

## LOAN AGREEMENT

THIS LOAN AGREEMENT (this "**Agreement**"), is made on the 19<sup>th</sup> date of August 2014 and is effective as of October 22, 2013, by and between SIT-IN MOVEMENT, INC., a North Carolina nonprofit corporation ("SIM"), ICRCM, LLC, a North Carolina limited liability company ("ICRCM") and together with SIM and their respective successors and assigns, "**Borrower**", and CIVIL RIGHTS MUSEUM, LLC, a North Carolina limited liability company (together with its respective successors and assigns, "**Sub-Tenant**"), all having an office at 134 South Elm Street, Greensboro, North Carolina 27401, and CITY OF GREENSBORO, a North Carolina municipal corporation ("**City**"), having an office at 300 W. Washington Street, Post Office Box 3136, Greensboro, North Carolina 27402-3136.

### RECITALS

WHEREAS, Borrower and City have agreed that City shall lend to Borrower the principal amount of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000.00) (the "**Loan**"), in the following installments, \$750,000.00 in fiscal year 2013, \$500,000.00 in fiscal year 2014, and \$250,000.00 in fiscal year 2015 in accordance with the terms and conditions of this Agreement, to be evidenced by a promissory note from Borrower as maker, to City as payee, and secured by (a) a Collateral Assignment of Put and Call Agreement and Security Agreement (the "**Put and Call Assignment**") and (b) a Collateral Assignment of Fund Note and Pledge Agreement (the "**Note Assignment**") and perfected by the filing of a UCC-1 Financing Statement;

WHEREAS, the purpose of the Loan is to provide operating support and development of the International Civil Rights Center & Museum (the "**Museum**") located at 134 South Elm Street, Greensboro, North Carolina (the "**Building**") with the objectives of (1) satisfying debt service requirements; (2) retaining existing jobs; and (3) maintaining utilities of the Business;

WHEREAS, Borrower will use the proceeds of the Loan for purposes authorized by the City Council;

WHEREAS, in order to provide for and secure the full and timely payment and performance by Borrower of all of the Obligations (as defined herein), Borrower is entering into this Agreement for the benefit of City, as required by City as a condition of funding the Loan;

### AGREEMENT

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. Definitions. The following terms used herein shall have the following meanings:

"**Audit Report**" means the report prepared by a firm of licensed certified public accounts reasonably acceptable to the City, as a result of an audit of the financial statements of the entity conducted in accordance with generally acceptable accounting principles, which audit report is

reasonably acceptable to the City.

“**Collateral**” means, collectively, all of Borrower’s rights, title, interests and privileges in and to (a) the Put and Call Rights identified in the Put and Call Assignment executed by SIM contemporaneous with this Agreement attached hereto as Exhibit D and (b) the rights of SIM to payments of amounts due under the Fund Note identified in the Note Assignment executed by SIM contemporaneous with this Agreement and in the UCC-1 Financing Statement attached hereto as Exhibit E.

“**Fund Note**” means that certain Promissory Note dated August 17, 2009 from USBCDE Investment Fund XXXVIII, LLC, a Delaware limited liability company (“**Fund Borrower**”) to SIM in the original principal amount of \$19,886,200.00.

“**Fundraising**” means the activities that directly raise money for the Museum and Building, but shall not include; (i) pledges made before June 30, 2013; (ii) pledges made that will not be paid in full by July 1, 2015; (iii) admission fees.

“**Loan**” means the installment payments made from City to Borrower beginning in Fiscal Year 2013 and ending in Fiscal Year 2015.

“**Obligations**” mean all of the obligations, indebtedness, duties, expenses and liabilities of Borrower now or hereafter arising under or in connection with this Agreement.

“**Put and Call Agreement**” means that certain Investment Fund Put and Call Agreement dated August 17, 2009 between U.S. Bancorp Community Development Corporation, a Minnesota corporation (“**USBCDC**”) and SIM.

“**Restricted Deposit Account**” means an interest bearing bank account held in a United States Bank fully insured by the FDIC, and requiring the signatures of at least one Borrower’s Board Member and the Greensboro City Manager to make withdrawals or encumber funds contained therein.

“**Tax Credit Obligations**” mean all indebtedness owed to USBCDE SUB-CDE XXXVIII, LLC, Stonehenge Community Development XII, LLC, and their investors and assigns.

## 2. Structure of the Museum and Purpose of the Loan.

Borrower represents the following to the City which is relied upon by the City:

SIM was the owner of the Building from March 9, 1995 until August 18, 2009. This ownership structure changed due to two federal tax credit programs which allowed SIM to complete construction on the Museum by February 1, 2010, the Fiftieth Anniversary of the Greensboro Sit-In Movement. These tax credit programs are administered by USBCDE SUB-CDE XXXVIII, LLC and Stonehenge Community Development XII, LLC and their successors and assigns (the “**Tax Credit Entities**”). In order to comply with the tax credit regulations, SIM spun off four separate entities, Museum Landlord, LLC (“**Landlord**”), ICRCM Museum

Tenant, LLC (“Tenant”), and Sub-Tenant. SIM is a nonprofit corporation which operates and raises funds for the Museum and controls the Board of Directors which direct the various separate entities. Landlord is the fee owner of the Building and has leased the Building to Tenant, which has sub-leased the Building to Sub-Tenant, which has sub-sub-leased the Building to SIM.

At the end of the NMTC Investment Period (as defined in the Put and Call Agreement), it is anticipated that SIM will become owner of the Building. The Borrowers will utilize the loan funds received from the City to first repay in full the Tax Credit Obligations when due (through SIM making sub-sub-lease payments to Sub-Tenant, Sub-Tenant making sub-lease payments to Tenant, Tenant making lease payments to Landlord, and Landlord making loan payments to the Tax Credit Entities) while maintaining a current status on other creditor obligations. Other proceeds if any will support the operations of the Museum. The loan funds provided by the City pursuant to this Agreement are sufficient to pay in full the current amounts due on the Tax Credit Obligations on a timely basis and therefore comply with all current Tax Credit Obligations. These Tax Credit Obligations are current and not in default.

3. Borrower’s Obligations. City’s obligation to fund the three loan installments shall be conditioned upon compliance by Borrower with the following requirements (collectively, the “Funding Conditions”) to the reasonable satisfaction of City:

(a) Borrower shall provide to City, as a pre-condition to the payment of the fiscal year 2013 (“FY 2013”) installment, acceptable Audit Reports for its fiscal years 2010 and 2011;

(b) Borrower shall provide to City an acceptable Audit Report for fiscal year 2012 by January 31, 2014 (as granted by the former City Manager).

