paragraph 30 of the Hospital Lease, and Paragraph 30 of the Encumbered Lease, respectively, Seller and Purchaser now wish to accelerate the Option and waive certain of the procedural requirements of the Option set forth in the Hospital Lease; and

WHEREAS, the Hospital Lease and the Encumbered Lease, and, accordingly, the Option and the transactions contemplated by this Agreement, have been duly authorized and approved in accordance with the requirements of N.C. Gen. Stat. § 131E-13(d); and

WHEREAS, Seller has determined that it is in the best interests of the citizens of Bladen County that the Leased Property under the Hospital Lease and the Encumbered Property under the Encumbered Lease now be sold to Purchaser on the terms and conditions set forth in this Agreement; and

WHEREAS, Seller and Purchaser desire to enter into this Agreement to set forth the final terms and conditions under the Option upon which Seller will sell and Purchaser will acquire the Purchased Property (as that term is defined in Section 2 of this Agreement).

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. DEFINITIONS. Any capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them first in the Hospital Lease and, if not therein defined, then in the Encumbered Lease.

2. PURCHASE, SALE AND ASSIGNMENT. For the Consideration (as that term is defined in Section 3 of this Agreement), Seller agrees to sell, assign and transfer to Purchaser and Purchaser agrees to purchase and assume from Seller, the following property (collectively, the “Purchased Property”):

(a) Fee simple title to those certain parcels of real property located in Bladen County, North Carolina, which are defined in the Hospital Lease as the Hospital Real Property, and leasehold interest (with an option to purchase) in the Encumbered Lease as the Encumbered Real Property (but excluding the parcel known as 1001 West Broad Street), which Hospital Real Property and Encumbered Real Property are collectively more fully described on Exhibit A attached hereto and incorporated herein by reference, together with all improvements situated thereon, and all right, title and interest of Seller, if any, with respect to any rights, easements and appurtenances that benefit the same (the “Real Property”);

(b) The Hospital Personal Property (as that term is defined in Paragraph 3(b) of the Hospital Lease); and

(c) Any other tangible or intangible assets of, or relating to, the Hospital or the Affiliated Operations not otherwise previously conveyed by Seller to Purchaser, pursuant to that certain Assignment and Assumption Agreement between Seller and Purchaser dated as of June 1, 2008 (the “Assignment and Assumption Agreement”); it being agreed and acknowledged by Seller and Purchaser that notwithstanding anything contained in the Assignment and Assumption Agreement to the contrary, the Assigned Leased Property (as defined in the Hospital Lease) and the Personal Property (as defined in the Assignment and Assumption Agreement), the transfer and assignment of such Assigned Leased Property and Personal Property by Seller to Purchaser shall survive and be unaffected by the termination of the Hospital Lease.

3. CONSIDERATION. The aggregate purchase price to be paid by Purchaser to Seller for the Purchased Property and Seller’s covenants and agreements set forth herein shall be (i) Ten Dollars (\$10.00) and (ii) the covenants and agreements set forth herein, including:

(a) Purchaser’s agreement to cause Bladen Healthcare, LLC to execute and deliver, and assume the obligations under, the Lease (as defined in Section 4 hereof);

(b) The waiver of any obligations of Seller set forth in Paragraph 8(c) of the Hospital Lease related to repairs and maintenance to the Hospital Real Property in excess of the Reserve Fund and remaining outstanding rent due under the Hospital Lease;

(c) The waiver of any credit equal to the total amount of rent paid by Purchaser under the Encumbered Lease with respect to 1001 West Broad, to which Purchaser may otherwise have been entitled to under the Option;

(d) Purchaser’s agreement to the additional covenants set forth in Section 10(a)-(c) hereof related to the Replacement Hospital (as defined in Section 10(a) hereof), the SRMC Litigation (as defined in Section 10(b) hereof), and the Service Level and Ownership Covenant (as defined in Section 10(c) hereof); and

(e) Purchaser’s agreement to the other terms and conditions set forth herein (collectively the “Consideration”).

4. LEASE OF ENCUMBERED REAL PROPERTY. Seller is the borrower under that certain loan in the original principal amount of \$1,640,000.00 with an amount outstanding as of July 15, 2010 equal to \$760,526.90 (the "Loan"), which Loan is secured by that certain Deed of Trust and Security Agreement which encumbers the Encumbered Real Property, dated January 10, 2005, by and between Bladen County, North Carolina, a political subdivision existing under the Constitution and laws of the State of North Carolina (as Grantor) and PRLAP, Inc. (as Trustee) and Bank of America, N.A. (as Grantee) recorded in the Bladen County Register of Deeds at Book 560, Page 675-687 (the "Loan Security Documents"). All other documents executed and/or delivered by Seller in connection with entering into the Loan, together with the Loan Security Documents, are referred to herein as the "Loan Documents". At Closing, Purchaser and Seller shall enter into a lease agreement (the "Lease") whereby Seller shall lease the Encumbered Real Property to Bladen Healthcare, LLC, a wholly owned subsidiary of Purchaser, on terms and conditions reasonably acceptable to Purchaser and Seller, which terms shall include, without limitation: (i) a term equal to the remaining term of the Loan, (ii) monthly rental obligations equal to the current monthly debt service payments due under the Loan as expressly set forth on Exhibit E which payments shall in no event be subject to increase in the event that Seller's obligations under the Loan Documents are ever increased for any reason, (iii) an option granted to Purchaser to purchase the Encumbered Real Property at the end of the term of the Lease for Ten Dollars (\$10.00), or at any earlier time for an amount equal to the total rent due for the balance of the term of the Lease, and (iv) an obligation of Seller, to be satisfied at the time that the Lease is executed, to deliver (A) a written statement from the lender under the Loan providing that such lender consents to the Lease, that there is no default by Seller under the Loan Documents, and the amount of the then-existing indebtedness under the Loan, and (B) a subordination, nondisturbance and attornment agreement from the lender under the Loan satisfactory to Purchaser and in recordable form. The form of the Lease is attached hereto as Exhibit F.

