

REQUEST FOR BOARD ACTION

MEETING DATE: MONDAY, January 3, 2005

SUBJECT: OPTION FOR WATER DEPT PROPERTY

ATTACHMENTS: Steps to Exercise Option
GIS Property Map with Property Cards
Option

SUMMARY OF REQUEST:

At the last meeting, the Board directed that staff bring back the steps necessary to exercise the option that the County has on the water department property owned by the City of Hendersonville which is adjacent to the new Courthouse property.

The Option provides that the option period begins upon the City's vacating of the property, or May 10, 2005, whichever is earlier. Once the option period begins, it runs for 2 years. The County paid \$5,000 for the option which will be credited against the purchase price for the property if the option is exercised.

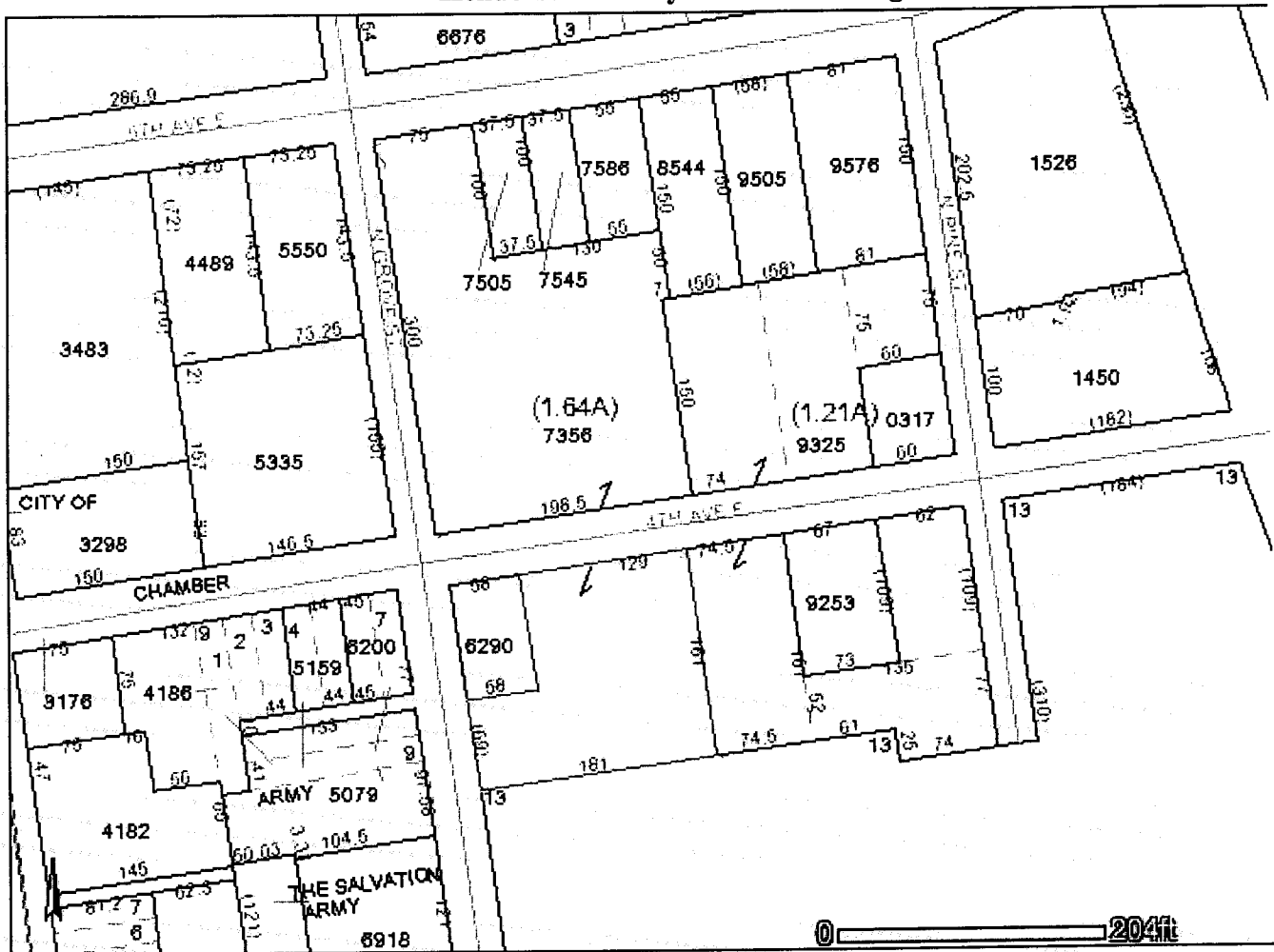
The option provides that the purchase price to be paid is the fair market value at the time the County gives its written Notice of Intent to Exercise the Option. The fair market value is determining by averaging the appraised values received by both the County and the City from each's own independently hired certified MAI appraiser.

An outline of the steps required to exercise the option is attached for the Board's information.

STEPS TO EXERCISE OPTION FOR WATER DEPARTMENT PROPERTY

1. After option period starts, send certified mail, return receipt requested (OR deliver in person) a written Notice of Intent to Exercise Option to the City of Hendersonville, to the City Manager, Chris Carter, at P.O. Box 1670, Hendersonville, NC 28793, with a carbon copy to the Mayor AND to the City Attorney.
2. Within thirty (30) days after delivery of the Notice of Intent to Exercise the Option, the County (and the City) must hire a certified MAI appraiser to render an opinion as to fair market value determined as of the date that the County delivered the Notice of Intent to Exercise the Option to the City. The fair market value as of that date is determined by averaging the values stated by both the County's appraiser and the City's appraiser together. NOTE: there is no time frame within which the appraisers must render a value; however this must be given within a reasonable time. NOTE also: the County is to be given credit against the purchase price for the \$5,000 paid for the option.
3. Once the fair market value has been determined as of the date of delivery of the Notice of Intent, the County must sign and deliver an Offer to Purchase and Contract to the City. The form of the Offer to Purchase must be in substantially the same form as Exhibit 2 to the Option Agreement. NOTE: this form calls for the closing on the property to occur within 30 days of the date of the Offer to Purchase at a place designated by the County.