(c) Borrower shall provide to City, as a pre-condition to the payment of the fiscal year 2014 (“FY 2014”) installment, acceptable Audit Reports for its fiscal year 2013;

(d) Borrower shall provide to City, as a pre-condition to the payment of the fiscal year 2015 (“FY 2015”) installment, acceptable Audit Reports for its fiscal years 2014;

(e) Until the loan is repaid or forgiven in full by the City, Borrower shall reserve two (2) voting seats on the Borrower’s Board of Directors for the Mayor of the City and the City Manager, or their designees;

(f) Borrower shall place all funds paid by the City into a Restricted Deposit Account;

(g) Borrower shall maintain and, upon reasonable notice, provide to the City, an accounting of funds encumbered or withdrawn from the Restricted Deposit Account;

(h) Borrower shall use the loan proceeds in the Restricted Deposit Account to first repay on a timely basis the Tax Credit Obligations, as noted in Exhibit A, pursuant to the following disbursement structure: (i) SIM will make sub-sub-lease payments to Sub-Tenant, (ii) sub-Tenant will make sub-lease payments to Tenant, (iii) Tenant will make lease payments to

Landlord, and (iv) Landlord will make loan payments to the Tax Credit Entities. Borrower will also maintain a current status on other creditor obligations. Other proceeds if any will support the operations of the Museum.

(i) The Board of Directors of the Borrower shall establish an Audit Committee by January 1, 2014 which shall hold meetings at least quarterly;

(j) The Borrower will begin a search for an executive-level staff member before January 1, 2014, known as a "Development Director," who will begin work during the first quarter of 2014;

(k) The Borrower shall provide a sustainability plan to the City Council by January 31, 2014, as granted by the former City Manager. Sustainability plans shall include, but are not limited to, a specific metric and a timeline for increasing attendance and revenue, the creation of reserves and an endowment; and

(l) Borrower shall execute the Put and Call Assignment attached hereto as Exhibit D and the Note Assignment attached hereto as Exhibit E, each of which is incorporated hereby and shall authorize recording of the UCC-1 Financing Statement.

Except as detailed in this Section, if the Funding Conditions are not satisfied the City, at its discretion, shall have the right to terminate this Agreement upon thirty (30) days written notice to Borrower. In the event of termination, the City shall have no further responsibility or liability hereunder.

4. City Obligations. Subject to Borrower's compliance with the terms and conditions of this Agreement, City shall loan to Borrower the amount of one million, five hundred thousand and 00/100 dollars (\$1,500,000.00) in three disbursements of the principal as set out below. Borrower will execute a promissory note for this amount, in the form attached hereto as Exhibit C (the "Note").

(a) The fiscal year 2013-14 installment in the amount of seven hundred fifty thousand dollars and no cents (\$750,000.00) was paid on or about October 25, 2013. These funds are required to be deposited into a Restricted Deposit Account. The City acknowledges that Borrower provided to the City Audit Reports for fiscal years 2010, 2011 and 2012.

(b) The fiscal year 2014-15 installment shall be paid after the City approves the Audit Report provided by Borrower for fiscal year 2013 in the amount of five hundred thousand dollars and no cents (\$500,000.00) shall be deposited into a Restricted Deposit Account designated by Borrower. This installment shall be paid after July 1, 2014 and within ten (10) business days of the execution of this Agreement.

(c) The fiscal year 2015-16 installment shall be paid thirty (30) days after the City approves the Audit Report provided by Borrower for fiscal year 2014 in the amount of two hundred and fifty thousand dollars and no cents (\$250,000.00) shall be deposited into a Restricted Deposit Account designated by Borrower. This installment shall be paid within thirty (30) days of receipt of an acceptable 2014 audit but no sooner than July 1, 2015.

(d) The City acknowledges that the lien and security interests as set out in Exhibit D and Exhibit E shall remain subordinate to the lien and security interests of the Tax Credit Entities until the earliest to occur of the following: (i) the date on which the Tax Credit Obligations are paid in full; (ii) the Investment Fund Put Closing Date; and (ii) the Investment Fund Call Closing Date (each date hereafter referred to as a "NMTC Satisfaction Date"). The City acknowledges its lien and security interests is subordinate to the Carolina Bank loan until this loan is paid in full. The City acknowledges that separate from the Original Woolworth counter and stools the Borrower has received museum exhibits from individuals and corporations under a variety of agreements which are not subject to the security interests granted pursuant to this Agreement.

5. Indemnification. Borrower hereby agrees to indemnify, defend and hold City, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys' fees) and any other liabilities whatsoever that City or its successors or assigns may incur by reason of this Agreement or by reason of any assignment of Borrower's right, title and interest in and to the Collateral.

6. Representations and Warranties. Borrower hereby represents and warrants to the City as follows:

(a) Each Borrower is a nonprofit corporation, or a limited liability company, duly organized and validly existing under the laws of the State of North Carolina. Each Borrower has all requisite corporate power and authority to execute, deliver and perform its obligations under the Agreements and to own its property and conduct its business as now conducted and as presently contemplated. The execution, delivery and performance by each Borrower in each of the Agreements: (i) have been duly authorized by all necessary action on its part; (ii) do not and will not conflict with, or result in a violation of, any provision of law or any order, writ, rule or regulation of any court or governmental agency or instrumentality binding upon or applicable to it or its organizational documents; (iii) do not and will not conflict with, result in a violation of, or constitute a default under, any agreement, mortgage, indenture or instrument to which it is a party or by which it or its property is bound; and (iv) do not and will not result in, or require, the creation or imposition of any lien (other than as permitted, arising under or contemplated by this Agreement) upon or with respect to any of its property.

(b) This Agreement constitutes a legal, valid and binding obligation of each Borrower, enforceable against each Borrower in accordance with its terms, except as such enforceability (but not validity) may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization or other similar laws of general application affecting the rights of creditors and secured parties.

(c) The execution, delivery and performance of this Agreement by each Borrower will not, with the passage of time, the giving of notice or both: (a) require any approval or consent of any governmental authority or violate any applicable law relating to each Borrower; (b) conflict with, result in a breach of or constitute a default under (i) the articles of incorporation or bylaws of each Borrower, (ii) any material contract, indenture, agreement or other instrument to which Borrower is a party or by which any of its property may be bound or

(iii) any applicable laws or the requirements of any Governmental Authority having jurisdiction over each Borrower; or (c) result in or require the creation or imposition of any lien upon or with respect to any property now owned or hereafter acquired by each Borrower other than as set forth herein.

(d) No litigation or proceeding is pending or, to each Borrower's knowledge, overtly threatened against each Borrower which is reasonably expected to have a material adverse effect on each Borrower or the Collateral.

(e) SIM owns the Collateral free and clear of any claim, lien or encumbrance.

(f) SIM has delivered to City any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to City in writing, and will not be materially amended or terminated hereafter except with the prior written consent of City.

(g) SIM has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign its rights and obligations therein as contemplated by this Agreement. This Agreement, the related Promissory Note, the Put and Call Assignment and the Note Assignment create a valid, binding and enforceable lien on, and a security interest in, the Collateral in favor of City. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount except as noted herein. SIM shall not, without the prior written consent of City, which consent may be granted or denied in City's sole discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. SIM agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than City and persons claiming through City), and (ii) maintain and preserve the Collateral and such security interests.

(h) The principal place of business of Borrower is currently located at 134 South Elm Street, Greensboro, North Carolina.

7. Covenants. Borrower hereby covenants to and agrees with City as follows:

(a) Borrower shall comply fully with the terms and conditions of the Agreement.