5. DUE DILIGENCE.

(a) Evaluation Materials; Inspections; Title; and Survey. Beginning on the Effective Date and at all times prior to the Closing Date (as defined in Section 8(a) herein), Purchaser and any representatives designated by Purchaser may (without any obligation to do so), at Purchaser's sole cost and expense (i) inspect any documents and materials related to the Purchased Property which are in the possession of, or known to be reasonably available without independent inquiry to, Seller (collectively, the "Evaluation Materials") on the express condition that Purchaser agrees to treat the Evaluation Materials as confidential, (ii) conduct any and all tests, studies and inspections of the Purchased Property, including, without limitation, any environmental testing and sampling (including, without limitation, subsurface and other invasive testing such as a Phase II study) (collectively, "Inspections"), (iii) obtain a written title insurance commitment for the issuance of an owner's policy of title insurance (the "Commitment") from Investors Title Insurance Company or any other title insurance company authorized to insure title in North Carolina (the "Title Company"), and (iv) obtain an update to any surveys of the Real Property or one or more a new surveys of the Real Property. The activities set forth in this Section 5(a) are collectively referred to herein as "Purchaser Due Diligence")

(b) Obligations of Purchaser. All Purchaser Due Diligence shall be undertaken in accordance with all applicable laws, rules and regulations of the appropriate governmental authorities having jurisdiction over the Purchased Property. Purchaser shall (i) promptly pay when due the cost of all Purchaser Due Diligence, (ii) not permit any liens to attach to the Purchased Property by reason of the exercise of its rights hereunder, (iii) restore the Purchased Property to the condition which existed immediately prior to each of the Inspections to the extent any change in the condition is the result of the Inspection, and (iv) defend and indemnify Seller from and against any and all liability, loss, cost, expense and damage (including, without limitation, reasonable attorneys' fees) incurred by Seller in connection with the Purchaser Due Diligence. Notwithstanding the foregoing, or anything contained in this Agreement to the contrary, Purchaser shall not be obligated to indemnify Seller for claims resulting

merely from Purchaser's discovery of any matter except to the extent that any gross negligence or intentional misconduct on behalf of Purchaser or Purchaser's representatives during the Inspections aggravated, increased or spread the matter discovered.

(c) Termination Right. In the event that Purchaser is dissatisfied with any aspect of Purchaser's Due Diligence, Purchaser shall have the right, in Purchaser's sole and absolute discretion, to terminate this Agreement by giving written notice to Seller at any time prior to the Closing Date that Purchaser elects to terminate this Agreement. In the event that Purchaser exercises its right of termination under this Section 5(c), (i) this Agreement shall immediately terminate, (ii) Purchaser shall be responsible for all costs incurred with respect to the Purchaser Due Diligence and any other investigation of the Purchased Property, (iii) the Hospital Lease and the Encumbered Lease shall continue and remain in full force and effect, and (iv) neither party shall have any further rights or obligations to the other hereunder except for those obligations which expressly survive termination of this Agreement.

6. REPRESENTATIONS AND WARRANTIES.

(a) Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller as of the Effective Date (and shall be deemed to represent and warrant to Seller as of the Closing Date) the following:

(i) Authority. Purchaser is a nonprofit corporation, duly incorporated under the laws of the State of North Carolina, exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code, and in good standing under its Articles of Incorporation and the laws of the State of North Carolina, and has full authority and capacity to enter into and perform this Agreement and each agreement, document and instrument to be executed and delivered by Purchaser pursuant to this Agreement.

(ii) Binding Obligations. This Agreement and all documents executed by Purchaser which are to be delivered to Seller at the Closing are, or at the time of delivery will be, duly authorized, executed, and delivered by Purchaser and are, or at the time of delivery will be, legal, valid, and binding obligations of Purchaser, enforceable in accordance with their terms, and do not, and at the Closing will not, violate any provisions of any agreement, law, rule or regulation to which Purchaser is a party or to which it is subject.

(iii) Judicial Actions. Other than the SRMC Litigation (as that term is defined in Section 10(b) of this Agreement), to Purchaser's actual knowledge there are no, and Purchaser has not received written notice of any, pending or threatened claims, lawsuits, arbitrations or other similar actions, which, if adversely determined, would restrain the consummation of the transactions contemplated by this Agreement.

(iv) Brokers. Purchaser has not engaged or dealt with any broker or finder in connection with the sale and purchase of the Purchased Property.

(b) Seller's Representations and Warranties. Seller represents and warrants to Purchaser as of the Effective Date (and shall be deemed to represent and warrant to Purchaser as of the Closing Date) the following:

(i) Authority. Seller is a political subdivision of the State of North Carolina and is duly authorized and empowered to enter into this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to this Agreement, and to carry out its obligations hereunder and thereunder, and by proper action according to the

requirements of N.C. Gen. Stat. § 131E-13(d) is duly authorized to execute and enter into this Agreement.

(ii) Binding Obligation. This Agreement and all documents executed by Seller which are to be delivered to Purchaser at the Closing (including, without limitation, the Lease) are, or at the time of delivery will be, duly authorized, executed, and delivered by Seller and are, or at the time of delivery will be, legal, valid, and binding obligations of Seller, enforceable in accordance with their terms, and do not, and at the Closing will not, violate any provisions of any agreement, law, rule or regulation to which Seller is a party or to which it is subject (including, without limitation, the Loan Documents).

(iii) No Violation. Neither the execution and delivery of this Agreement nor the consummation or performance of any of the transactions contemplated by this Agreement will, directly or indirectly (with or without notice or lapse of time), contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any governmental body or authority the right to revoke, withdraw, suspend, cancel, terminate or modify, any permit, approval or authorization that is held by Seller which relates to the Purchased Property.

(iv) Legal Compliance. The Real Property and its use is in compliance, in all material respects, with all applicable zoning ordinances and similar laws, and the Closing will not result in a violation of any applicable zoning ordinance or similar law or the termination of any applicable zoning variance or special exception now existing. Seller has not received written notice from any governmental entity or instrumentality indicating that all or any portion of the Real Property violates or fails to comply in any material respect with any governmental or judicial law, order, rule or regulation, which violation or failure to comply has not been cured.

(v) Judicial Actions. Other than the SRMC Litigation, there are no pending claims, lawsuits, arbitrations or other similar actions against Seller or the Purchased Property (including, without limitation, condemnation actions), which, if adversely determined, would: (A) restrain the consummation of the transactions contemplated by this Agreement, (B) have a material adverse effect on the Purchased Property prior to or after the Closing Date, or (C) result in any lien or encumbrance against the Purchased Property prior to or after the Closing Date, other than any deed restriction expressly stated in the General Warranty Deed.

(vi) Title to Real Property. Seller owns good, marketable, and insurable title in fee simple absolute to the Real Property, and except for the Loan Security Documents, Seller has not created any mortgages, liens, restrictions, agreements, claims, or other encumbrances which cause title to the Real Property to be unmarketable or which will materially interfere with Purchaser's use of the Real Property in a manner consistent with its the current use.

(vii) Taxes. Seller is and at all times has been an entity exempt from federal income taxation. Seller is exempt from filing, or has filed or caused to be filed on a timely basis, all tax returns and all reports with respect to taxes that are or were required to be filed pursuant to applicable legal requirements. All tax returns and reports filed by Seller are true, correct and complete in all material respects. Seller has paid, or made provision for the payment of, all taxes related to the Purchased Property that have or may have become due or otherwise, or pursuant to any assessment received by Seller.