Henderson County Parcel Print Page



***WARNING: THIS IS NOT A SURVEY!

Date: 12/28/2004

This map is prepared for the inventory of real property found within this jurisdiction, and is compiled from recorded deeds, plats, and other public records and data. Users of this map are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this map. The County and mapping company assume no legal responsibility for the information contained on this map.

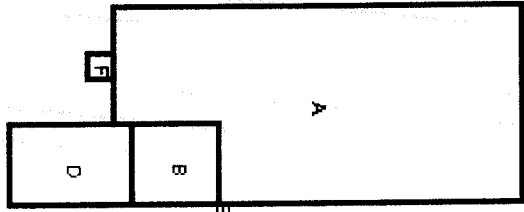


Rec	1
PIN	00956888735655
PID	0100833
NAME_1	THE CITY OF HENDERSO
NAME_2	
ADDRESS_1	CITY HALL
ADDRESS_2	5TH AVE E
CITY	HENDERSONVILLE
ST	NC
ZIP	28792
PROP_DESC	GROVE ST/FOURTH AVE
ACRES	1.64
MAP_SHEET	9568.08
NBR_BLDGS	2
DATEREC	3/1/1990
DB_PG	757/467
LAND_VAL	500100
BLDG_VAL	449400
TOTAL_VAL	949500
NBHD_DESC	GROVE STREET
Subdivision	
SALE_PRICE	0

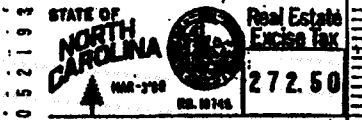
South of ~~East~~ 4th Avenue - tract 2

Henderson County Property Record Card

OWNERSHIP		PID		NEIGHBORHOOD		PAGE		DATE		SALES INFORMATION		DEED BOOK AND PAGE				
HENDERSONVILLE		9933667		C100E GROVE STREET		1/1		12/28/2004		REVENUE STAMPS		TRANSFERRED				
PROPERTY ADDRESS		PIN		CYCLE		STATUS		DATE		VERIFIED SALE		VALIDITY				
318 4TH AVE E		00-9568-88-9325-55		A		ACTIVE		03/03/88		801		715/64				
HENDERSONVILLE NC 28792		ANCESTOR		ZONING*		LAND USE		SALE DATE		801		CODE				
010922310114562J		01092228		HC		801										
PROPERTY DESCRIPTION		TAX DISTRICT		ACCT		BLDG #		APR ACRES		DATE		ID				
4TH AVE E		10 CITY OF HENDERSONVILLE		55438		NULL		1.22		02/21/02		MS				
LAND INFORMATION		CLASS		DOC ACRES		BUILDING INFORMATION		ESTIMATE		SOURCE		VISIT CODE				
EX-1		EX-1		1.22		G		FR		FR		FR				
SEG	1	2	3	4	5	SECTION	A	B	C	D	E	F	G	H	I	J
TYPE	1.22	53143	500			TYPE	C600A	C600A	C570A	C600A	C600A	C505A				
ACRE	53143	500				SOFT	7049	675	675	950	950	64				
SOFT	500					STORIES	1.0									
RATE						WALL										
SOIL						YEAR	1978									
USE						E. AGE										
ADJ						CDU	AVERAGE	A	C							
AMOUNT DEFERRED						GRADE	C	C								
MARKET VALUE						MKT F										
OUTBUILDINGS						PHYS										
						FUNCT										
						BSMT A	%									
						BSMT F	%									
						ATTIC A	%									
						ATTIC F	%									
						BEDROOMS										
						FULL										
						HALF										
						HEATING										
						F OPEN										
						F STACK										
						AC										
GENERAL REMARKS																
2 BLDGS & ASPHALT PAVING MOVED TO 01-0594702/27/01MSINEIGHBORHOOD CODE TO C100E.																
DISCLAIMER																
CITY OF HENDERSONVILLE WATER																
TAX VALUE SUMMARY																
TOTAL BUILDING VALUE \$549,992																
LAND \$265,700																
BUILDINGS \$549,900																
TOTAL MARKET VALUE \$815,600																
TOTAL AMOUNT DEFERRED \$0																
TOTAL TAX VALUE \$815,600																



This information is collected for inventory of property found within this jurisdiction, and is compiled from recorded deeds, plats, and other public records and data. Users of this information are hereby notified that the aforementioned sources should be consulted for verification of the information contained in this report.



Filed and recorded in the Register of Deeds Office for Henderson County, N. C. this 3 day of MARCH 1988 at 1:35 o'clock P. M. in Book 715 of page 64
Robert S. Maxwell
 Register of Deeds

By: Valerie Conrad
Deputy

Excise Tax 272.50

Recording Time, Book and Page

Tax Lot No. _____ Parcel Identifier No. _____
 Verified by _____ County on the _____ day of _____, 19____
 by _____

Mall after recording to _____

This instrument was prepared by Francis M. Coiner, Attorney

Brief description for the Index 71

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 3rd day of March, 1988, by and between

GRANTOR

GRANTEE

MARY L. MARTIN and husband, TOM MARTIN

THE CITY OF HENDERSONVILLE, A POLITICAL SUBDIVISION OF THE STATE OF NORTH CAROLINA

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

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

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

(SEE ATTACHMENT)

The property hereinabove described was acquired by Grantor by instrument recorded in

A map showing the above described property is recorded in Plat Book page.....