(b) Borrower shall use the proceeds of the Loan, together with certain other funding sources available to Borrower, to pay the expenses as detailed in this agreement and Exhibit A.

(c) Borrower shall not give any approvals, consents, waivers or other ratifications in respect to the Restricted Deposit Account which would violate or contravene, or which would cause or otherwise authorize Borrower to violate or contravene, any provision of this Agreement, or adversely affect Borrower's or City's interest in the Collateral.

(d) The Loan shall accrue interest at the rate of 2% per annum, unless forgiven by the City under the terms of this agreement.

(e) Borrower shall repay each Loan two and one-half years following the receipt of that installment. The schedule for repayment is found in Exhibit B.

(f) Borrower shall not: perform any act in violation of its organizational documents or any applicable law or regulation; file for bankruptcy, dissolve, or merge or consolidate with any entity (except as authorized herein or pursuant to the Tax Credit Obligations) or do any other act that would make it impossible to carry on the ordinary business of Borrower; confess a judgment against Borrower; or sell at any one time or in a series of related transactions all or substantially all of its assets without the prior written consent of City

(g) Borrower shall deliver written notice thereof to City, within three (3) business days of its obtaining knowledge of the occurrence of an Event of Default, specifying the nature of the Event of Default and the remedial actions to be taken by Borrower with respect to such Event of Default.

(h) SIM shall execute the Put and Call Assignment, the Note Assignment and UCC-1 Financing Statement attached hereto giving the City a security interest in the Collateral. Borrower hereby authorizes the City to file the UCC-1 Financing Statement attached hereto as permitted in the Put and Call Assignment attached hereto as Exhibit D and the Note Assignment attached hereto as Exhibit E. The security interest granted herein shall be subordinate to the Tax Credit Obligations and to the Carolina Bank loan until these are paid in full. The security interest granted herein shall not include museum exhibits donated or lent from individuals and corporations under a variety of agreements.

8. Events of Default. Each of the following shall constitute an event of default (an "Event of Default") hereunder:

(a) Borrower fails to comply with the funding requirements set out in Paragraph 3;

(b) Borrower fails to make payment of any principal, accrued interest or other sum owed under the Note when due, and such failure continues for a period of thirty (30) days;

(c) Borrower fails to pay the Tax Credit Obligations in a timely manner until these Tax Credit Obligations are paid in full, and fails to pay other creditor obligations in a timely manner;

(d) Borrower fails to perform any representation, warranty or statement under this Agreement or the other Loan Documents or any such statement proves to have been false in any material respect when made or furnished and which has or is reasonably likely to have a material adverse effect on the rights of City or the prospects of repayment of the Loan;

(e) Borrower breaches or violates of any covenant or agreement contained herein or in any Exhibit hereto which has or is reasonably likely to have a material adverse effect

on the rights of City or the prospects of repayment of the Loan and the same is not cured within thirty (30) days after notice has been given to Borrower by City; provided, however, that if such breach or violation cannot reasonably be cured within the thirty (30) day period, then Borrower shall have an additional reasonable time to cure, provided that Borrower has begun and is diligently pursuing efforts to cure, communicates those efforts in writing to the City within the thirty (30) day period and the breach or violation is reasonably susceptible of being cured; or

(f) Borrower makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating Borrower bankrupt or insolvent; or any order for relief with respect to Borrower is entered under the United States Bankruptcy Code, as amended; or Borrower petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of Borrower, or of any substantial part of its assets, or commences any proceeding relating to Borrower under any bankruptcy reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or any such petition or application is filed, or any such proceeding is commenced, against Borrower and either (i) Borrower by any act indicates its approval thereof, consent thereto or acquiescence therein or (ii) such petition, application or proceeding is not dismissed within sixty (60) days of filing.

9. Remedies.

(a) Upon the occurrence and continuation of an Event of Default, City may demand and receive the return of all monies in the Restricted Deposit, and is no longer obligated to pay additional loan funds under this Agreement.

(b) Subject to the Forbearance noted below, City may take commercially reasonable steps to realize upon its security interest in the Collateral, as provided in the Assignment and Security Agreement executed by Borrower contemporaneous with this Agreement and the UCC-1 Financing Statement in accordance with the terms of these agreements and the laws of North Carolina.

10. Forbearance and Tolling Agreement. The City agrees not to initiate any legal action against the Borrower during the time period the Tax Credit Obligations set forth in Exhibit A remain outstanding and due and owing, unless the City, Borrower or Sub-Tenant are named in a legal proceeding, in which event the City reserves the right to fully intervene, defend and assert all its rights and security interests. The Borrower and Sub-Tenant agree that any applicable statute of limitations that would apply to the legal rights of the City shall be suspended and tolled while the Tax Credit Obligations remain unsatisfied. Unless terminated earlier, this Forbearance and Tolling Agreement shall terminate at the end of the NMTC Investment Period.

11. Novation. Upon full execution of this Agreement and the attachments thereto, the February 25, 2014 Agreement executed by SIM shall be replaced and superseded by this Agreement.

12. [INTENTIONALLY OMITTED].

13. Further Documentation. Borrower hereby agrees to execute, from time to time,

one or more of the following documents: (a) all documentation requested by the City to show they have complied with this Agreement; (b) all audit reports required under this Agreement; (c) any additional documentation to properly secure the Loan of the City and execute this Agreement, the Promissory Note attached as Exhibit C and the Put and Call Assignment attached as Exhibit D, the Note Assignment attached as Exhibit E and the Consent of Members attached as Exhibit F.

14. Waiver and Estoppel. Borrower represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Borrower or the failure to file or enforce a claim against Borrower's estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by City which destroys or otherwise impairs any or all of the Collateral; (d) the right of Borrower to proceed against City or any other person, for reimbursement; and (e) all duty or obligation of City to perfect, protect, retain or enforce any security for the payment of amounts payable by Borrower hereunder.

No delay or failure on the part of City in the exercise of any right or remedy against Borrower or any other party against whom City may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by City of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including without limitation the Operating Agreement. No waiver of the rights of City hereunder or in connection herewith and no release of Borrower shall be effective unless in writing executed by City. No actions of City permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

15. Offset Rights of Borrower. Within the period from September 3, 2013, the City Council's approval of the resolution authorizing this Agreement, through July 1, 2015, the obligation of Borrower under this Agreement and the Note shall be offset by the amount of the net funds of Borrower and Sub-Tenant, raised outside the normal course of business. By way of illustration, if the Borrower raises \$125,000.00 during a fundraising campaign or event during 2014, \$125,000.00 of the loan will be forgiven by the City and will no longer be an obligation of the Borrower. Ticket sales for museum tours shall not be included in this amount.

16. E-verify Compliance. The Borrowers represents and covenants that they and their contractors and subcontractors comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (NCGS). In this E-Verify Compliance section, "contractor," "its subcontractors," and "comply" shall have the same meanings intended by NCGS 160A-20.1. The City is relying on this section in entering into this contract. The parties agree to this section only to the extent authorized by law. If this section is held to be unenforceable or invalid in whole or in part, it shall be deemed amended to the extent necessary to make this contract comply with NCGS 160A-20.1.