(viii) Environmental Reports. Seller has provided Purchaser with true, complete and correct copies of all notices and information received by Seller relating to the presence of Hazardous Substances (as defined below) on the Real Property or in the vicinity of

the Real Property. Seller has not received any complaint, order, summons, citation, notice of violation, directive, letter or other communication from any governmental body, agency, or authority with regard to air emissions, water discharges, noise emissions or Hazardous Substances, or any other environmental, health or safety matters affecting the Real Property, or any portion thereof. Seller has complied with all federal, state or local environmental laws affecting the Real Property, including notification requirements relating to the release of Hazardous Substances. Seller has not knowingly undertaken, permitted, authorized or suffered the presence, or suspected presence, use, manufacture, handling, generation, storage, treatment, discharge, release, burial or disposal on, under or about the Real Property of any Hazardous Substances, except in compliance with all federal, state or local environmental laws, or the transportation to or from the Real Property, of any Hazardous Substances in violation of any federal, state or local environmental laws. Seller has not removed, or caused to be removed, any underground storage tanks from the Real Property and, to the best of Seller's knowledge, there are no underground storage tanks located on the Real Property. The term "Hazardous Materials" shall mean (i) hazardous substances, as defined by CERCLA; (ii) hazardous wastes as defined by RCRA; (iii) petroleum, including without limitation, crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure; (iv) any radioactive material, including, without limitation, any source, special nuclear, or by-product material as defined in 42 U.S.C. §2011 et seq.; (v) asbestos in any form or condition; (vi) polychlorinated biphenyls; and (vii) any other material, substance or waste to which liability or standards of conduct are under any federal, state or local environmental law.

(ix) Evaluation Materials. The Evaluation Materials are true and complete copies of the documents in Seller's possession comprising such Evaluation Materials and Seller has not withheld or failed to make available to Purchaser any Evaluation Materials that would be reasonably pertinent to Seller's decision to purchase the Purchased Property.

(x) Loan. There are no other documents executed in connection with the Loan other than the Loan Documents provided there may be notices, correspondence or ancillary documents which do not modify the terms of the Loan or allege a default or circumstances that may ripen into a default. Seller has delivered or made available to Purchaser true, correct and complete copies of the Loan Documents. There is no default by Seller or circumstance which, with the giving of notice or passage of time or both, would constitute a default by Seller under the Loan Documents

(xi) Brokers. Seller has not engaged or dealt with any broker or finder in connection with the sale and purchase of the Purchased Property.

(c) Survival. The express representations and warranties made in this Agreement by Seller and Purchaser shall not merge into any instrument of conveyance delivered at the Closing, but rather shall survive for a period of three (3) years after the Closing Date.

7. COVENANTS PRIOR TO CLOSING.

(a) Loan. At all times prior to Closing, Seller shall comply with the terms and conditions of the Loan Documents.

(b) Provide Copies of Notices. Seller shall furnish Purchaser with a copy of all written notices received by Seller from any governmental authority, including notices alleging violation of any law, statute, ordinance, regulation or order of any governmental or public authority relating to the Purchased Property within two (2) Business Days following Seller's receipt thereof.

(c) No Negotiation. Seller shall not, directly or indirectly, solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to, or consider the merits of any inquiries or proposals from, any third party relating to any business combination transaction involving any of the Purchased Assets. Seller shall notify Purchaser of any such inquiry or proposal within twenty-four (24) hours of receipt or awareness of the same by Seller.

(d) Subsequent Acts. From the Effective Date until the Closing Date or the earlier termination of this Agreement, Seller shall not enter into any easements, encumbrances or other title matters or recordable instrument affecting the Real Property, nor take any other action to cause title to the Real Property to differ from the condition of title existing on the Effective Date, without Purchaser's consent, which may be granted or withheld in Purchaser's sole and absolute discretion.

(e) Required Approvals. As promptly as practicable after the Effective Date, Seller and Purchaser shall make all filings required to be made by it in order to consummate the transactions contemplated by this Agreement. Seller shall cooperate with Purchaser and its representatives with respect to all filings that Purchaser elects to make or is required to make in connection with the transactions contemplated by this Agreement. Seller also shall cooperate with Purchaser and its representatives in obtaining all consents and governmental approvals necessary to consummate the transactions contemplated by this Agreement and the operation of the Purchased Property as a critical access hospital.

(f) Casualty or Condemnation. If, prior to Closing Date, any of the Purchased Property is damaged, destroyed, or a condemnation proceeding is commenced against the Real Property ("Casualty or Condemnation"), Purchaser shall have the right to terminate this Agreement or, if not so electing, at the Closing, (i) Seller shall pay to Purchaser all insurance proceeds and condemnation awards paid to Seller in connection with such Casualty or Condemnation, (ii) Seller shall assign to Purchaser all of Seller's right, title and interest in any insurance proceeds or condemnation awards to be paid to Seller in connection with the Casualty or Condemnation, and (iii) Seller shall pay Purchaser any deductible amount under any applicable insurance policy.

8. CLOSING.

(a) Location & Time. The Closing of the sale (and lease) of the Purchased Property (the "Closing") shall take place at the office of Seller's counsel in Elizabethtown, North Carolina, or through the office of the Title Company ninety (90) days following the Effective Date, time being of the essence; provided however that in the event that title defects are discovered during the Purchaser Due Diligence, Purchaser shall have the right to extend the Closing Date and the Closing Date shall occur within ten (10) days of the date upon which Seller cures such title defect as determined in Purchaser's sole discretion. The "Closing Date" as used herein shall mean the actual date upon which the parties effect the Closing. Notwithstanding the foregoing, the parties need not attend the Closing in person and shall have the right to close the transaction contemplated by this Agreement pursuant to written Closing escrow instructions, so long as such instructions are consistent with the terms hereof.