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

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

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

(Corporate Name) _____ (SEAL)
BY: _____ (SEAL)
President
ATTEST: _____ (SEAL)
Secretary (Corporate Seal) _____ (SEAL)

USE BLACK INK ONLY

NORTH CAROLINA, Henderson County.
I, a Notary Public of the County and State aforesaid, certify that
Mary L. Martin and husband, Tom Martin Grantor,
personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my
hand and official stamp or seal, this 3rd day of March 1988
My commission expires: 7/8/90 (Notary Seal) Notary Public


SEAL-STAMP
NORTH CAROLINA, _____ County.
I, a Notary Public of the County and State aforesaid, certify that _____ Secretary of
personally came before me this day and acknowledged that _____ a North Carolina corporation, and that by authority duly
given and as the act of the corporation, the foregoing instrument was signed in its name by its
President, sealed with its corporate seal and attested by _____ as its Secretary.
Witness my hand and official stamp or seal, this _____ day of _____, 19____
My commission expires: _____ Notary Public

The foregoing Certificates of _____

Notarially certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the
high page hereof.
Register of Deeds for Henderson County
BY _____ Deputy/Assistant - Register of Deeds

Situate, lying and being in the City of Hendersonville, and more particularly described as follows:

TRACT ONE: BEGINNING at a point standing in the north margin of the right of way (40 feet in width) of Fourth Avenue East, said point also designating the southeasternmost corner of Tract One of the Becher tracts as described in deed recorded in Book 563, at page 573, in the office of the Register of Deeds for Henderson County, and running thence from said beginning point and passing through an iron pin set on the line at a distance of 5 feet, North $07^{\circ} 53' 44''$ West a total distance of 150 feet to an iron pin; thence, leaving the Becher line, North $82^{\circ} 06' 16''$ East 199 feet to an iron pin set in the west margin of the right of way of Pine Street; thence, parallel with the margin of Pine Street, South $07^{\circ} 53' 44''$ East 75 feet to an iron pin standing in the north line of the Clark tract as described in deed recorded in Book 439, at page 121, in the office of the Register of Deeds for Henderson County; thence, with the Clark line, South $82^{\circ} 06' 16''$ West 60 feet to an iron pin; thence, continuing with the Clark line, and passing through an iron pin set on the line at a distance of 72 feet, South $07^{\circ} 53' 44''$ East a total distance of 75 feet to an iron pin standing in the north margin of the right of way of Fourth Avenue East; thence, with the margin of the right of way of Fourth Avenue East, South $82^{\circ} 06' 16''$ West 139 feet to the point and place of BEGINNING, containing 0.58 acre, more or less.

 **TRACT TWO:** BEGINNING at an iron pin standing at the point of intersection of the south margin of the right of way of Fourth Avenue East and the west margin of Pine Street, and running thence from said beginning point and parallel with the margin of the right of way of Pine Street, South $07^{\circ} 48' 49''$ East 187.12 feet to an iron pin standing in the north line of the Shipman tract as described in deed recorded in Book 562, at page 907, in the office of the Register of Deeds for Henderson County; thence, with the Shipman line, South $82^{\circ} 57' 34''$ West 73.96 feet to an iron pin standing in the line of Gilliam, as described in deed recorded in Book 439, at page 205, Henderson County Registry; thence North $07^{\circ} 47' 47''$ West 25 feet to an iron pin, the northeast corner of the Gilliam tract; thence, with the north line of the Gilliam tract, South $81^{\circ} 20' 15''$ West 138.59 feet to an iron pin standing in the east line of Tract Two of the Becher tracts as described in deed recorded in Book 563, at page 573, in the office of the Register of Deeds for Henderson County; thence, with the Becher line, North $07^{\circ} 48' 49''$ West 162.87 feet to a drop inlet in the concrete constituting the south margin of the right of way of Fourth Avenue East; thence, with the margin of Fourth Avenue East, North $82^{\circ} 06' 16''$ East 74.50 feet to a drop inlet in the concrete, the northwest corner of a tract now or formerly belonging to Holmes and as described in deed recorded in Book 468, at page 567, Henderson County Registry; thence, with three lines of the Holmes tract as follows: South $07^{\circ} 48' 49''$ East 112 feet to an iron pin, North $82^{\circ} 06' 16''$ East 67 feet to an iron pin, and North $07^{\circ} 48' 49''$ West 112 feet to an iron pin standing in the south margin of the right of way of Fourth Avenue East; thence, with the margin of Fourth Avenue East, North $82^{\circ} 06' 16''$ East 71.02 feet to an iron pin standing at the point of intersection of the south margin of Fourth Avenue East and the west margin of Pine Street, the point and place of BEGINNING, containing 0.65 acre, more or less.

South of 4th Avenue - Small lot

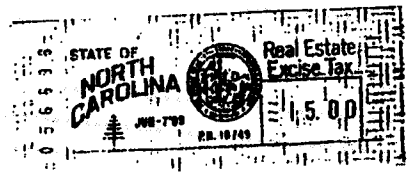
Henderson County Property Record Card

OWNERSHIP		CITY OF HENDERSONVILLE		NEIGHBORHOOD		C100E GROVE STREET		PAGE		1/1		DATE		12/28/2004	
PO BOX 1670		HENDERSONVILLE NC 28793		PIN		00-9568-88-9253-55		STATUS		ACTIVE		REVENUE STAMPS		DATE TRANSFERRED	
PROPERTY ADDRESS		HENDERSONVILLE NC 28793		ANCESTOR		00-9568-88-9253-55		LAND USE		801		VERIFIED SALE		15.00	
PHYSICAL SITUS UNKNOWN		PROPERTY DESCRIPTION		TAX DISTRICT		10 CITY OF HENDERSONVILLE		ZONING*		A		SALE DATE		06/07/89	
4TH AVE E/LOT		LAND INFORMATION		CLASS		EX-1		ACCOUNT		HC		BLDG #		801	
1		2		3		4		5		6		7		8	
2		3		4		5		6		7		8		9	
ACRE		0.18		SECTION		TYPE		APR ACRES		DATE		ID		SOURCE	
SQFT		7840		SOFT		STORIES		0.18		02/21/02		MS		ESTIMATE	
RATE		500		WALL		YEAR		BUILDING INFORMATION		BUILDING SKETCH (No Sketch Available)		VISITATION DATA		VISIT CODE	
SOIL				YEAR		E AGE									
USE				CDU		GRADE									
ADJ				GRADE		MKT F									
AMOUNT DEFERRED		\$0		PHYS		FUNCT									
MARKET VALUE		\$39,200		BSMT A		%									
OUTBUILDINGS				BSMT F		%									
				ATTIC A		%									
				ATTIC F		%									
				BEDROOMS											
				FULL											
				HALF											
				HEATING											
				F OPEN											
				F STACK											
				AC											
				TOTAL BUILDING VALUE		\$0									
				BUILDING REMARKS											
				LAND		\$39,200									
				BUILDINGS		\$0									
				TOTAL MARKET VALUE		\$39,200									
				TOTAL AMOUNT DEFERRED		\$0									
				TOTAL TAX VALUE		\$39,200									