17. Confidentiality. The City will not disclose to any third party, or make any use of the Borrower's Confidential Information except as required by the North Carolina Public Records Act. The City will use at least the same standard of care to maintain the confidentiality of the Borrower's Confidential Information that it uses to maintain the confidentiality of its own Confidential Information, but in no event less than reasonable care. The obligations hereunder will remain in full force with respect to each item of Confidential Information for a period of ten (10) years after City's receipt of that item. However, the City's obligations to maintain software as confidential will survive in perpetuity. "**Confidential Information**" means non-public information of a party to this Agreement that is identified as or would be reasonably understood to be confidential and/or proprietary and is marked "confidential" and meets the requirements of North Carolina General Statutes 132-1.2. Confidential Information does not include information that: (a) is or becomes known to the public without fault or breach of the City; (a) the Borrower regularly discloses to third parties without restriction on disclosure; (c) the City obtains from a third party without restriction on disclosure and without breach of a non-disclosure obligation; or (d) is independently developed by the City without access to Confidential Information.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to principles of conflicts of law. The parties further agree that upon the occurrence of an Event of Default, this Agreement may be enforced in any court of competent jurisdiction in the State of North Carolina and each hereby submits to the jurisdiction of any state or federal court sitting in Guilford County, North Carolina.

19. Successors and Assigns. All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

20. Notices. All notices and other communication permitted or required hereunder shall be in writing and shall be delivered (a) by depositing same in the mail, as registered or certified mail, return receipt requested, postage prepaid, (b) by personal delivery, or (c) by a nationally recognized courier service for next day delivery, to a party at its address set forth below, or to such other address as the party may specify by notice given to the other party in the manner prescribed. Any such notice will be deemed given, served, and received on the earlier of: (i) the date of receipt of personal delivery or such registered mail or certified mail (or confirmation of refusal thereof); and (ii) the date of actual receipt by commercial delivery service (or confirmation of refusal thereof). Facsimile transmission shall not constitute notice for purposes of this Agreement.

If to Borrower:

Sit-In Movement, Incorporated  
134 South Elm Street  
Greensboro, NC 27401  
Attention: Deena Hayes, Chairman of the Board

If to City:

City of Greensboro  
300 W. Washington Street  
Post Office Box 3136  
Greensboro, North Carolina 27402-3136  
Attention: Jim Westmoreland, City Manager

A copy of any notice delivered hereunder shall be concurrently delivered to:

Doug Harris  
Attorney at Law  
1698 Natchez Trace  
Greensboro, NC 27455

City Attorney  
Office of the City Attorney  
300 W Washington Street  
Post Office Box 3136  
Greensboro, North Carolina 27402-3136

21. Severability. Every provision of this Agreement is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

22. Amendment. This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

23. Termination. This Agreement shall terminate, and shall be of no further force or effect, and the Collateral shall be released from any lien hereunder, upon the earlier to occur of the payment and performance in full of the Obligations or the mutual written consent of Borrower and City. Borrower and City shall cooperate in the preparation and filing of all required documents to terminate all UCC financing statements filed with respect to the Collateral.

24. Future Appropriations. The City shall take reasonable steps to ensure the funds are available for payment subject to the Greensboro City Council appropriating these funds each fiscal year. If this non appropriation occurs, further City loan payments under this agreement shall terminate.

25. Expenses. Unless and except to the extent otherwise agreed in writing, City and Borrower shall each be responsible for their respective out-of-pocket fees payable and other charges incurred in connection with this Agreement, the transaction contemplated by this Agreement, and the documents entered into in connection therewith, including without limitation, their respective attorneys' fees.

26. Non-Recourse Obligation. Neither Borrower nor its directors, officers, employees or authorized agents, nor their respective successors or assigns shall have any personal liability hereunder or under the other Loan Documents, and no deficiency or other personal judgment shall be sought or rendered against any of them in any action or proceeding arising out of this Agreement or the other Loan Documents, or any judgment, order or decree rendered pursuant to any such action or proceeding. The foregoing limitation shall not be construed as a release, in whole or in part, of the indebtedness of Borrower as evidenced by the Note or an impairment of the lien and security interest in favor of City with respect to the Collateral.

27. Assignment of Loan. Neither party shall have the right to assign its rights under this Agreement without the prior written consent of the other party. City further agrees that it shall not sell, assign, transfer, syndicate, grant participations or otherwise dispose of the Loan without the prior written consent of Borrower, which consent may be withheld at the sole discretion of Borrower. Any such sale, assignment, transfer, syndication, participation or otherwise shall be subject to the terms of this Agreement.

[SIGNATURE PAGE FOLLOWS]

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned party has executed this Note and Loan Agreement (City Loan) under seal as of the date first above written.

**BORROWER:**

SIT-IN MOVEMENT INC., a North Carolina nonprofit corporation

BY: Chair - Deena Hayes - Greene  
Name:

(SEAL) Deena Hayes - Greene  
Title: Chairperson of the Board of Directors

Date: 8/15/2014

**ATTEST:**

BY: [Signature]  
Name: LACY WARR, JR.  
Title: Exec. Dir.

STATE OF NORTH CAROLINA  
COUNTY OF ~~GUILFORD~~ Davidson

I Mary A. McCollough a Notary Public of North Carolina, certify that Deena Hayes-Greene personally came before me this day and acknowledged that he/she is Chairperson of the Board of Directors of the Sit-In Movement, Inc. and that by authority duly given and as to the act of the corporation, the foregoing Loan Agreement instrument was signed in its name by its Chairperson, sealed with its corporate seal, and attested by himself/ herself as its Executive Directors.

Witness my hand and official seal, this the 15 day of August, 2014.

[Signature]  
Notary Public

Commission Expires: 9-6-2017  
Notary Seal

Mary A. McCollough  
NOTARY PUBLIC  
Davidson County  
North Carolina  
My Commission Expires September 6, 2017



**SUB-TENANT:**

CIVIL RIGHTS MUSEUM, LLC

By: Deena Hayes-Greene  
, Member Manager

Name: Deena Hayes-Greene  
Title: Chair

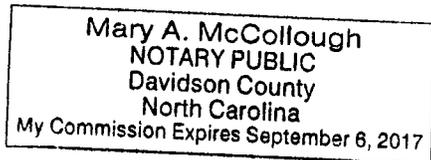
STATE OF NORTH CAROLINA  
COUNTY OF ~~GULFORD~~ Davidson

On this, the 15 day of August, 2014, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Deena Hayes-Greene who acknowledged he/she to be Member Manager of Civil Rights Museum, LLC, who I am satisfied is the person who signed the Loan Agreement and who acknowledged that being validly authorized to do so, they executed the same as such officer for the purposes therein contained.

Commission Expires: 9-6-2017

Mary A. McCollough  
Notary Public

Mary A. McCollough  
Print Name of Notary



Notary Seal

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned party has executed this Loan Agreement (City Loan) under seal as of the date first above written.