(b) Seller's Closing Documents. At the Closing, in consideration for the terms and conditions of this Agreement and Purchaser's Deliveries (as defined in Section 8(c) of this Agreement), and for the Consideration, Seller shall execute and deliver to Purchaser (or to the Title Company) the following documents (collectively, "Seller's Deliveries"):

(i) A General Warranty Deed, the form of which is attached as Exhibit B hereto and incorporated herein by reference (the "General Warranty Deed");

(ii) A Bill of Sale and Assignment of Interests, the form of which is attached as Exhibit C hereto and incorporated herein by reference (the “Bill of Sale”);

(iii) An affidavit of title in a form reasonably acceptable to the Title Company;

(iv) The Lease;

(v) A termination of the Hospital Lease, the Encumbered Lease, and the Memoranda of each recorded in the Bladen County Registry at Book 66, Page 570 and Book 633, Page 581, respectively, together with a written confirmation of the cancellation, waiver and release of all rights obligations, or claims under and relating to the Hospital Lease and the Encumbered Lease (the “Lease Termination”). The form of the Lease Termination to be executed and delivered at Closing is attached hereto as Exhibit D;

(vi) A termination of the Escrow Agreement, including written instructions to the Escrow Agent to disburse immediately to Purchaser all amounts in the Reserve Fund (as that term is defined in the Hospital Lease) (the “Escrow Termination”);

(vii) A written satisfaction of that certain loan from Seller to Bladen County Hospital (predecessor in interest to Purchaser pursuant to the Assignment and Assumption Agreement) in the original principal amount of \$500,000.00, as set forth in that certain Contract and Agreement dated April 21, 2005;

(viii) A written waiver of Seller’s right to any reimbursement of Seller’s reasonable consulting and legal fees and expenses incurred in connection with the affiliation process as provided for in Section 9(c) of the Assignment and Assumption Agreement;

(ix) A duly adopted resolution from the Board of Commissioners of the County of Bladen and the Board of Trustees of Bladen County Hospital authorizing the transactions contemplated by this Agreement, or such other evidence of approval and authorization as is acceptable to Purchaser, in Purchaser’s sole and absolute discretion; and

(x) A certificate (or certificates) signed by the Secretary of the Board of Commissioners of the County of Bladen and by the Secretary of the Board of Trustees of Bladen County Hospital and dated as of the Closing Date to the effect (i) that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing with the same force and effect as if made at and as of the Closing and (ii) that Seller has performed and satisfied all covenants and conditions required by this Agreement to be performed or satisfied by Seller at or prior to the Closing;

(xi) Any other documents reasonably required in connection with the transactions contemplated by this Agreement, or reasonably required by the Title Company.

(c) Purchaser Closing Documents. At the Closing, in consideration for the terms and conditions of this Agreement and Seller’s Deliveries, Purchaser shall execute and deliver to Seller (or to the Title Company) the following documents (collectively, “Purchaser’s Deliveries”):

(i) Bill of Sale;

(ii) The Lease, which Purchaser shall cause Bladen Healthcare, LLC, a wholly owned subsidiary of Purchaser, to execute and deliver in lieu of Purchaser;

(iii) The Lease Termination;

(iv) The Escrow Termination;

(v) A duly adopted resolution from the Board of Trustees of Purchaser authorizing the transactions contemplated by this Agreement; and

(vi) A certificate (or certificates) signed by the Secretary of Purchaser and dated as of the Closing Date to the effect (i) that the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of the Closing with the same force and effect as if made at and as of the Closing and (ii) that Purchaser has performed and satisfied all covenants and conditions required by this Agreement to be performed or satisfied by Purchaser at or prior to the Closing;

(vii) A written waiver of any obligations of Seller set forth in Paragraph 8(c) of the Hospital Lease related to repairs and maintenance to the Hospital Real Property in excess of the Reserve Fund and remaining outstanding rent due under the Hospital Lease;

(viii) A written waiver of any credit equal to the total amount of rent paid by Purchaser under the Encumbered Lease with respect to 1001 West Broad, to which Purchaser may otherwise have been entitled to under the Option;

(ix) Any other documents reasonably required in connection with the transactions contemplated by this Agreement, or reasonably required by the Title Company.

(d) Further Assurances. Seller and Purchaser shall, at the Closing, and from time to time thereafter, upon request, execute such additional documents as are reasonably necessary in order to convey, assign and transfer the Purchased Property pursuant to this Agreement, provided that such documents are consistent with the terms of this Agreement, and do not increase Seller's or Purchaser's obligations hereunder or subject Seller or Purchaser to additional liability not otherwise contemplated by this Agreement.

(e) Encumbrances. Notwithstanding anything contained in this Agreement to the contrary, Seller shall be obligated, in all events, to satisfy at Closing (i) all deeds of trust encumbering any of Seller's interest in the Real Property, other than the Loan Security Documents, and (ii) mechanics liens or judgment liens encumbering any of Seller's interest in the Real Property resulting from work or activities engaged by Seller.

(f) Closing Costs. Seller shall be responsible for the payment of (A) the deed stamps on the General Warranty Deed, (B) the fees and costs of Seller's counsel representing it in connection with this transaction, (C) all other costs customarily incurred by sellers in similar transactions in the State of North Carolina. Purchaser shall be responsible for the payment of (i) the costs of the Purchaser Due Diligence, (ii) the fees and costs of Purchaser's counsel representing it in connection with this transaction, and (iii) all other costs customarily incurred by purchasers in similar transactions in the State of North Carolina.

9. REMEDIES.

(a) Purchaser Default. Except as set forth in Sections 10(c) and 11 hereof, if Purchaser fails to perform any of its obligations under this Agreement, then Seller shall have the right, as its sole and exclusive remedy for such failure, to terminate this Agreement by delivering written notice thereof to Purchaser, in which event (i) the Hospital Lease and the Encumbered Lease shall each continue and remain in full force and effect and (ii) Seller and Purchaser shall be released from all obligations under this Agreement except those which expressly survive termination of this Agreement.

(b) Seller Default. Except as set forth in Section 11 hereof, if Seller fails to perform any of its obligations under this Agreement which are required to be performed at or prior to the Closing Date (including the delivery of any of Seller's Deliveries under Section 8(b)), then Purchaser shall have the right, as its sole and exclusive remedies for such failure, to either (i) terminate this Agreement by delivering written notice thereof to Seller, in which case (A) the Hospital Lease and the Encumbered Lease shall each continue and remain in full force and effect, (B) Seller shall pay Purchaser's actual out of pocket costs (excluding attorneys fees) incurred in performing the Inspections, and (C) the parties shall be released from all obligations under this Agreement except those which expressly survive termination of this Agreement, or (ii) specifically enforce the terms of this Agreement; provided that, in the event Seller intentionally encumbers or transfers the Property, or otherwise takes any willful action so that specific performance is not an adequate remedy, then Purchaser shall have all rights and remedies available at law or in equity, including, without limitation, the right to sue for damages.

(c) Actual Damages. No party to this Agreement shall be liable for consequential or punitive damages.

(d) Survival. The provisions of this Section 9 shall survive the Closing and/or any termination of this Agreement.