**No Buildings Present
or No Image Available**

2/27/01 NEIGHBORHOOD CODE CHANGED TO C100E
DISCLAIMER
This information is collected for inventory of property found within this jurisdiction, and is compiled from recorded deeds, plats, and other public records and data. Users of this information are hereby notified that the aforementioned sources should be consulted for verification of the information contained in this report.

TAX VALUE SUMMARY		
COST	MARKET	INCOME
\$39,200	\$0	\$0
\$0	\$0	\$0
\$39,200	\$0	\$0
\$0	\$0	\$0
\$39,200	\$0.00	\$0.00



Filed and recorded in the Register of Deeds Office for Henderson County, N. C. this 7 day of June, 1989 at 12:22 o'clock P. M. in Book 297 of page 78
By: Ruby S. Maxwell
Register of Deeds
Shawn T. Bagg
Deputy

Excise Tax 15⁰⁰

Recording Time, Book and Page

Tax Lot No. _____ Parcel Identifier No. _____
Verified by _____ County on the _____ day of _____, 19____
by _____

Mail after recording to _____

This instrument was prepared by Francis M. Coiner, Attorney

Brief description for the Index _____

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 15th day of May, 1989, by and between

GRANTOR

HARRY HOLMES and wife, MARIAN HOLMES

GRANTEE

CITY OF HENDERSONVILLE

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

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

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

BEGINNING at an iron pin standing in the southern margin of the concrete walkway on the southern side of Fourth Avenue East in the City of Hendersonville, said iron pin also standing South 82° 06' 16" West 71.02 feet from the point of intersection of the southern margin of the concrete walkway of Fourth Avenue East with the west margin of Pine Street, and running thence from said beginning point and leaving the margin of the concrete walkway, South 07° 48' 49" East 112 feet to an iron pin; thence South 82° 06' 16" West 67 feet to an iron pin; thence North 07° 48' 49" West 112 feet to an "X" etched in the concrete walkway; thence, with the margin of the walkway, North 82° 06' 16" East 67 feet to the point and place of BEGINNING, containing 0.17 acre, more or less, and being the identical tract of land as described in deed from Julia Holmes (a/k/a Julia Ann Williams), widow, to Harry Holmes, dated July 22, 1969, and recorded in Deed Book 468, at page 567, in the office of the Register of Deeds for Henderson County.

The property hereinabove described was acquired by Grantor by instrument recorded in

A map showing the above described property is recorded in Plat Book page.....

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

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

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in his corporate name by his duly authorized officers and his seal to be hereunto affixed by authority of his Board of Directors, the day and year first above written.

(Corporate Name)

BY:

President

ATTEST:

Secretary (Corporate Seal)

USE BLACK INK ONLY

Harry Holmes (SEAL)
Harry Holmes

Marian Holmes (SEAL)
Marian Holmes

..... (SEAL)

..... (SEAL)



NEW YORK, NEW YORK County.

I, a Notary Public of the County and State aforesaid, certify that Harry Holmes Grantor,

personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 15th day of MAY, 1961.

Mitchell Gordon Notary Public
My commission expires April 30, 1968



NEW YORK, NEW YORK County.

I, a Notary Public of the County and State aforesaid, certify that MARIAN HOLMES the execution of the foregoing instrument.

personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this MAY 16 1961 day of MAY, 1961.

Robert LaFoy Notary Public
My commission expires April 30, 1968

The foregoing Certificate(s) of Mitchell Gordon, Robert LaFoy

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Ruby H. Maxwell REGISTER OF DEEDS FOR Henderson COUNTY
Sharon L. Stipp Deputy/Assistant-Register of Deeds

South of 4th - tract two

Henderson County Property Record Card

OWNERSHIP		PID		NEIGHBORHOOD		PAGE		DATE	
THE CITY OF HENDERSONVILLE		0100833		C1000 GROVE STREET		1/2 Next		12/28/2004	
CITY HALL 5TH AVE E HENDERSONVILLE NC 28792		00-9568-88-7356-55 PIN ANCESTOR		CYCLE A ZONING*		STATUS ACTIVE		REVENUE STAMPS	
PROPERTY ADDRESS		TAX DISTRICT 10 CITY OF HENDERSONVILLE		ACCOUNT HC		LAND USE 801		VERIFIED SALE	
PHYSICAL SITUS UNKNOWN		CLASS EX-1		DOC ACRES 1.64		BLDG # NULL		DATE 06/17/02	
PROPERTY DESCRIPTION GROVE ST/FOURTH AVE		SECTION TYPE		APR ACRES 1.64		BUILDING INFORMATION		ID MS	
LAND INFORMATION		A C250L 25638		B C517A 25638		C C250L 210		ESTIMATE	
ACRE 1.64		D C250L 1280		E C8832 530		G		SOURCE	
SQFT 71438		F C504A 133		H		I		VISITATION DATA	
RATE 700		J		BUILDING SKETCH (Open Full Page)		J		VISIT CODE	
SOIL		YEAR 1925		WALL		E. AGE 1965		RV	
USE		CDU AVERAGE		GRADE C-		MKT F			
ADJ		PHYS		FUNCT		BSMT A %			
AMOUNT DEFERRED \$0		BSMT F %		ATTIC A %		ATTIC F %			
MARKET VALUE \$500,100		BEDROOMS		FULL		HEATING			
OUTBUILDINGS		HALF		F OPEN		F STACK			
		AC		TOTAL BUILDING VALUE \$376,744		BUILDING REMARKS			
		GENERAL REMARKS		DISCLAIMER		TOTAL AMOUNT DEFERRED \$0		TOTAL TAX VALUE \$949,500	

This information is collected for inventory of property found within this jurisdiction and is compiled from recorded deeds, plats, and other public records and data. Users of this information are hereby notified that the aforementioned sources should be consulted for verification of the information contained in this report.