ATTEST:

Mary A. McCollough  
NOTARY PUBLIC  
Davidson County  
North Carolina  
My Commission Expires September 6, 2017

By: Mary A. McCollough (SEAL)  
Name: Mary A. McCollough  
Its: Executive Secretary

CITY:

CITY OF GREENSBORO, a North Carolina  
Municipal Corporation

By: Jim Westmoreland (SEAL)  
Name: Jim Westmoreland  
Its: City Manager  
Date: 8/19/14

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

By: R. L. Lusk 8-19-14  
Name: R. L. Lusk  
Title: FINANCE DIRECTOR

Approved as to form:

By: [Signature]  
City Attorney

ATTEST: [Signature]  
CITY CLERK

**Exhibit A**  
**International Civil Rights Center & Museum**

**Spending of the Loan for Tax Credit Obligations**  
**Fiscal Year 2013-2014**

1st Quarter	Tax Credit Obligations-\$62,000, due on 7/1/2013 and paid
2nd Quarter	Tax Credit Obligations-\$62,000, due on 10/1/2013 and paid
3rd Quarter	Tax Credit Obligations-\$62,000, due on 1/1/2014 and paid
4th Quarter	Tax Credit Obligations-\$62,000, due on 4/1/2014 and paid

**Spending of the Loan for Tax Credit Obligations**  
**Fiscal Year 2014- 2015**

1st Quarter	Tax Credit Obligations-\$62,000, due on 7/1/2014
2nd Quarter	Tax Credit Obligations-\$62,000, due on 10/1/2014
3rd Quarter	Tax Credit Obligations-\$62,000, due on 1/1/2015
4th Quarter	Tax Credit Obligations-\$49,000, due on 4/1/2015

**Spending of the Loan for Tax Credit Obligations**  
**Fiscal Year 2015- 2016**

1st Quarter	Tax Credit Obligations-\$49,000, due on 7/1/2015
2nd Quarter	Tax Credit Obligations-\$49,000, due on 10/1/2015
3rd Quarter	Tax Credit Obligations-\$49,000, due on 1/1/2016
4th Quarter	Tax Credit Obligations-\$49,000, due on 4/1/2016

**Spending of the Loan for Tax Credit Obligations**  
**Fiscal Year 2016- 2017**

1st Quarter	Tax Credit Obligations-\$49,000, due on 7/1/2016
2nd Quarter	Tax Credit Obligations-\$49,000, due on 10/1/2016
3 <sup>rd</sup> Quarter	Tax Credit Obligations-\$49,000, due on 1/1/2017

*RL*  
*July* (me)

**EXHIBIT B**

Fiscal Year (FY)	Loan Installment Date	Loan Repayment Date
2013	January 1, 2014	June 30, 2016
2014	30 days after approval of audit (Assumes August 1, 2014)	February 1, 2017
2015	30 days after approval of audit (Assumes August 1, 2015)	February 1, 2018

(The assumption is that the Borrower will deliver financials to the City by July 1 2014 and July 1, 2015, following the end of the previous operating year and that City can review the audit by July 1 of each year.)

**EXHIBIT C**

**Form of Promissory Note**

**Attached hereto.**

EXHIBIT C

NORTH CAROLINA  
GUILFORD COUNTY

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Borrowers, jointly and severally, promise to pay to the City of Greensboro, the principal sum of one million, five hundred thousand and 00/100 dollars (\$1,500,000.00), with interest as hereafter provided, at the rate of two per cent (2%) per annum on the unpaid balance until paid or until default according to the terms noted below and the Loan Agreement dated May \_\_, 2014 ("Loan Agreement"). Advances shall be made, and principal and interest shall be due and payable as follows:

1. Borrowers acknowledge receipt of the sum of seven hundred and fifty thousand and 00/100 dollars (\$750,000.00) on October 25, 2013, which amount shall be repaid by Borrowers on or before June 30, 2016, with interest from January 1, 2014, at the rate of two percent (2%) per annum on the unpaid balance until paid.
2. The sum of five hundred thousand and 00/100 dollars (\$500,000.00), which amount is to be advanced under the terms of the Loan Agreement in the year 2014, with interest at the rate of two percent (2%) per annum on the unpaid balance until paid, the entire sum due and payable 30 months after receipt of the funds in accordance with the Loan Agreement.
3. The sum of two hundred and fifty thousand dollars and 00/100 dollars (\$250,000.00), which amount is to be advanced under the terms of the Loan Agreement in the year 2015, with interest at the rate of two percent (2%) per annum on the unpaid balance until paid, the entire sum due and payable 30 months after receipt of the funds in accordance with the Loan Agreement.

All sums due and owing herein are payable in lawful money of the United States, at the office of the City Attorney, Suite 200, 300 West Washington Street, Greensboro NC, 27402, or at such other place as the legal holder hereof may designate in writing. It is understood and agreed that additional amounts may be advanced by the holder hereof as provided in the Loan Agreement and such advances will be added to the principal of this note and will accrue interest at the above specified rate of interest from the date of advance until paid. This Loan Agreement also specifies loan credits that Borrowers may utilize to satisfy the debt evidenced by this note.

In the event of default in payment of the initial sum or any installment of principal or interest hereof or default under the terms of any instrument securing this note, and if the default is not made good within thirty (30) days, the holder may, without notice, declare the remainder of the debt at once due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time.

All parties to this note, whether principal, surety, guarantor or endorsers, hereby waive presentment for payment, demand, protest and notice of dishonor, and all defenses on the ground of extension of time for the payment hereof, which may be given by the holder of the note to them or

either of them, or to anyone who has assumed the payment of this note.

Upon default, the holder of this note may employ an attorney to enforce the holder's rights and remedies, and the maker, principal, surety, guarantor and endorsers of this note hereby agree to pay to the holder the principal due and owing, the interest thereupon accrued, reasonable attorneys' fees, plus all other reasonable expenses incurred by the holder in exercising any of the holder's rights and remedies upon default.

This note is to be governed and construed in accordance with the laws of the State of North Carolina. This note is given as a loan. The provisions of all security instruments securing this note are incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned parties have executed this Promissory Note under seal as of the date first above written.

(Signature pages follow)

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned party has executed this Note and Loan Agreement (City Loan) under seal as of the date first above written.

BORROWER:

SIT-IN MOVEMENT INC., a North Carolina nonprofit corporation

BY: *Deena Hays Greene*  
Name:

*Deena Hays - Greene*  
Title: Chairperson of the Board of Directors

Date: *8/15/2014*

ATTEST:

BY: *Lacy Wad, Jr.*  
Name: *LACY WAD, JR.*  
Title: *Exec. Dir.*

BORROWER:

ICRCM, LLC

By: *Deena Hays - Greene*  
, Manager

Name: *Deena Hays - Greene*  
Title: *Chair*

By: \_\_\_\_\_  
, Manager

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT D**

**Put and Call Assignment**

**Attached hereto.**

COLLATERAL ASSIGNMENT OF PUT AND CALL AGREEMENT  
AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT OF PUT OPTION AGREEMENT AND SECURITY AGREEMENT (this "Agreement") is made and entered into on the 19th day of ~~August~~, 2014, and is effective as of October 22, 2013 by SIT-IN MOVEMENT, INC., a North Carolina non-profit corporation ("Borrower") in favor of CITY OF GREENSBORO, NORTH CAROLINA, a North Carolina municipal corporation ("City").