10. ADDITIONAL POST-CLOSING COVENANTS.

(a) Replacement Hospital. Purchaser agrees to use commercially reasonable efforts (i) to obtain the necessary financing through the United States Department of Agriculture ("USDA") – Rural Development loan program (or through such other source(s) of funding that offer terms and conditions that are no less favorable than those which would otherwise be offered by USDA-Rural Development) to fully fund on terms acceptable to Purchaser (the "USDA Funding") construction of a replacement facility located in Bladen County, North Carolina which shall be licensed, certified and operated as a 25 bed hospital (the "Replacement Hospital"); (ii) if USDA Funding is obtained, to file a Certificate of Need application with the North Carolina Department of Health and Human Services seeking approval to construct the Replacement Hospital and relocate the Hospital's operations to such newly constructed facility ("CON Approval"); and (iii) if USDA Funding and CON Approval is obtained, and, upon receipt of all required or appropriate permits and approvals, to construct the Replacement Hospital; provided however that in the event that Purchaser is unable to obtain the USDA Funding, CON Approval, or any other required or appropriate permits and approvals within four (4) years following the Closing Date, despite Purchaser's commercially reasonable efforts to do so, the obligations set forth in this Section 10(a) shall terminate.

(b) SRMC Litigation. Purchaser and Bladen Healthcare, LLC agree to indemnify and hold Seller harmless from and against, and to pay or reimburse Seller, for, any loss, liability, costs, expenses (including without limitation attorney's fees), costs of litigation and damages, incurred by Seller, its trustees, officers, employees, and agents in connection with that certain civil action entitled Southeastern Regional Medical Center v. Bladen County d/b/a Bladen County Hospital, et al., Case No. 10 CVS 499 in the Superior Court of Bladen County, North Carolina (the "SRMC Litigation").

(c) Covenants as to Level of Service and Ownership. Purchaser or its affiliate shall:

(i) provide the same or similar clinical hospital services to its patients in medical surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the Hospital had provided prior to the Closing;

(ii) continue to provide charity care in accordance with Hospital policies in effect at the Closing, including, without limitation, access to care by indigent persons in compliance with state and federal law, without discrimination, regardless of the cost of providing such services and regardless of the person's ability to pay;

(iii) not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment;

(iv) ensure that admission to and services of the Hospital are available to the beneficiaries of governmental reimbursement programs (e.g., Medicare and Medicaid) without discrimination or preference because they are beneficiaries of those programs;

(v) continuously own and operate the Hospital as a community general hospital open to the general public; provided that, for purposes of this subsection (v), Purchaser shall be deemed to meet this requirement so long as Purchaser or its affiliate is (1) the owner of the Hospital and (2) uses the Hospital for health or medical care, including without limitation, facilities and services in support of the Replacement Hospital;

(vi) provide services to all persons, free of discrimination based on race, creed, color, sex, or national origin; and

(vii) prepare an annual report showing compliance with subsections (i) – (vi) above (collectively, the “Service Level and Ownership Covenants”).

(d) Reverter. Purchaser agrees that (i) if it fails to substantially comply with the Service Level and Ownership Covenants set forth in Section 10(c) or (ii) if it dissolves without a successor to carry out the terms and conditions of the Agreement, all ownership or other rights in the Purchased Property, any capital improvements made to the Purchased Property, and any equipment or other personal property associated with the Purchased Property that has been constructed or acquired since the Closing, shall revert to the Seller, provided that any capital improvements made to the Purchased Property, and any equipment or other personal property associated with the Purchased Property that (I) Purchaser or any of its subsidiaries or affiliates has constructed or acquired since the Closing and (II) is not used in the provision of the same or similar services to those provided at the Hospital as of the Closing, shall revert to Seller only upon payment to Purchaser of a sum equal to the cost less depreciation of such improvements, equipment and other personal property; provided further that this Section 10(d) shall not apply to (a) property which was used by Seller as June 1, 2008 for non-medical services or commercial activities, including any gift shop, cafeteria, flower shop or other retail or commercial activity, or (b) to surplus hospital personal property that is not required in the delivery of necessary hospital services at the time of its lease, sale or conveyance, or (c) the Replacement Hospital, all improvements thereto, and all tangible and or intangible personal property or equipment associated therewith or located therein.

(e) Transition. In the event that the Purchased Property reverts to Seller, pursuant to the foregoing paragraph (d), Purchaser agrees to cooperate fully with Seller to achieve an orderly turnover

of the Hospital and Affiliated Operations to Seller and to ensure that such facilities are fully operational as of the earliest date (the "Effective Reversion Date") on which the Seller can effectively operate the Hospital and provide continuity of patient care in compliance with all applicable laws, regulations, licensing, accreditation and contractual requirements; provided, however, the Effective Reversion Date shall be not less than one hundred eighty (180) days after the date on which the reversion occurs. On the Effective Reversion Date, Purchaser shall transfer to Seller:

- (i) all of the Purchased Property, in good, serviceable and operation condition, reasonable wear and tear and casualty damage excepted;
- (ii) consumables, inventories and supplies, at the current level maintained by Purchaser;
- (iii) accounts receivable and accounts payable regarding items or services provided to, by, at the Hospital which shall be assigned by Purchaser and assumed by Seller, excluding the current portion of any inter-company or long-term debt;
- (iv) capital equipment and other tangible personal property acquired by the Purchaser after the Closing and used in the provision of services at the Hospital; provided, however, that Seller has paid Purchaser for such property in an amount equal to the cost of such property, less depreciation if such capital equipment or other tangible personal property is not used in the provision of the same or similar services to those provided at the Hospital as of the Closing;
- (v) to the extent permitted by contract or law, all rights under contracts, permits, licenses and other intangible assets as are necessary to allow the continued operation of the Hospital as a community general hospital.

Notwithstanding any other provision of this Agreement or this Section 10(e), in the event that Purchaser is operating the Replacement Hospital upon the Effective Reversion Date, the provisions of this Section 10(e) shall not apply and Purchaser shall only be obligated to convey the Hospital along with any improvements (capital or otherwise) made to the Hospital since the Closing; provided, however, that Seller has paid Purchaser for such improvements to the Hospital since the Closing in an amount equal to the cost of such property, less depreciation.

(f) Non-Competition. Seller agrees that upon Closing, Purchaser shall have the continuing right and responsibility to conduct the Hospital and Affiliated Operations. Therefore, upon Closing, Seller shall not, within the Hospital Primary Service Area, own, lease, manage, operate, market, or engage in any business, enterprise or other activity relating to the operation of a hospital or any other health-care-related activity in which Purchaser or an affiliate thereof is engaged, or lease real or personal property owned by the Seller to any third party for the purpose of operation of a hospital or any other health-care-related activity in which Purchaser or an affiliate thereof is engaged; provided, however, that nothing in this Section 10(e) shall be construed to prohibit Seller from providing public health services. Seller further acknowledges and agrees that enforcement of the provisions of this Section 10(e) would not unduly impact the availability of medical services within the Hospital Primary Service Area, or otherwise pose a threat of harm to the public health, or promote monopolization of medical services at the public's expense. Seller further agrees that if Seller should engage in a health-care-related activity in which Purchaser or an affiliate thereof is engaged in violation of the provisions of this Section 10(e), then such activity shall constitute a material breach of this Agreement.