"EXHIBIT A"

FIRST TRACT: BEGINNING at a stake which is located at the intersection of the Southern margin of Fifth Avenue East (formerly Broad Street) with the Eastern margin of Grove Street, and runs thence with the Southern margin of said Avenue, North 80 deg. 18 min. East 75 feet to a stake; thence leaving said margin of said Avenue, South 9 deg. 46 min. East 100 feet to a stake; thence North 80 deg. 18 min. East 130 feet to a stake; thence South 9 deg. 46 min. East 50 feet to a stake; thence South 80 deg. 18 min. West 6.5 feet to a stake; thence South 9 deg. 46 min. East 150 feet to a stake in the northern margin of Fourth Avenue East (formerly Academy Street); thence with the northern margin of said avenue, South 80 deg. 04 min. West 198.5 feet to a stake at the intersection of the northern margin of said avenue with the eastern margin of Grove Street; thence with the eastern margin of Grove Street, North 9 deg. 46 min. West 300 feet to the place of BEGINNING, and being all of Lots 1, 2, 3, 4, 5, 6, 7 and 8, of Block B, as shown on plat prepared by Justice and Miller, Engineers and Surveyors, dated January, 1938. Being part of the property described or referred to in deed from Grey Hosiery Mills, Incorporated to Holt Hosiery Mills, Inc., dated May 28, 1965, and recorded in the office of the Register of Deeds for Henderson County, North Carolina, in Deed Book 431, page 135.

SECOND TRACT: BEGINNING at a stake located in the southern margin of Fourth Avenue East (formerly Academy Street), said stake being distant North 80 deg. 04 min. East 58 feet from the intersection of the southern margin of Fourth Avenue East with the eastern margin of Grove Street; runs thence from said beginning stake along and with the southern margin of Fourth Avenue East, North 80 deg. 04 min. East 129 feet to a stake; thence South 9 deg. 35 min. East 161 feet to a stake; thence South 80 deg. 04 min. West 187 feet to a stake in the eastern margin of Grove Street; thence with said margin of Grove Street, North 9 deg. 35 min. West 69 feet to a stake; thence leaving said margin of Grove Street, North 80 deg. 04 min. East 58 feet to a stake; thence North 9 deg. 35 min. West 92 feet to the place of BEGINNING. And being all of Lots 1, 2 and 3 of Block C, and also a triangular strip of land having a width of 12 feet and a length of 92 feet adjoining said Lot 1, as shown on plat prepared by Justice and Miller, Engineers and Surveyors, dated January, 1938. Being part of the property described or referred to in the deed above mentioned.

THIRD TRACT: All those rights and easements conveyed to BURLINGTON DAY SCHOOL, INC., a North Carolina nonprofit corporation, by HOLT HOSIERY MILLS, INC., by Deed of Easement which is duly recorded in the office of the Register of Deeds for Henderson County in Deed Book 556 at page 127, to which reference is hereby made and the same is incorporated herewith for a detailed description. See also Deed Book 510 at page 495 and 496 which are also incorporated herewith.

This deed is made subject to any and all leases, easements, rights of way, restrictions, etc., of every kind and nature affecting said property.

STATE OF NORTH CAROLINA

OPTION AGREEMENT

COUNTY OF HENDERSON

THIS OPTION AGREEMENT is entered into this 28th day of December, 2000, by and between Henderson County, a body politic and corporate, hereinafter "County," the Mud Creek Water and Sewer District, a body politic and corporate, hereinafter "District," and the City of Hendersonville, a municipal corporation, hereinafter "City,"

WITNESSETH:

WHEREAS, the County, the District and the City entered into a Contract of Purchase and Interlocal Cooperation and Settlement Agreement dated the 20th day of December, 2000, hereinafter "Agreement", said Agreement being recorded in Deed Book 1047, Page 700, Henderson County Registry; and

WHEREAS, the Agreement contemplated the County obtaining from the City an option to purchase certain real property owned by the City that is currently being utilized by the City for its water and sewer operations;

WHEREAS, the County and City now wish to memorialize the option to purchase in this Option Agreement;

NOW, THEREFORE, for and in consideration of the payment by the County to the City of Five Thousand Dollars (\$5,000.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the City, the parties agree as follows:

Section 1.01 Property. The City covenants and warrants that it is the sole owner of that certain real estate located in the City of Hendersonville, having an address of 318 4th Avenue East, Hendersonville, NC 28792, currently occupied by the City Water and Sewer Department, hereinafter "Water and Sewer Department Property," the Water and Sewer Department Property being more particularly described in the attached Exhibit 1, Exhibit 1 being incorporated by reference as if fully set forth herein.

Section 1.02. Grant of Option. Subject to the terms and conditions contained herein, the City does hereby grant an option to the County to purchase the Water and Sewer Department Property from the City for the term of this Agreement, (hereinafter referred to as the "Option"). Said Option shall commence upon the earlier of the City's vacating the Water and Sewer Department Property, and the passage of four years from the date this Option is executed by both parties. Once commenced, said Option shall run for a period of two years.

Section 1.03 Consideration for Option. Concurrent with the execution of this Agreement, the County shall pay to the City the sum of \$5,000.00 as payment in full for the Option granted herein for the Water and Sewer Department Property. Both parties agree that the sum of \$5,000 is adequate consideration for the Option.