RECITALS:

WHEREAS, City has or will extend certain financing to Borrower and its affiliated companies in the original maximum principal amount of \$1,500,000 (the "Loan") in accordance with that certain Loan Agreement of even date among Borrower, ICRCM, LLC, Civil Rights Museum, LLC and City (the "Loan Agreement");

WHEREAS, Borrower entered into that certain Investment Fund Put and Call Agreement with U.S. Bancorp Community Development Corporation, a Minnesota corporation ("USBCDC") dated as of August 17, 2009 (the "Put and Call Agreement") in connection with a loan by Borrower to USBCDE Investment Fund XXXVIII, LLC, a Delaware limited liability company (the "Investment Fund") pursuant to a Fund Loan Agreement between Borrower and Investment Fund dated August 17, 2009 (the "Fund Loan Agreement");

WHEREAS, the Investment Fund has used the proceeds it has borrowed pursuant to the Fund Loan Agreement to provide funding through its subsidiaries, USBCDE Sub-CDE XXXVIII, LLC and Stonehenge Community Development XII, LLC, each a Delaware limited liability company (collectively, the "CDEs") to Museum Landlord, LLC for the renovation of the historic F.W. Woolworth Building in the City for the purpose, in part, to operate a civil rights center and museum under the name "The International Civil Rights Center & Museum" (the "Museum") and, in part, as commercial office space (together with the Museum, the "Project"); and

WHEREAS, the City is willing to make the Loan to provide operating support and development of the Museum on the condition that Borrower assign to the City and grant to the City a security interest in Borrower's rights and obligations under the Put and Call Agreement (the "Put and Call Rights").

AGREEMENT:

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein and as set forth in the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Borrower hereby agrees as follows:

1. Security Agreement. The Borrower hereby unconditionally and absolutely makes, transfers, delivers and assigns unto the City, its successors and assigns, and grants to the City a security interest in, all of the right, title and interest of Borrower in and to the Put and Call Rights, all funds now or hereafter realized by the Borrower from the Put and Call Rights

(including without limitation the Put Exercise Price and the Appraised Value Price identified therein), all proceeds thereof, and any renewals, extensions, modifications or amendments thereto as security for Borrower's obligations under the Loan Agreement.

2. Rights of the City. Upon the occurrence of an Event of Default (as such term is defined in the Loan Agreement) beyond any applicable cure period, then the City, without further notice to the Borrower: (a) shall have the right to exercise any and all rights of the Borrower under the Put and Call Agreement, including (i) the right to exercise the Investment Fund Call, subject to and in accordance with the obligations, terms and conditions thereof, and (ii) the obligation to perform the obligations of the Borrower if the Investment Fund Put is exercised by USBCDC, subject to and in accordance with the terms and conditions of the Put and Call Agreement and (b) the City shall have such other rights with respect to the Put and Call Rights as shall be set forth in the Loan Agreement or otherwise available at law or in equity, specifically including, without limitation the rights and remedies available to secured parties under the Uniform Commercial Code in effect in the State of North Carolina. In addition, if the City exercises its rights hereunder, it shall comply with §14(b) of the Put and Call Agreement.

3. Financing Statements. The Borrower hereby authorizes the City to file financing statements and continuation statements, and to take any and all other actions as the City may deem appropriate or necessary to perfect the security interests granted hereby.

4. Representations and Warranties. The Borrower represents and warrants to the City that (a) the Put and Call Agreement is valid and enforceable against the parties thereto in accordance with its terms, (b) the Borrower has the right, power and authority to assign the Put and Call Rights to the City and grant to the City the security interests created hereby, (c) no other person, except for USBCDC, has any right, title, claim or interest in, against and to the Put and Call Rights, and (d) the City has or upon the attachment of the security interest created hereunder will have a first priority security interest in the Put and Call Rights.

5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina.

6. Consent to Jurisdiction. Any action or proceeding which the City may initiate with respect to this Agreement shall, at the sole option of the City, be brought in and subject to the jurisdiction of any state or federal court of competent jurisdiction of the State of North Carolina, sitting in the County of Guilford to which jurisdiction the Borrower hereby irrevocably consents. The Borrower irrevocably waives any objection, including without limitation any objection to the laying of venue based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any such action or proceeding in such jurisdiction. Nothing herein shall affect the right of the City to serve process in any manner permitted by law.

7. No Waiver. No delay or forbearance by the City in exercising any or all of its rights and remedies hereunder or rights and remedies otherwise afforded by law or in equity shall operate as a waiver thereof or preclude the exercise thereof at a later date.

8. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision

of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9. Costs and Expenses. The Borrower shall pay to the City on demand any and all costs and expenses incurred or paid by the City and incurred or paid on behalf of the City in doing any one or more of the following: (i) protecting its interest in the Put and Call Rights, (ii) collecting any amount secured hereby, and (iii) enforcing its rights hereunder. All sums so paid and expended by the City shall be deemed to be included in the obligations secured by the security interest and lien of this Agreement.

10. Binding Effect. The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto, as well as any persons who become bound hereto as a Borrower.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Borrower has executed this Agreement as of the day and year first above written.

BORROWER:

SIT-IN MOVEMENT INC., a North Carolina nonprofit corporation

BY: Deena Hayes-Greene  
Name:

(SEAL) Deena Hayes-Greene  
Title: Chairperson of the Board of Directors

Date: 8/15/2014

ATTEST:

BY: [Signature]  
Name: LACY WARD, JR  
Title: EXEC. DIR.

STATE OF NORTH CAROLINA  
COUNTY OF GUILFORD Davidson

I Mary A. McCollough a Notary Public of North Carolina, certify that Deena Hayes-Greene personally came before me this day and acknowledged that he/she is Chairperson of the Board of Directors of the Sit-In Movement, Inc. and that by authority duly given and as to the act of the corporation, the foregoing Assignment of Put and Call Agreement and Security Agreement instrument was signed in its name by its Chairperson, sealed with its corporate seal, and attested by himself/ herself as its Executive Director.

Witness my hand and official seal, this the 15 day of August, 2014.

[Signature]  
Notary Public

Mary A. McCollough  
Print Name of Notary

Commission Expires: 9-6-2017  
Notary Seal

Mary A. McCollough  
NOTARY PUBLIC  
Davidson County  
North Carolina  
My Commission Expires September 6, 2017

**EXHIBIT E**

**Note Assignment**

**Attached hereto.**

## COLLATERAL ASSIGNMENT OF NOTE AND PLEDGE AGREEMENT

THIS COLLATERAL ASSIGNMENT OF NOTE AND PLEDGE AGREEMENT (this "Agreement") is made and entered into on the ~~14<sup>th</sup>~~ day of ~~August~~, 2014, and is effective as of October 22, 2013 by SIT-IN MOVEMENT, INC., a North Carolina non-profit corporation ("the Borrower") in favor of THE CITY OF GREENSBORO, NORTH CAROLINA, a North Carolina municipal corporation ("the City").