(f) Emergency Transportation Services. Seller agrees to continue to provide emergency medical transportation services as well as other County-sponsored public health services consistent with the Hospital Primary Service Area population needs and health care industry standards.

(g) Taxation. Upon Closing, the Purchased Property shall remain exempt from the imposition of all taxes otherwise capable of being levied by Seller, including without limitation, real estate taxes, as long as purchaser and Bladen Healthcare, LLC are organized and operated in their current form.

(h) Limitation on Reversion. Notwithstanding anything contained in this Section 10 or elsewhere in this Agreement to the contrary, in the event of a reversion pursuant to this Section 10, or in any other event, Purchaser shall under no circumstances be required to transfer to Seller the Replacement Hospital, any improvements thereto, or any tangible or intangible personal property or equipment associated therewith or located therein at the time of such reversion.

(i) Survival. The provisions of this Section 10 shall survive Closing.

11. INDEMNITY.

(a) Seller Indemnity. In addition to, and notwithstanding any other indemnity provided for under this Agreement, to the extent permitted by law, Seller shall indemnify and hold harmless Purchaser, and its trustees, officers, employees, agents, invitees, representatives, agents, and subsidiaries (collectively, the "Purchaser Indemnified Persons"), and will reimburse the Purchaser Indemnified Persons for any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees and expenses) arising from or in connection with:

(i) any breach of any representation or warranty made by Seller in this Agreement or in any other certificate, document, writing or instrument delivered by Seller pursuant to this Agreement;

(ii) any breach of any covenant or obligation of Seller in this Agreement or in any other certificate, document, writing or instrument delivered by Seller pursuant to this Agreement;

(iii) any liability arising out of the ownership or operation of the Purchased Property prior to June 1, 2008 other than the SRMC Litigation;

(iv) any liability arising from or related to the operation of the Hospital or the Affiliated Operations prior to June 1, 2008 other than the SRMC Litigation, unless such liability was specifically assumed by Seller pursuant to the provisions of the Assignment and Assumption Agreement;

(v) the negligence or bad faith of Seller; or

(vi) any liability prior to the Closing Date related to that part of McKay Street that is a part of the property described in the Hospital Lease and known as 501 South Poplar Street, Elizabethtown, NC.

(b) Purchaser Indemnity. In addition to, and notwithstanding any other indemnity provided for under this Agreement, Purchaser shall indemnify and hold harmless Seller, and its representatives, commissioners, officers, employees and agents (collectively, the "Seller Indemnified

Persons”), and will reimburse the Seller Indemnified Persons for any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys’ fees and expenses) arising from or in connection with:

(i) any breach of any representation or warranty made by Purchaser in this Agreement or in any other certificate, document, writing or instrument delivered by Purchaser pursuant to this Agreement;

(ii) any breach of any covenant or obligation of Purchaser in this Agreement or in any other certificate, document, writing or instrument delivered by Purchaser pursuant to this Agreement; or

(iii) any liability arising out of or resulting from the occupancy by Purchaser of the Real Property, the operation of the Hospital and the Affiliated Operations by Purchaser, or the use or operation of the Purchased Property, each from and after June 1, 2008.

(c) Assignment and Assumption Agreement. Except as otherwise expressly set forth in this Agreement, the terms and conditions of the Assignment and Assumption Agreement, including, without limitation, the indemnities provided therein, shall not be deemed to be limited or otherwise amended or modified, and same shall expressly survive the Closing.

(d) Survival. The provisions of this Section 11 shall survive Closing.

12. GENERAL PROVISIONS.

(a) Entire Agreement. This Agreement and exhibits hereto constitute the entire agreement of Seller and Purchaser with respect to sale of the Purchased Property and supersede all prior or contemporaneous written or oral agreements, whether express or implied.

(b) Amendments. This Agreement may be amended only by a written agreement executed and delivered by Seller and Purchaser.

(c) Waivers. No waiver of any provision or condition of, or default under, this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be taken as a waiver of any other or similar provision or of any future event, act, or default.

(d) Time. Time is of the essence of this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which the period of time runs shall be excluded, and the last day of such period shall be included, unless it is not a Business Day, in which case it shall run to the next day which is a Business Day. All times of the day set forth herein shall be Eastern Standard Time.

(e) Unenforceability. In the event that any provision of this Agreement shall be unenforceable in whole or in part, such provision shall be limited to the extent necessary to render the same valid, or shall be excised from this Agreement, as circumstances require, and this Agreement shall be construed as if said provision had been incorporated herein as so limited, or as if said provision has not been included herein, as the case may be.

(f) Assignment. Purchaser shall have the right to assign its rights under this Agreement and to delegate its duties hereunder without the prior express written consent of Seller provided that assignee is an affiliate of Purchaser and that Purchaser provides Seller with written notice of

such assignment. Except as provided in the immediately preceding sentence, neither Purchaser nor Seller may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other. This Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties.

(g) Notices. Any notices or other communications permitted or required to be given hereunder shall be in writing, shall be delivered personally, by reputable overnight delivery service, or by fax (provided a hard copy is delivered on the next Business Day by personal delivery or reputable overnight delivery service), and shall be addressed to the respective party as set forth in this subsection (g). All notices and communications shall be deemed given and effective upon receipt thereof.

To Seller:

County of Bladen
Attn: County Manager
106 East Broad Street
Elizabethtown, North Carolina
Tel: 910.862.6700
Fax: 910.862.6767

With a copy to:

W. Leslie Johnson, Esq.
The Johnson Law Firm
302 W. Broad Street
Elizabethtown, North Carolina 20337
Tel: 910.862.2252
Fax: 910.862.8006

To Purchaser:

Cape Fear Valley Health System
Attn: Legal Department
1638 Owen Drive
Fayetteville, North Carolina 28304
Tel: 910.615.5978
Fax: 910.615.5530

With a copy to:

Mary Beth Johnston, Esq.
K&L Gates LLP
430 Davis Drive - Suite 400
Morrisville, North Carolina 27560
Tel: 919.466.1181
Fax: 919.516.2071

(h) Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of North Carolina.

(i) Counterparts. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of less than all of the parties, and all of which shall be construed together as a single instrument. The parties executing this Agreement may sign separate signature pages and it shall not be necessary for all parties to sign all signature pages, but rather the signature pages may be combined. Facsimile or .PDF file signatures shall be as binding as original signatures.