Section 1.04 Purchase Price of the Water and Sewer Department Property. If the County exercises the Option as provided in this Agreement, the parties agree that the purchase price for the Water and Sewer Department Property will be agreed upon between the City and the County; provided however that in the event the parties are unable to agree, the purchase price shall be the fair market value determined as of the date of the County delivers a Notice of Its Intent to Exercise the Option to the City. Both the City and the County agree that the fair market value shall be determined as follows: within thirty days of the delivery of the Notice of Intent to Exercise the Option, the City and the County will each hire a certified MAI appraiser to render an opinion as to fair market value. The fair market value (purchase price) of the Water and Sewer Department Property shall be determined by averaging together the values stated by the chosen appraisers.

Section 1.05 Exercise of the Option. Once the option period starts, the County may at any time exercise the Option by first sending to the City a written Notice of Intent to Exercise Option, and subsequently, when the purchase price has been determined as stated herein, executing and delivering an Offer to Purchase and Contract for the purchase price to the City in form substantially identical to the attached Exhibit 2, said Exhibit 2 being incorporated by reference as if fully set forth herein.

Section 1.06 Credit for the Option Price. If the County exercises the Option, the County shall be given a credit on the purchase price in an amount equal to the option price.

Section 1.07 Inspections During the Option Period. The City shall make available to the County the Water and Sewer Department Property at reasonable times to conduct such investigations or make such inspections as deemed necessary by the County.

Section 1.08 Title to the Water and Sewer Department Property. It is understood and agreed by both parties that if the County exercises the Option, the City will convey the Water and Sewer Department Property to the County in marketable fee simple absolute title, by general warranty deed with all normal covenants and warranties of title, free and clear of all security interests, liens, claims and encumbrances, other than easements and rights-of-way of record.

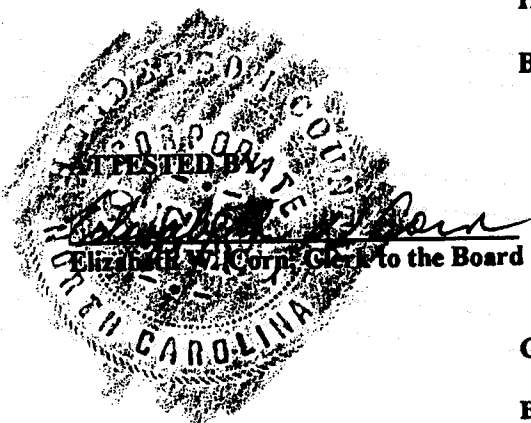
Section 1.09 Obligation not to Commit Waste. The City undertakes that it will not commit waste of the Water and Sewer Department Property for such period as the County retains an option to purchase in accordance with the above terms.

THIS the 28th day of December, 2000.

HENDERSON COUNTY BOARD OF COMMISSIONERS

BY: *William L. Moyer*
William L. Moyer, Chairman

[OFFICIAL SEAL]



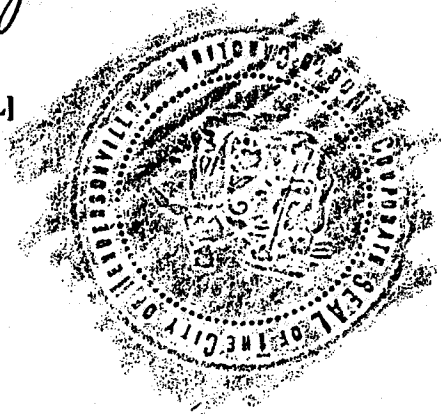
CITY OF HENDERSONVILLE

BY: *Fred Niehoff*
Fred Niehoff, Mayor

[OFFICIAL SEAL]

ATTESTED BY:

Tammie Drake
Tammie Drake, City Clerk



STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

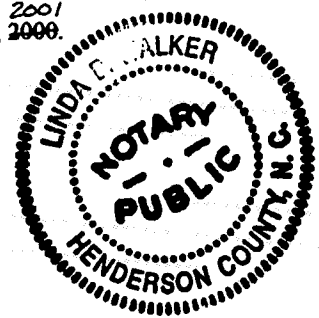
I, Linda B. Walker, Notary Public for said County and State, certify that Tammie Drake personally came before me this day and acknowledged that she is Clerk to the City of Hendersonville, a municipal corporation and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal, and attested by herself as its Clerk.

Witness my hand and official seal, this the 30 day of April, ²⁰⁰¹/₂₀₀₀.

(Official Seal)

My commission expires: 8/21/2005

Linda B. Walker
Notary Public



STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

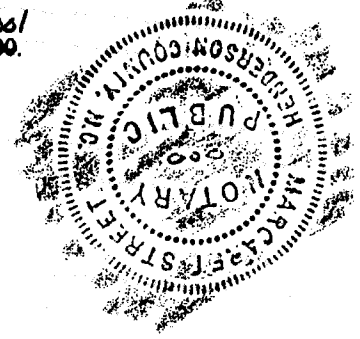
I, Margaret Street, Notary Public for said County and State, certify that Elizabeth W. Corn personally came before me this day and acknowledged that she is Clerk to the Board of Commissioners of Henderson County, a body politic and corporate and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Chairman of the Board of Commissioner, sealed with its corporate seal, and attested by herself as its Clerk.

Witness my hand and official seal, this the 10th day of May, ²⁰⁰¹/₂₀₀₀.