### RECITALS:

WHEREAS, the City has or will extend certain financing to the Borrower and its affiliated companies in the original maximum principal amount of \$1,500,000 (the "Loan") in accordance with that certain Loan Agreement of even date among the Borrower, ICRCM, LLC, Civil Rights Museum, LLC and the City (the "Loan Agreement");

WHEREAS, the Borrower entered into that certain Fund Loan Agreement with USBCDE Investment Fund XXXVIII, LLC, a Delaware limited liability company (the "Investment Fund") dated August 17, 2009 (the "Fund Loan Agreement") in connection with a loan by the Borrower to Investment Fund (the "Leverage Loan") and pursuant to the Fund Loan Agreement, Investment Fund executed and delivered to the Borrower that certain Promissory Note dated August 17, 2009 in the original principal amount of \$19,886,200.00 (the "Fund Note");

WHEREAS, the Investment Fund has used the proceeds it has borrowed pursuant to the Fund Loan Agreement to provide funding through its subsidiaries, USBCDE Sub-CDE XXXVIII, LLC and Stonehenge Community Development XII, LLC, each a Delaware limited liability company (collectively, the "CDEs") to Museum Landlord, LLC for the renovation of the historic F.W. Woolworth Building in the City for the purpose, in part, to operate a civil rights center and museum under the name "The International Civil Rights Center & Museum" (the "Museum") and, in part, as commercial office space (together with the Museum, the "Project");

WHEREAS, as security for the Leverage Loan, the Borrower and Investment Fund entered into that certain Pledge Agreement dated August 17, 2009 (the "Pledge Agreement") pursuant to which Investment Fund pledged to the Borrower all of its rights, title and interest in its membership interests in the CDEs; and

WHEREAS, the City is willing to make the Loan to provide operating support and development of the Museum on the condition that the Borrower assign to the City and grant to the City a security interest in the Fund Note and Pledge Agreement (collectively, the "Loan Documents") and as an inducement to the City to loan the Borrower funds evidenced by the Loan Agreement, the Borrower has agreed to assign and pledge the Loan Documents to the City, as collateral security for the prompt payment and satisfaction of all of the Borrower's liabilities to the City under the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing, the Borrower hereby agrees with The City as follows:

1. Grant of Security Interest. The Borrower hereby unconditionally and absolutely makes, transfers, delivers and assigns unto the City, its successors and assigns, and grants to the

City a security interest in, all of the right, title and interest of the Borrower in and to the Loan Documents, all funds now or hereafter realized by the Borrower from the Loan Documents, all proceeds thereof, and any renewals, extensions, modifications or amendments thereto as security for the Borrower's obligations under the Loan Agreement.

2. Rights of the City. Upon the occurrence of an Event of Default (as such term is defined in the Loan Agreement) beyond any applicable cure period and subject to the Forbearance and Tolling Agreement in Paragraph 10 of the Loan Agreement, then the City, without further notice to the Borrower: (a) shall have the right to exercise any and all rights of the Borrower under the Loan Documents, including the right to ask, demand, require, receive, collect, compound and give discharges and releases of all claims for any and all revenues and other moneys due or to become due under or arising out of the Loan Documents, (including, without limitation, all payments of principal and interest on the Fund Note as they become due) and to notify the Investment Fund to make such payments directly to the City or its agent or nominee as such payments become due, and (b) the City shall have such other rights with respect to the Loan Documents as set forth in the Loan Agreement or otherwise available at law or in equity, specifically including, without limitation the rights and remedies available to secured parties under the Uniform Commercial Code in effect in the State of North Carolina. The Borrower hereby agrees, at the request of the City, to give written notice to the Investment Fund of the terms and provisions of this Agreement and of the direction herein set forth with respect to payments under the Loan Documents and agrees, at the request of the City, to obtain the Investment Fund's agreement to make any such payments to the City in accordance with this Agreement.

3. Application of Proceeds Received After Default. The proceeds of any collection, recovery, receipt, appropriation, or realization by the City in exercising its remedies following an Event of Default shall be applied as follows:

(a) First, to the costs and expenses of every kind incurred in connection therewith or in any way relating to the rights of the City hereunder, including reasonable attorneys' fees and legal expenses;

(b) Second, to the satisfaction of the principal and interest due to the City under the Loan Agreement;

(c) Third, to the payment of any other amounts required by applicable law;  
and

(d) Fourth, to the Borrower to the extent of the surplus proceeds, if any.

In the event that the proceeds of any collection, recovery, receipt, appropriation, realization or sale as aforesaid are insufficient to satisfy all amounts due to the City under the Loan Agreement, the Borrower will be liable for the deficiency together with interest thereon at the rate prescribed in the Loan Agreement plus the reasonable fees of any attorneys employed by the City to collect such deficiency.

4. Financing Statements. The Borrower hereby authorizes the City to file financing statements and continuation statements, and to take any and all other actions as the City may deem appropriate or necessary to perfect the security interests granted hereby.

5. Representations, Warranties and Covenants. The Borrower represents and warrants to the City that (a) the Loan Documents are valid and enforceable against the parties thereto in accordance with its terms, (b) the Borrower has the right, power and authority to assign the Loan Documents to the City and grant to the City the security interests created hereby, (c) no other person except for the Investment Fund has any right, title, claim or interest in, against and to the Loan Documents, and (d) the City has or upon the attachment of the security interest created hereunder will have a first priority security interest in the Loan Documents. The Borrower hereby covenants that, until all amounts due to the City under the Loan Agreement shall be satisfied in full, the Borrower will not, without the prior written consent of the City: (i) sell, convey, or otherwise dispose of the Loan Documents or any interest therein; (ii) modify, amend or release the Loan Documents; (iii) settle, compromise, compound or adjust any claims with respect to the Loan Documents; (iv) create, incur or permit to exist any pledge, mortgage, lien, charge, encumbrance or any security interest whatsoever with respect to the Loan Documents or the proceeds thereof other than that created hereby.

6. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina.

7. Consent to Jurisdiction. Any action or proceeding which the City may initiate with respect to this Agreement shall, at the sole option of the City, be brought in and subject to the jurisdiction of any state or federal court of competent jurisdiction of the State of North Carolina, sitting in the County of Guilford to which jurisdiction the Borrower hereby irrevocably consents. The Borrower irrevocably waives any objection, including without limitation any objection to the laying of venue based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any such action or proceeding in such jurisdiction. Nothing herein shall affect the right of the City to serve process in any manner permitted by law.

8. No Waiver. No delay or forbearance by the City in exercising any or all of its rights and remedies hereunder or rights and remedies otherwise afforded by law or in equity shall operate as a waiver thereof or preclude the exercise thereof at a later date.

9. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10. Costs and Expenses. The Borrower shall pay to the City on demand any and all costs and expenses incurred or paid by the City and incurred or paid on behalf of the City in doing any one or more of the following: (i) protecting its interest in the Put and Call Rights, (ii) collecting any amount secured hereby, and (iii) enforcing its rights hereunder. All sums so paid and expended by the City shall be deemed to be included in the obligations secured by the security interest and lien of this Agreement.