(j) Construction. Seller and Purchaser agree that each and its counsel have reviewed and approved this Agreement, and that any rules of construction which provide that ambiguities be resolved against the drafting party shall not be used in the interpretation of this Agreement or any amendments or exhibits hereto. The words “include”, “including”, “includes and any other derivation of “include” means “including, but not limited to” unless specifically set forth to the contrary. Headings of sections herein are for convenience of reference only, and shall not be construed as a part of this Agreement. Except to the extent expressly provided otherwise in this Agreement, references to “sections” or “subsections” in this Agreement shall refer to sections and subsections of this Agreement, and references to “exhibits” in this Agreement shall mean exhibits attached to this Agreement. The submission of drafts of this Agreement or comments or revisions thereto, shall not constitute an offer, counter-offer or acceptance; and no party shall be bound hereby or entitled to rely hereon, unless and until this Agreement has been executed and delivered by Seller and Purchaser.

(k) No Third Party Beneficiaries. This Agreement is for the sole benefit of Purchaser and Seller and no other Person is intended to be a beneficiary of this Agreement.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement to be effective as of the Effective Date.

SELLER:

ATTEST:
By: _____
_____, County Clerk

[SEAL]

THE COUNTY OF BLADEN
By: _____
Print Name:
Title: Chair, Board of County Commissioners
Date: _____

ATTEST:
By: _____
_____, Secretary

[SEAL]

BLADEN COUNTY HOSPITAL
By: _____
Print Name:
Title: Chair, Board of Trustees
Date: _____

PURCHASER:

CUMBERLAND COUNTY HOSPITAL SYSTEM,
INC.

By _____
Print Name: Michael Nagowski
Title: Chief Executive Officer

Date: _____

As to Section 4 and Section 10(b) only:

BLADEN HEALTHCARE, LLC

By: _____
Name: _____
Title: _____

Date: _____

EXHIBIT A

REAL PROPERTY

(Tracts 1-4, the "Hospital Real Property")

(Tract 5, the "Encumbered Real Property")

TRACT 1: 501 SOUTH POPLAR STREET, ELIZABETHTOWN

Lying and being in Elizabethtown Township, Bladen County, North Carolina, and being further described as follows:

BEGINNING at North Carolina Geodetic Survey Marker "Horton 1973" said marker having NAD 83 coordinates of N=318,280.02' and E=2,118,007.58'; running thence from said marker, South 30 degrees 37 minutes 26 seconds West - 222.88 feet to an existing railroad spike in the Southeastern intersection of the rights of way of US Highway 701 (Poplar Street) and East Dunham Street, the TRUE POINT OF BEGINNING;

Running thence from the TRUE POINT OF BEGINNING so located, the following bearings and distances:

- 1) South 44 degrees 58 minutes 05 seconds East - 557.98 feet along the Southern right of way of East Dunham Street to an existing railroad spike in the Eastern right of way line of Doctors Drive;
- 2) Thence along the Eastern right of way line of Doctors Drive, South 44 degrees 14 minutes 13 seconds West - 379.86 feet to an existing iron pipe in the Southern right of way line of McKay Street (formerly Hospital Drive);
- 3) Thence with the Southern line of McKay Street, North 45 degrees 01 minute 30 seconds West - 560.56 feet to an existing iron pipe;
- 4) Thence continuing in the same direction, North 45 degrees 01 minute 30 seconds West - 2.41 feet to a point in the Eastern right of way line of US Highway 701 (Poplar Street);
- 5) Thence along the Eastern right of way line of US Highway 701 (Poplar Street), North 44 degrees 59 minutes 21 seconds East - 1.11 feet to an existing NCDOT right of way marker;
- 6) Thence continuing in the same direction, North 44 degrees 59 minutes 21 seconds East - 379.28 feet to an existing railroad spike, the TRUE POINT OF BEGINNING;

Containing 4.891 acres, more or less, and being subject to any and all public or private easements and rights of way of record;

The tract described herein is the aggregate of those parcels of land conveyed to Bladen County by deeds recorded in Deed Book 122, page 171, Deed Book 122, page 252, Deed Book 122, page 272, and Deed Book 122, page 294.

TRACT 2: 16 THIRD STREET, DUBLIN

Lying and being in Bethel Township, Bladen County, North Carolina, and being further described as follows:

BEGINNING at North Carolina Geodetic Survey Marker "Junction 1969" said marker having NAD 83 coordinates of N=326,018.26' and E=2,088,664.11'; running thence from said marker the following bearings and distances:

- 1) North 52 degrees 35 minutes 30 seconds West - 7,870.16 feet to a point in the intersection of the centerlines of NC Highway 87 (Albert Street) and NC Highway 410 (Third Street);
- 2) Thence along the centerline of NC Highway 410, South 37 degrees 04 minutes 19 seconds West - 56.49 feet to a point in the centerline of said highway;
- 3) Thence North 53 degrees 20 minutes 40 seconds West - 25.00 feet to a new iron stake in the present right of way of NC Highway 410;
- 4) Thence along the Western edge of the present right of way of NC Highway 410, South 37 degrees 04 minutes 19 seconds West - 77.68 feet to a new iron stake;
- 5) Thence North 56 degrees 41 minutes 27 seconds West 42.70 feet to a Mag Nail set in the Westernmost line of the old right of way of NC Highway 410, the TRUE POINT OF BEGINNING;

Running thence from the TRUE POINT OF BEGINNING so located, the following bearings and distances:

- 1) North 56 degrees 41 minutes 27 seconds West - 144.69 feet to a new iron stake;
- 2) Thence continuing North 56 degrees 41 minutes 27 seconds West - 108.58 feet to an existing iron pipe;
- 3) Thence continuing North 56 degrees 41 minutes 27 seconds West - 0.90 feet to a point in the Eastern right of way of 2nd Street;
- 4) Thence along the Eastern right of way line of 2nd Street, North 36 degrees 48 minutes 05 seconds East - 100.00 feet to a new iron stake;
- 5) Thence leaving said right of way, South 56 degrees 41 minutes 27 seconds East - 204.00 feet to a Mag Nail set in the Westernmost line of the old right of way of NC Highway 410;
- 6) Thence along the Westernmost line of the old right of way of NC Highway 410, South 9 degrees 29 minutes 03 seconds West - 109.12 feet to a Mag Nail, the TRUE POINT OF BEGINNING;

Containing 22,866 square feet, more or less, and being subject to all easements and rights of way of record.

Being that same parcel of land conveyed to Bladen County by Robert Summerlin and wife, Estelle Summerlin, on September 29, 1997, as recorded in Deed Book 396, page 464, in the Bladen County Register of Deeds office.