(Official Seal)

My commission expires: Sept. 17, 2002

Margaret Street
Notary Public



North Carolina, Henderson County The foregoing certificate(s) of Linda B. Walker & Margaret Street ~~Notary Public~~ (Notaries Public) ~~is~~ are certified to be correct, this instrument presented for registration and recorded in this office this 25 day of may, 2001 at 1:50 p.m. in book 1063, page 754

Nedra W. Moles Register of Deeds
By: Patay B. Higgins (Assistant Deputy)

EXHIBIT 1

Being all or part of real property described in three deeds, as follows:

AS

All that real property described in that deed recorded in Deed Book 739 at page 79, Henderson County Registry; and all that real property south of Fourth Avenue East in Hendersonville, as is described in that deed recorded in Deed Book 715 at page 64, Henderson County Registry; and all that real property south of Fourth Avenue East, as is described in that deed recorded in Deed Book 757 at page 467, Henderson County Registry.

Approximate acreage of the aforesaid real property is undetermined, but will be further determined by survey be fore tender of a deed.

Subject to easements and any other burdens of record.

OFFER TO PURCHASE AND CONTRACT

Henderson County, as Buyer, hereby offers to purchase and City of Hendersonville, as Seller, upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all improvements located thereon and such fixtures and personal property as are listed below (collectively referred to as the "Property"), up on the following terms and conditions:

1. REAL PROPERTY: Located in the City of Hendersonville, County of Henderson, State of North Carolina, being known as and more particularly described as:

Street Address Zip

Legal Description:

(8 All x A portion of the property in Deed Reference: Book _____, Page _____, County.) Property described on Exhibit 1 attached hereto and to Option agreement previously executed by the parties.

NOTE: Prior to signing this Offer to Purchase and Contract, Buyer is advised to review Restrictive Covenants, if any, which may limit the use of the Property, and to read the Declaration of Restrictive Covenants, By-Laws, Articles of Incorporation, Rules and Regulations, and other governing documents of the owners' association and/or the subdivision, if applicable.

2. FIXTURES: The following items, if any, are included in the purchase price free of liens: any built-in appliances, light fixtures, ceiling fans, attached floor coverings, blinds, shades, drapery rods and curtain rods, brackets and all related hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers, burglar/fire/smoke alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds, mailboxes, wall and/or door mirrors, and any other items attached or affixed to the Property, EXCEPT the following items:

3. PERSONAL PROPERTY: The following personal property is included in the purchase price: N/A.

4. PURCHASE PRICE: The purchase price is \$ _____ See Below and shall be paid as follows:

(a) 0.00, EARNEST MONEY DEPOSIT with this offer by cash personal check bank check certified check other to be deposited and held in escrow by ("Escrow Agent"), until the sale is closed, at which time it will be credited to Buyer, or until this contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) any of the conditions hereto are not satisfied, then all earnest monies shall be returned to Buyer. In the event of breach of this contract by Seller, upon Buyer's request, all earnest monies shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this contract, then all earnest monies shall be forfeited upon Seller's request, but receipt of such forfeited earnest monies shall not affect any other remedies available to Seller for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of earnest money held in escrow by a broker, the broker is required by state law to retain said earnest money in the broker's trust or escrow account until a written release from the parties consenting to its disposition has been obtained or until disbursement is ordered by a court of competent jurisdiction.

(b) \$ _____, ADDITIONAL EARNEST MONEY DEPOSIT to be paid to Escrow Agent no later than __/__/__, TIME BEING OF THE ESSENCE WITH REGARD TO SAID DATE.

(c) \$ _____, BY ASSUMPTION of the unpaid principal balance and all obligations of Seller on the existing loan(s) secured by a deed of trust on the Property in accordance with the attached Loan Assumption Addendum.

(d) \$ _____, BY SELLER FINANCING in accordance with the attached Seller Financing Addendum.

(e) \$ _____ Full Price, BALANCE of the purchase price in cash at Closing.

5. CONDITIONS: (State N/A in each blank that is not a condition to this contract.) Only condition is that sales price to be determined in accordance with the terms of an Option agreement previously executed between the parties.

(f) Buyer must be able to obtain a FHA VA (attach FHA/VA Financing Addendum) Conventional Other: loan at a Fixed Rate Adjustable Rate in the principal amount of \$ _____ (plus any financed VA Funding Fee or FHA MIP) for a term of _____ year(s), at an initial interest rate not to exceed _____ % per annum, with mortgage loan discount points not to exceed _____ % of the loan amount. Buyer shall apply for said loan within _____ days of the Effective Date of this contract. Buyer shall use Buyer's best efforts to secure the lender's customary loan commitment letter on or before __/__/__ and to satisfy all terms and conditions of the loan commitment letter by Closing. After the above letter date, Seller may request in writing from Buyer a copy of the loan commitment letter. If Buyer fails to provide Seller a copy of the loan commitment letter or a written waiver of this loan condition within five days of receipt of Seller's request, Seller may terminate this contract by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the letter or the waiver. Buyer shall be responsible for all costs with respect to any loan obtained by Buyer, except if Seller is to pay any of the Buyer's Closing costs (including loan discount points), those costs are as follows:

(b) There must be no restriction, easement, zoning or other governmental regulation that would prevent the reasonable use of the Property for _____ purposes.

(c) The Property must be in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted.

(d) All deeds of trust, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Closing such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(e) Title must be delivered at Closing by GENERAL WARRANTY DEED unless otherwise stated herein, and must be free simple marketable title, free of all encumbrances except: ad valorem taxes for the current year (prorated through the date of Closing); utility easements and unviolated restrictive covenants that do not materially affect the value of the Property; and such other encumbrances as may be assumed or specifically approved by Buyer. The Property must have legal access to a public right of way.

6. SPECIAL ASSESSMENTS: Seller warrants that there are no pending or confirmed governmental special assessments for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows: None.

(Insert "None" or the identification of such assessments, if any.) Seller shall pay all owners' association assessments and all governmental assessments confirmed through the time of Closing. If any, and Buyer shall take title subject to all pending assessments, if any, unless otherwise agreed as follows:

7. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at Closing: (a) Ad valorem taxes on real property shall be prorated on a calendar year basis through the date of Closing; (b) Ad valorem taxes on personal property for the entire year shall be paid by the Seller unless the personal property is conveyed to the Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis through the date of Closing; (c) All late listing penalties, if any, shall be paid by Seller; (d) Rents, if any, for the Property shall be prorated through the date of Closing; (e) Owners' association dues and other like charges shall be prorated through the date of Closing. Seller represents that the regular owners' association dues, if any, are \$ _____ per _____.