11. Binding Effect. The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto, as well as any persons who become bound hereto as a The Borrower.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Borrower has executed this Agreement as of the day and year first above written.

**BORROWER:**

SIT-IN MOVEMENT INC., a North Carolina nonprofit corporation

BY: Deena Hayes-Greene  
Name:

(SEAL) Deena Hayes-Greene  
Title: Chairperson of the Board of Directors

Date: 8/15/2014

**ATTEST:**

BY: Lacy Ward, Jr  
Name: LACY WARD, JR  
Title: Exec. Dir.

STATE OF NORTH CAROLINA

COUNTY OF ~~GUILFORD~~ Davidson

I Mary A. McCollough a Notary Public of North Carolina, certify that Deena Hayes-Greene personally came before me this day and acknowledged that he/she is Chairperson of the Board of Directors of the Sit-In Movement, Inc. and that by authority duly given and as to the act of the corporation, the foregoing Assignment of Put and Call Agreement and Security Agreement instrument was signed in its name by its Chairperson, sealed with its corporate seal, and attested by himself/ herself as its Executive Director.

Witness my hand and official seal, this the 15 day of August, 2014.

Mary A. McCollough  
Notary Public

Mary A. McCollough  
Print Name of Notary

Commission Expires: 9-6-2017  
Notary Seal

Mary A. McCollough  
NOTARY PUBLIC  
Davidson County  
North Carolina  
My Commission Expires September 6, 2017

## Consent and Agreement

This Agreement is entered into as of August 14, 2014, by and between Community Historic Credit Fund VII, LLC, a North Carolina limited liability company (the "Investor Member") and ICRCM, LLC, a North Carolina limited liability company ("ICRCM").

WHEREAS, the City of Greensboro, a North Carolina municipal corporation (the "City") has agreed to provide a loan in the principal amount of one million five hundred thousand dollars (\$1,500,000) (the "Loan") to ICRCM and Sit-In Movement, Inc., a North Carolina non-profit corporation ("SIM" and collectively with ICRCM, the "Borrower") in connection with the operation and development of the International Civil Rights Center & Museum (the "Transaction");

WHEREAS, in connection with the Transaction, SIM, ICRCM, the City and Civil Rights Museum, LLC, a North Carolina limited liability company have entered into a Loan Agreement and such other additional documentation deemed necessary to effectuate the Transaction (the "Loan Documents");

WHEREAS, the Investor Member and ICRCM are both partners in Museum Tenant, LLC, a North Carolina limited liability company (the "Company"), with the Investor Member holding a 99.99% ownership interest in the Company, and, pursuant to the Amended and Restated Operating Agreement of the Company, by and between ICRCM and the Investor Member and dated August 17, 2009 (the "Operating Agreement"), ICRCM is the managing member of the Company; and

WHEREAS, the Investor Member and ICRCM desire to enter into this Agreement to confirm their agreement on certain matters in connection with the Transaction and execution of the Loan Documents.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements of the parties set forth herein, the parties hereby agree as follows:

1. Transaction Acknowledgement. Investor Member hereby acknowledges and consents to the Transaction and the inclusion of ICRCM in the definition of Borrower in the Loan Documents. The Investor Member's acknowledgement and consent to ICRCM's borrowing is limited to the Loan.

2. Prohibition on Additional Financing. As provided in Section 7.2(j) of the Operating Agreement, ICRCM is hereby prohibited from seeking, requesting, or borrowing any funds on the Company's behalf, obligating the Company under any indebtedness, or causing the Company to consent to Museum Landlord, LLC, a North Carolina limited liability company borrowing additional funds without the express prior written consent of the Investor Member.

3. Termination. This Agreement shall remain in effect for so long as the Investor Member is a member of the Company.

*[signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**ICRCM, LLC**

By: *Diana Hays Greene*  
Name: *Diana Hays Greene*  
Title: *Chair*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COMMUNITY HISTORIC CREDIT FUND VII,  
LLC**

By: Community Affordable Housing Equity  
Corporation, its managing member

By: \_\_\_\_\_  
Dana S. Boole  
President

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

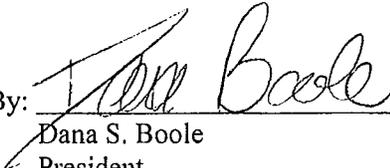
**ICRCM, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COMMUNITY HISTORIC CREDIT FUND VII,  
LLC**

By: Community Affordable Housing Equity  
Corporation, its managing member

By:  \_\_\_\_\_  
Dana S. Boole  
President

## RESOLUTION

Whereas: Deena Hayes-Greene was elected Chair of the Board of Directors of Sit-In Movement, Inc. (the Corporation) at a meeting held December 16, 2013; and

Whereas: it is the long standing practice of the Chair of the Board of Directors of Sit-In Movement, Inc. being vested with the authority to execute contracts and bind the Corporation and the Affiliated Entities of the Corporation; and

Whereas: the Affiliated Entities include:

- ICRCM, LLC,
- Museum Landlord, LLC,
- Museum Tenant, LLC and
- Civil Rights Museum, LLC; and

Whereas: Chair Hayes-Greene did on August 15, 2014 sign contracts (attached hereto) with the City of Greensboro on behalf of the Corporation and the several Affiliated Entities of the Corporation; and

Whereas: Lacy Ward, was appointed Executive Director of Sit-In Movement, Inc. and Civil Rights Museum, LLC with a term beginning May 19, 2014; and

Whereas: Executive Director Ward did on August 15, 2014 attest the Chair's signature to said contracts (attached hereto) with the City of Greensboro on behalf of the Corporation and the several Affiliated Entities of the Corporation; and

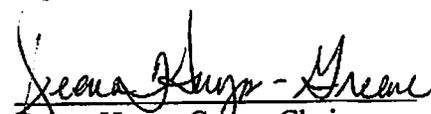
Whereas: it is the desire of the Board of Directors to ratify the August 15 signatures of the Chair and attestments of the Executive Director.

Now Therefore Be It Resolved: that the Board of Directors ratifies the action of the Chair in signing contracts (attached hereto) with the City of Greensboro on behalf of the Corporation and the several Affiliated Entities of the Corporation, and that the Board of Directors ratifies the attestments of the Executive Director.

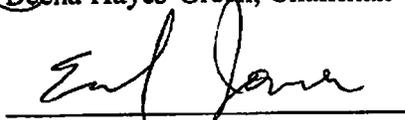
## CERTIFICATION

I hereby certify that the foregoing RESOLUTION was duly considered by the Sit-In Movement, Inc. Board of Directors, at its August 18, 2014 meeting at which a quorum was present and the vote was 9 in favor, and 0 opposed. *1 ABSTAINED*

Signed:

  
Deena Hayes-Greene, Chairman

Date: 8/18/2014

  
Edward B. Fort, ~~Secretary~~ VICE CHAIR

Date: 8/18/2014