TRACT 3: 103 AND 105 EAST DUNHAM STREET, ELIZABETHTOWN

Lying and being in Elizabethtown Township, Bladen County, North Carolina, on the North side of East Dunham Street, and being further described as follows:

BEGINNING at North Carolina Geodetic Survey Marker "Horton 1973" said marker having NAD 83 coordinates of N=318,280.02' and E=2,118,007.58'; running thence from the said marker, South 8 degrees 46 minutes 38 seconds West - 232.09 feet to an existing iron pipe in the Northern edge of the 30-foot wide right of way of East Dunham Street, the TRUE POINT OF BEGINNING;

Running thence from the TRUE POINT OF BEGINNING so located, the following bearings and distances:

- 1) North 43 degrees 48 minutes 11 seconds East - 56.02 feet to an existing iron pipe near a fence;
- 2) Thence along said fence, South 45 degrees 20 minutes 42 seconds East - 65.08 feet to an existing iron pipe near a fence corner;
- 3) Thence along the fence, North 50 degrees 48 minutes 55 seconds East - 7.96 feet to an existing iron pipe near the fence;
- 4) Thence South 31 degrees 08 minutes 49 seconds East - 30.67 feet to an existing iron pipe;
- 5) Thence South 43 degrees 02 minutes 37 seconds West 56.26 feet to an existing iron pipe in the Northern right of way of East Dunham Street;
- 6) Thence along the Northern right of way of East Dunham Street, North 45 degrees 26 minutes 59 seconds West - 31.45 feet to an existing iron stake;
- 7) Thence continuing along the Northern right of way of East Dunham Street, North 45 degrees 26 minutes 29 seconds West - 64.97 feet to an existing iron pipe, the TRUE POINT OF BEGINNING;

Containing 5,499 square feet, more or less, and being subject to any and all easements or rights of way of record.

Being that parcel of land conveyed to Bladen County from E. C. Bennett by deed dated August 5, 1977, and recorded in Deed Book 222, page 385, in the Bladen County Register of Deeds office.

**TRACT 4: 601 SOUTH CYPRESS STREET
(ALSO KNOWN As 601, 619, AND 623 SOUTH CYPRESS STREET)**

State of North Carolina, County of Bladen, Township of Elizabethtown, BEGINNING at a new iron stake set in the Western right-of-way line of NCSR 1700 – Mercer Mill Road (60-foot-wide public right-of-way) at the Northeast corner of Samuel R. Cross (Deed Book 290, page 489; now or formerly known as PIN 131108873644), said stake being 0.36 feet from an existing railroad iron; thence turning and leaving the Western right-of-way line of Mercer Mill Road and running along the Southern right-of-way line of Doctors Drive (50-foot-wide private street) which is also the Northern property line of Cross and the Northern property line of Bruce Dickerson and Samuel R. Cross (Deed Book 448, page 159; now or formerly known as PIN 131108872566) S 44°14'30" W 199.82 feet to an existing railroad stake, said stake being at the Southern terminus of Dunham Street (30-foot-wide private street); thence turning and leaving the Northern property line of Dickerson and Cross and running along the Eastern property line of Bladen County Hospital (Deed Book 122, page 252; now or formerly known as PIN 131108778760) and the Southern right-of-way line of Dunham Street N 44°58'05" W 209.62 feet to new Mag Nail; thence turning and running across the right-of-way of Dunham Street and along the Northern right-of-way line of Cypress Street (30-foot-wide private street) which Northern right-of-way line is also the Southern property line of Clark Brothers, LLC (Deed Book 630, page 42; now or formerly known as PIN 131108870883) N 44°32'55" E 198.66 feet to an existing iron pipe located at the Southeast corner of Clark Brothers and the Southwest corner of Hudson's Radiator Service, Inc. (Deed Book 190, page 501; Deed Book 271, page 764; now or formerly known as PIN 131108871988), said pipe being located a course of S 42°31'00" E 402.51 feet from a control corner designated NCGSM "Horton 1973", said control corner having NC Grid Coordinates N=318280.02 and E=2118007.58; thence continuing along the Southern property line of Hudson's Radiator N 44°32'55" E 40.48 feet to an existing iron pipe; thence turning and running within the right-of-way of Cypress Street two calls: (1) N 55°28'49" E 21.30 feet to an existing iron pipe and (2) N 23°23'05" W 4.36 feet to an existing iron pipe in the Southern property line of Hudson's Radiator; thence turning and running along the Southern property line of Hudson's Radiator N 44°32'15" E 7.23 feet to an existing iron pipe in the Western right-of-way line of Mercer Mill Road; thence running along the Western right-of-way line of Mercer Mill Road S 26°40'53" E

220.26 feet to THE POINT AND PLACE OF BEGINNING consisting of 1.123 acres (including the private streets known as Doctors Drive, Dunham Street, and Cypress Street) and being part of the property conveyed to County of Bladen in Deed Book 122, page 252, now or formerly known as PIN 131108872820, as shown on that survey titled "Final Plat – Survey for Bladen County – 601 S. Cypress Street" dated August 8, 2008, by Geographic Solutions & Surveying Services, PLLC.

TRACT 5: 300 EAST MCKAY STREET, ELIZABETHTOWN

Lying and being in Elizabethtown Township, Bladen County, North Carolina, and being further described as follows:

BEGINNING at North Carolina Geodetic Survey Marker "Horton 1973" said marker having NAD 83 coordinates of N=318,280.02' and E=2,118,007.58'; running thence from said marker, South 17 degrees 55 minutes 21 seconds East - 1,267.75 feet to a new iron stake in the Southwestern intersection of the 60-foot wide right of way of East McKay Street and the 50-foot wide right of way of McLeod Street, the TRUE POINT OF BEGINNING;

Running thence from the TRUE POINT OF BEGINNING so located, the following bearings and distances:

- 1) South 28 degrees 16 minutes 55 seconds East - 491.19 feet to a new iron stake in the Southern edge of the right of way of East McKay Street;
- 2) Thence South 61 degrees 43 minutes 05 seconds West - 289.33 feet to an existing iron stake, a corner of the Pait Housing Associates Ph. II tract described in Deed Book 311, page 442 in the Bladen County Register of Deeds office;
- 3) Thence with the line of the Elizabethtown Housing Associates property, North 19 degrees 36 minutes 13 seconds West - 430.63 feet to a new iron stake in the Southern edge of the 50-foot wide right of way of McLeod Street;
- 4) Thence along the Eastern edge of McLeod Street, North 45 degrees 26 minutes 40 seconds East - 233.72 feet to a new iron stake, the TRUE POINT OF BEGINNING;

Containing 2.679 acres, more or less, and being subject to any and all easements or rights of way of record;

The tract described herein is a portion of that parcel of land conveyed to Bladen County by Mary McLeod on October 17, 1972, as recorded in Deed Book 196, page 55, in the Bladen County Register of Deeds office.

EXHIBIT B

GENERAL WARRANTY DEED

EXHIBIT C

BILL OF SALE

EXHIBIT D

LEASE TERMINATION

EXHIBIT E

RENT SCHEDULE UNDER LEASE

EXHIBIT F

LEASE