8. CLOSING EXPENSES: Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) required by law. Buyer shall pay for recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at Closing.

9. FUEL: Buyer agrees to purchase from Seller the fuel, if any, stored in any tank on the Property at the prevailing rate with the cost of measurement thereof, if any, being paid by Seller.

10. EVIDENCE OF TITLE: Seller agrees to use his best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date of this contract, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust and easements relating to the Property.

11. LABOR AND MATERIAL: Seller shall furnish at Closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Property within 120 days prior to the date of Closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

12. PROPERTY DISCLOSURE AND INSPECTIONS:

(a) Property Disclosure:

[] Buyer has received a signed copy of the N.C. Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract.

[] Buyer has NOT received a signed copy of the N.C. Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract and shall have the right to terminate or withdraw this contract without penalty prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the date the contract was made; or (3) Closing or occupancy by the Buyer in the case of a sale or exchange.

[] Exempt from N.C. Residential Property Disclosure Statement because (SEE GUIDELINES)

[] The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum.)

(b) Property Inspection: Unless otherwise stated herein, or as otherwise provided on an inspection addendum attached hereto, Buyer shall have the option of inspecting or, obtaining at Buyer's expense, inspections to determine the condition of the Property. Unless otherwise stated herein, it is a condition of this contract that: (i) the built-in appliances, electrical system, plumbing system, heating and cooling systems, roof coverings (including flashing and gutters), doors and windows, exterior surfaces, structural components (including foundations, columns, chimneys, floors, walls, ceilings and roofs), porches and decks, fireplaces and flues, crawl space and attic ventilation systems (if any), water and sewer systems (public and private), shall be performing the function for which intended and shall not be in need of immediate repair; (ii) there shall be no unusual drainage conditions or evidence of excessive moisture adversely affecting the structure(s); and (iii) there shall be no friable asbestos or existing environmental contamination. Any inspections shall be completed and written notice of necessary repairs shall be given to Seller on or before _____. Seller shall provide written notice to Buyer of Seller's response within _____ days of Buyer's notice. Buyer is advised to have any inspections made prior to incurring expenses for Closing and in sufficient time to permit any required repairs to be completed by Closing.

ASB

(c) Weed-Destroying Insects: Unless otherwise stated herein, Buyer shall have the option of obtaining, at Buyer's expense, a report from a licensed pest control operator on a standard form in accordance with the regulations of the North Carolina Structural Pest Control Committee, stating that as to all structures except there was no visible evidence of wood-destroying insects and containing no indication of visible damage therefrom. The report must be obtained in sufficient time so as to permit treatment, if any, and repairs, if any, to be completed prior to Closing. All treatment required shall be paid for by Seller and completed prior to Closing, unless otherwise agreed upon in writing by the parties. The Buyer is advised that the inspection report described in this paragraph may not always reveal other structural damage or damage caused by agents or organisms other than wood-destroying insects. If new construction, Seller shall provide a standard warranty of termite soil treatment.

(d) Repairs: Pursuant to any inspections in (b) and/or (c) above, if any repairs are necessary, Seller shall have the option of completing them or refusing to complete them. If Seller elects not to complete the repairs, then Buyer shall have the option of accepting the Property in its present condition or terminating this contract, in which case all earnest money shall be refunded. Unless otherwise stated herein, or as otherwise provided on an inspection addendum attached hereto, any items not covered by (b) (i), b (ii), b (iii) and (c) above are excluded from repair negotiations under this contract.

(e) Acceptance: CLOSING SHALL CONSTITUTE ACCEPTANCE OF EACH OF THE SYSTEMS, ITEMS AND CONDITIONS LISTED ABOVE IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.

13. REASONABLE ACCESS: Seller will provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, to Buyer or Buyer's representatives for the purposes of appraisal, inspection, and/or evaluation. Buyer may conduct a walk-through inspection of the Property prior to Closing.

14. CLOSING: Closing shall be defined as the date and time of recording of the deed. All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title on or before thirty days from the date hereof, at a place designated by Buyer. The deed is to be made to _____.

15. POSSESSION: Unless otherwise provided herein, possession shall be delivered at Closing. In the event possession is NOT to be delivered at Closing: [] Buyer Possession Before Closing Agreement is attached. OR, [] Seller Possession After Closing Agreement is attached.

16. OTHER PROVISIONS AND CONDITIONS: (ITEMIZE ALL ADDENDA TO THIS CONTRACT AND ATTACH HERETO.)

17. RISK OF LOSS: The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this contract by written notice delivered to Seller or Seller's agent and all deposits shall be returned to Buyer. In the event Buyer does NOT elect to terminate this contract, Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased.

18. ASSIGNMENTS: This contract may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.

19. PARTIES: This contract shall be binding upon and shall inure to the benefit of the parties i.e., Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

20. SURVIVAL: If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

21. ENTIRE AGREEMENT: This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

22. NOTICE AND EXECUTION: Any notice or communication to be given to a party herein may be given to the party or to such party's agent. This offer shall become a binding contract (the "Effective Date") when signed by both Buyer and Seller and such signing is communicated to the offering party. This contract is executed under seal in signed multiple originals, all of which together constitute one and the same instrument, with a signed original being retained by each party and each REALTOR or broker hereto, and the parties adopt the word "SEAL" beside their signatures below.

IF YOU DO NOT UNDERSTAND THIS OFFER TO PURCHASE AND CONTRACT OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer acknowledges having made an on-site personal examination of the Property prior to the making of this offer.
Date: _____ Date: _____
Buyer _____ (SEAL) Seller _____ (SEAL)
Date: _____ Date: _____
Buyer _____ (SEAL) Seller _____ (SEAL)